The Maturity Model in Action

CONTINUING PROFESSIONAL DEVELOPMENT

Guidance Series for the development of Professional Accountancy Organisations
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The Confederation of Asian and Pacific Accountants (CAPA) is recognised by the global accountancy profession, represented by the International Federation of Accountants (IFAC), as a regional organisation representing national professional accountancy organisations (PAOs) in Asia Pacific.

The mission of CAPA is to develop, coordinate and advance the accountancy profession in the region by:

- Contributing to the formation and growth of sustainable accountancy organisations;
- Facilitating relationships and sharing knowledge;
- Promoting high-quality financial reporting;
- Influencing the development of public sector financial management;
- Influencing the development of efficient and effective capital markets;
- Promoting the value of the profession; and
- Providing input to, and supporting the global profession in, matters of public interest.

About CAPA

This Continuing Professional Development (CPD) guide has been prepared as part of a larger project, a Program to Strengthen Accounting Capacity in Mongolia, Philippines & Vietnam by Improving the Continuing Professional Development (CPD) Systems. Commenced in early 2014, the project was funded by the World Bank and implemented by CAPA with the assistance of a consultant – a joint venture between Accounting & Audit Reform Consultants Ltd (AARC) and the ACCA (Association of Chartered Certified Accountants). The project also resulted in the development of an online CPD Systems Toolkit ("the toolkit"), an associated training video, and this guide.

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. This 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.

About the Guidance Series

The Guidance Series is produced to support the Maturity Model for the Development of Professional Accountancy Organisations publication. The series is supported by the Professional Accountancy Organisation Development Committee (PAODC) of CAPA, which is focused on the development of strong and sustainable professional accountancy organisations through the identification, development and sharing of relevant knowledge, tools and guidance.

The Guidance Series and other development materials may be accessed and downloaded from the CAPA website at: www.capa.com.my.

Any comments on these publications or related materials should be directed to the CAPA Secretariat: admin@capa.com.my

Acknowledgement

The International Federation of Accountants (IFAC) is the global organisation for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies.

A key focus area for IFAC is PAO capacity building. IFAC endorses and recommends this publication to all existing and aspiring PAOs around the world.

Endorsement

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We are very pleased to support CAPA in developing the CPD toolkit and its implementation in collaboration with the three participating PAOs.

– The World Bank
THE MATURITY MODEL

The Maturity Model is a support tool that allows professional accountancy organisations (PAOs) to take a systematic approach to their organisational development. The Maturity Model’s open approach and user-friendly interface present a clear value proposition that is unique on the international PAO development stage. The Maturity Model helps PAOs make and carry out their commitment to excellence, easily tracking their progress along the way. It provides a holistic, proven and easy-to-scale framework that PAOs can interpret within their own context. This flexibility allows PAOs to decide on their own purpose and pace of improvement efforts.

THE MATURITY MODEL

The Maturity Model comprises sixteen key success areas (KSAs) across four broad characteristics, which are presented around the outside of the model as sustainability, relevance, professionalism and member value. Each of these KSAs is considered important; however, the emphasis may vary based on the organisation concerned. Continuing professional development (CPD) is included as a key success area.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Key Success Areas</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUSTAINABILITY</td>
<td>Legal &amp; Market Recognition</td>
<td>An acknowledged reason to exist</td>
</tr>
<tr>
<td></td>
<td>Governance</td>
<td>Oversight, direction and control arrangements</td>
</tr>
<tr>
<td></td>
<td>Funding &amp; Business Model</td>
<td>A strategy and plans for long-term viability</td>
</tr>
<tr>
<td></td>
<td>Infrastructure &amp; Management</td>
<td>Appropriate systems, processes and people</td>
</tr>
<tr>
<td>RELEVANCE</td>
<td>Membership</td>
<td>Criteria for admission and levels of membership</td>
</tr>
<tr>
<td></td>
<td>Member Involvement</td>
<td>Member needs and views understood</td>
</tr>
<tr>
<td></td>
<td>Standards*</td>
<td>International technical standards adopted and implemented</td>
</tr>
<tr>
<td></td>
<td>Public Interest</td>
<td>Generates benefits for all society</td>
</tr>
<tr>
<td>PROFESSIONALISM</td>
<td>Ethics*</td>
<td>Established standards of conduct for professionals</td>
</tr>
<tr>
<td></td>
<td>Quality Assurance*</td>
<td>Standards for delivering services to the public</td>
</tr>
<tr>
<td></td>
<td>Investigation &amp; Discipline*</td>
<td>Maintains standards of membership</td>
</tr>
<tr>
<td></td>
<td>Professional Qualification*</td>
<td>Established required-competency benchmark</td>
</tr>
<tr>
<td>MEMBER VALUE</td>
<td>Continuing Professional Development*</td>
<td>Supports member competency</td>
</tr>
<tr>
<td></td>
<td>Member Services</td>
<td>Responds to member needs; provides value</td>
</tr>
<tr>
<td></td>
<td>International Relationships</td>
<td>Internationally connected and continually improving</td>
</tr>
<tr>
<td></td>
<td>Advocacy &amp; Influence</td>
<td>Recognised voice on topics of relevance</td>
</tr>
</tbody>
</table>

* These KSAs link to IFAC’s Statements of Membership Obligations (SMOs)

No matter what segment of the market the PAO serves, CPD cannot be ignored.
Each KSA is accompanied by an attribute table that assists PAOs in assessing their current level of maturity and considering their desired level for each KSA. The attribute table for CPD is below.

In the attribute tables, five levels of maturity are distinguished. As accountancy organisations mature, they typically pass through each of these development levels, which can be characterised by attributes representing:

1. Ad hoc or no practices
2. Informal practices
3. Good practices
4. Strong practices
5. Best practices

Organisations are encouraged to attain good practices as a minimum for all KSAs.

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**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.

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

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2 The attributes included in the attribute tables are not necessarily exhaustive and should be viewed as examples.

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**THE CPD GUIDE**

As a companion guide to the online CPD Systems toolkit, this guide is designed for any organisation looking to implement a robust system for CPD that, at a minimum, demonstrates the attributes of good practice. PAOs may or may not be directly responsible for all the components of CPD systems. Specific circumstances have to be considered, such as whether CPD is regulated by law or governed by professional self-regulation; whether CPD is mandatory, and the PAO can impose sanctions for non-compliance; and whether the PAO has the necessary expertise and resources for CPD. In our view, however, the attributes for good practice, as included in the International Education Standard 7 (IES 7), are relevant irrespective of the actual division of responsibilities between government agencies, standard setters and the accountancy profession.

This guide provides the “why,” “what” and “how” of CPD. It explains why a strong commitment to CPD is important; highlights the key components of a robust CPD system that complies with international requirements for good practice; and explains the content of, and approach to using, the online CPD Systems Toolkit (see pages 21-26).
WHY: THE CASE FOR A STRONG CPD SYSTEM

CPD is a structured approach to lifelong learning that develops and maintains professional competence, enabling professional accountants to continue to perform their roles effectively. CPD is a continuation of initial professional development (IPD), the learning and development through which individuals first gain the competence that allows them to perform the role of a professional accountant.

CPD provides continuing development of (a) professional knowledge; (b) professional skills; (c) professional values, ethics and attitudes; and (d) the competence achieved during IPD, refined appropriately for the professional activities and responsibilities of the individual professional accountant. In addition, CPD may provide new competencies and additional breadth or depth of knowledge to professional accountants who take on new roles during their careers.

A strong CPD system is a highly relevant attribute for a strong accountancy profession.

THE IMPORTANCE OF CPD SYSTEMS

The inclusion of CPD in the Maturity Model is supported by the PAO Global Development Report (GDR) produced under the Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration (MOSAIC) signed by IFAC and donor organisations.

“Develop PAO education and certification capacity” is one of the ten key areas of focus of the PAO GDR, which notes: “At the moment, many PAOs lack systems of certification that include appropriate entry criteria, professional accountancy education, assessment, practical experience and continuing professional development (CPD) requirements in line with International Education Standards (IESs). Although many PAOs have made significant gains in this area, additional assistance is needed to target weaknesses, build human capacity in the area of accountancy and provide higher-quality financial information to both government and business.” The conclusions of the PAO GDR clearly support the relevance of a comprehensive approach to the development of CPD systems in countries with different backgrounds.

An effective program of CPD is a key element to maintain the professionalism of an organisation and its members.

– The World Bank

COMMITMENT TO PROFESSIONALISM

It is the responsibility of each professional accountant to develop and maintain professional competence by undertaking relevant CPD activities. Personal self-development, a key driver for the individual, can work harmoniously alongside the objectives of the PAO.

PAOs that want to achieve international comparability and recognition need to have strong systems of CPD. International Education Standard 7 (IES 7), issued by the International Accounting Education Standards Board, states that the role of PAOs in this area is to:

- Foster a commitment to lifelong learning among professional accountants;
- Facilitate access to CPD opportunities and resources for professional accountants; and
- Adopt prescribed requirements relating to the development and implementation of appropriate measurement, monitoring and compliance procedures.

The overall objective of PAO activities for CPD is to help professional accountants develop and maintain their professional competence and thus to protect the public interest. A fundamental principle of the IESBA Code of Ethics for Professional Accountants states: “A professional accountant has a continuing duty to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional services based on current developments in practice, legislation and techniques. A professional accountant should act diligently and in accordance with applicable technical and professional standards when providing professional services.” CPD is the means by which professional accountants can meet their obligations of ongoing competence.

ROLES AND RESPONSIBILITIES OF PAOs

The IES 7 sets out the responsibilities of PAOs that are members of the International Federation of Accountants (IFAC) in respect to CPD. These can be summarised as follows:

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

IFAC’s Statement of Membership Obligations (SMO 2) sets out the obligations of member bodies of IFAC in relation to International Education Standards (IESs) for Professional Accountants and related statements issued by the International Accounting Education Standards Board (IAESB). The 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.

It is recognised that in some markets, because of regulation, these responsibilities may be split between the PAO and government agencies. If this is the case, it is important that there be a strong dialogue between the PAO and the government agencies and that they work together to achieve good practice. In this guide and in the associated toolkit, the IFAC requirements are considered benchmarks for good practice, irrespective of the division of roles and responsibilities between standard setters, regulators and institutions of the accountancy profession.

For professionals, education and training never ends.

5 International Education Standard (IES) 7, Continuing Professional Development 2014
6 Maturity Model for the Development of Professional Accountancy Organisations, CAPA, February 2014.
7 The PAO GDR shows the state of development of PAOs around the world, and the challenges and success factors surrounding their development.
8 For more information about MOSAIC, refer to www.ifac.org/mosaic.

WHAT: THE KEY COMPONENTS

CPD is learning and development that takes place after initial professional development (IPD) and cultivates and maintains professional capabilities to enable professional accountants to continue to perform their roles competently.

Five key components of an effective CPD system have been identified and are discussed in the online CPD Systems toolkit. Each key component is split into identified topics and further details on these are provided in the following tables. This detail is largely extracted from the online toolkit.

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 and other entities providing CPD in the market. This component aims to prompt the PAO to think through its vision and objectives bearing in mind the resources at its disposal and the external environment in which it operates.

Approaches to CPD
deals with facilitating access to CPD opportunities. It addresses training-needs analysis, content development and content delivery. As many PAOs will not have the internal expertise to develop and deliver content, this section also looks at cooperation with external partners and outsourcing.

Governance of CPD
explores a PAO’s structural governance and policy arrangements. For example, a CPD committee could be responsible for agreeing an annual CPD strategy and receiving reports on performance related to set targets, while the CPD staff team could conduct research, such as a training-needs analysis, draft the strategy and be responsible for CPD operations.

Mandatory CPD
explores the elements of a mandatory CPD regime, which comprise establishing the CPD requirements for members; monitoring, compliance and enforcement of those requirements; and setting sanctions for any non-compliance.

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. This component also explores measurement of the performance of a PAO’s CPD programme against agreed objectives.

Tools and Resources to Support the Development of the Accounting Profession, IFAC, December 2010
WHAT: THE KEY COMPONENTS

KEY COMPONENT 1: MARKET ASSESSMENT

The promotion of CPD is an important responsibility for PAOs that want to achieve international comparability and recognition. To develop their CPD systems, PAOs need to understand the regulatory environment in which they operate as well as any other factors that may influence their CPD strategy.

A primary function of all professional organisations is to further the expertise, skills and abilities of their members, and to ensure up-to-date knowledge among those currently in practice. CPD is therefore an important element of PAO education and certification capacity.

Aspects of the regulatory environment considered in the toolkit comprise:
- PAO characteristics
- PAO regulation
- CPD requirements

Examples of good practice include:
- A PAO and staff who are working to meet market needs;
- A PAO that has formal government recognition and collaborates with government and regulatory authorities; and
- A PAO with an established CPD policy.

Every PAO should have a coherent strategy that directs the financial, technical and overall development of the organisation, defines key activities and provides indicators to facilitate the measurement of progress. CPD is one of the areas that needs consideration as part of the overall strategy. Not only does a PAO have responsibility for ongoing professional quality, shared with its members, but a PAO should also be a centre of expertise on professional development, including CPD.

Aspects of strategic analysis considered in the toolkit comprise:
- Market conditions for CPD
- Market strategy for CPD

Under market conditions for CPD, attention is given to the legal position, size and function of the PAO; demand for CPD; and competition. As part of market strategy, a PAO should determine its own vision and values in regard to CPD.

As with the other parts of its operations, the PAO needs to set objectives for its CPD program. 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, possibly at premium rates? If it has limited capacity, does it intend to work with partners such as other professional bodies, universities or commercial training providers to facilitate access to CPD?

An example of good practice is the active promotion of CPD, with identified business objectives, as part of a strategic planning framework. Regular monitoring and evaluation of performance against targets is also important for achieving strong or best practice.

KEY COMPONENT 2: GOVERNANCE OF CPD

Governance of CPD covers all core activities of PAOs that are necessary to promote continuous professional development and lifelong learning by their members. It is important for PAOs to understand the requirements of good governance for CPD and to achieve a level of good practice. We note that a distinction can be made between the governance structure and the policy and compliance framework for CPD.

Promotion of CPD as a requirement for continuing membership is one of the key activities of a PAO, especially for one that wants to meet international standards and benchmarks for good practice. Responsibility for CPD policy therefore has to be embedded in the overall governance structure of the PAO. This can be achieved at different levels, ranging from “informal practice” through volunteers to formal governance structures with councils and committees, clear terms of reference and a permanent staff team.

Depending on the level of and complexity of the PAO, certain responsibilities for CPD can be allocated to:
- The board itself
- A separate CPD committee
- Dedicated staff

For example, if responsibilities for CPD are delegated to a separate CPD committee, this committee will need terms of reference that establish its roles and responsibilities. These should cover the:
- Purpose and objectives of the committee
- Committee membership criteria
- Reporting responsibilities

Aspects of the governance structure for CPD considered in the toolkit comprise:
- Governance structure for CPD
- Responsibility for CPD
- Membership categories
- Governance documentation for CPD

Examples of good practice include: established leadership and governance structure; separation of governance and management roles and accountabilities; and established governance documentation.

It is important for a PAO to have a policy framework for CPD that covers, at a minimum, the following subjects:
- Requirements for CPD
- Measurement of CPD
- Monitoring and enforcement of CPD
- CPD opportunities for members

Usually the PAO board or council will agree the CPD policy and take ultimate responsibility for ensuring that the policy remains relevant as market conditions, including international standards and requirements for CPD, change. It may also receive reports on policy compliance.

The PAO may be required to submit reports to, or have its governance reviewed by, external regulators. Alternatively, the government may set the CPD policy and monitor and enforce compliance in the market.

If the PAO has a separate CPD committee, the committee would usually act as a sounding board between staff and the council. For example, it may provide input into the annual CPD strategy developed by staff before the strategy is presented to the council. Alternatively, the council may delegate the sign-off of the annual strategy to the committee.

Aspects of CPD policy and compliance considered in the toolkit comprise:
- CPD policy
- CPD requirements
- CPD organisation

Examples of good practice include: an established CPD policy; CPD recognised as a requirement for membership; active promotion of CPD and its importance; and a specific staff focus for CPD. To achieve strong or best practice, CPD should be monitored and enforced and non-compliance should be addressed via investigation and discipline.
WHAT: THE KEY COMPONENTS

KEY COMPONENT 3: MANDATORY CPD

The overarching principle of IES 7 is that CPD is mandatory for all professional accountants. CPD requirements should therefore be enforced. Depending on its regulatory position, it is the role of a PAO to set these requirements, require measurement, and monitor and enforce the requirements, or seek cooperation with the regulator to enforce the requirements. This component is intended to help PAOs understand the mandatory CPD requirements, different approaches to measurement and specific elements of monitoring and enforcement.

Increasingly, PAOs are being held responsible by governments, standard setters and oversight agencies for the 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.

While “public trust” is often mentioned as a reason for mandatory CPD, from the position of a PAO, “brand protection” is almost as important. A PAO can only fulfill its role in cooperation with governments, standard setters and oversight agencies if it is perceived to be a high-quality body that adheres to high professional standards.

Aspects of CPD requirements considered in the toolkit are:
• Requirements for accountants
• Requirements for audit professionals
• Verifiable and non-verifiable CPD
• Waiver policy

An example of good practice is that CPD is recognized as a requirement for ongoing membership, with established criteria for a distinction between verifiable and non-verifiable CPD, and for a waiver policy to cope with specific individual circumstances. For strong and best practice, monitoring and enforcement based on annual declarations are also necessary.

When a PAO selects a measurement methodology for CPD, it should consider:
• The expertise and resources required
• The objectives to be achieved by members, such as using CPD as evidence of their expertise and
• For the PAO itself, highlighting the quality of the profession

Aspects of the measurement of CPD considered in the toolkit comprise:
• Selection of a measurement methodology
• An output-based approach to measurement
• An input-based approach to measurement
• A combination approach to measurement

An example of good practice is that the PAO has established criteria for the selection of a measurement methodology. For strong practice, regular evaluation is required.

Monitoring and enforcement should begin with the PAO clearly communicating to its members:
• Why CPD is important
• What the requirements are
• How the requirements can be met
• What the distinction is between verifiable and non-verifiable CPD
• How CPD can be measured to comply with the PAO requirements

In protecting the public interest, PAOs may prescribe specific or additional CPD for professional accountants working in specialist areas, such as audit professionals. Specific CPD might also be needed for accountants on career breaks, who will need additional knowledge and skills on returning to work.

Members of the PAO must submit annual declarations to confirm that they have complied with the CPD policy.

PAOs have to determine 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 when it comes to expelling non-compliant professional accountants from membership or withdrawing their right to practice. Efforts should initially be made to remedy the non-compliance, since expulsion may create greater risks to the employer or public.

Aspects of monitoring and enforcement considered in the toolkit comprise:
• Monitoring of CPD
• Supervision of CPD
• Enforcement of CPD
• CPD documentation

For good practice, there should be established criteria for monitoring CPD, regular supervision and criteria for enforcement and adequate documentation of compliance by individual members of the PAO.

Key Topics

<table>
<thead>
<tr>
<th>CPD Requirements</th>
<th>Measurement of CPD</th>
<th>Monitoring &amp; Enforcement</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>
KEY COMPONENT 4: APPROACHES TO CPD

An important PAO role is that of facilitating access to CPD opportunities and resources that support professional accountants in meeting their responsibility for CPD and for the maintenance of professional competence. Attention should be given to training-needs analysis, content development and content delivery. The PAO can offer CPD by itself or it can cooperate with external providers such as universities and commercial enterprises.

### Training-Needs Analysis

A PAO should consider conducting a training-needs analysis survey to determine the CPD requirements of its members. Based on this survey, it should establish a comprehensive program to cover all subjects that are relevant for the profession in the country and the different sectors in which its members work. The program will need to reflect updates to international standards and consider the specific needs of different groups of members.

Aspects of training-needs analysis considered in the toolkit comprise:
- Competences and capabilities of accountants
- Competences and capabilities of audit professionals
- Member-needs analysis
- Competence approach to CPD

One example of good practice is a structured consideration of the member needs and competence requirements contained in the IESs. For strong and best practices, the PAO should focus on the differing requirements of members in different categories, regularly monitoring and evaluating these requirements.

### Content Development

Facilitating access to CPD courses is an important PAO role. A PAO would normally develop its own material, choosing professional subjects from its core competencies. In addition, when the PAO lacks the expertise or when the subject is more general, other providers need to be involved. In addition, when the PAO lacks the expertise or when the subject is more general, other providers need to be involved.

Content development depends on the intended audience and, more precisely, on the present level of knowledge and skills and the intended outcomes of the types 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
- Increase general competence and capabilities

Content development is also influenced by the delivery methods employed, including:
- Possible format (example, classroom or e-learning)
- Assessment method for participants
- Evaluation of the learning provided

Aspects of content development considered in the toolkit comprise:
- The objective of content development
- Expertise and resources
- Development method
- Quality assurance

Evaluating the learning provided is important for good practice, both for participants and for the PAO.

### Content Delivery

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. Online CPD can help, supporting the program and making it easy to access. 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

CPD is offered to professionals who typically have very full agendas. For many PAOs, therefore, time frames are usually selected that interfere as little as possible with work requirements. The PAO can develop course content itself, or it can stipulate objectives and leave the development of handout materials to presenters. The most relevant distinction for course and learning formats is that between face-to-face courses and distance learning.

Aspects of content delivery considered in the toolkit are:
- Market analysis
- Content delivery by the PAO
- Accreditation of external providers
- Accreditation of employers

For good practice, a comprehensive training program should be established over time and delivered by a pool of competent trainers.

In today’s world, online CPD needs to be a delivery option.
Like any other PAO activity, CPD needs to be managed in a business-like manner. Selection of the delivery model for CPD will depend on the needs of members, how they wish to access CPD and the resources available, both internally and externally.

Attention should be given to the distinction between face-to-face and distance learning, and to the use of online systems to administer course bookings.

The PAO will need a marketing strategy to communicate its policy and CPD opportunities to members.

The PAO will also need to consider its financial objectives – does it budget to break even or to generate profits?

The aspects of the business management section of the toolkit are:

• Delivery model for CPD
• Providing relevant learning
• Marketing of CPD
• Financial considerations

Examples of good practice include regular communication of CPD policy, structured marketing and consideration of CPD income and expenditure budgets.

It is important to measure the performance of a PAO’s CPD program against agreed objectives. A PAO will need to agree and monitor its CPD budget, for example. This budget should cover costs – fixed and variable, as well as direct and indirect – along with prices, income and an agreed outcome.

The aspects considered for the performance management section of the toolkit are:

• Activity management
• Allocation of resources
• Budget, costing and pricing
• Working with partners

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.

The administrative and IT systems put in place and run by the PAO are crucial to the success of CPD operations. The reputation of the PAO will be damaged if it does not offer excellent customer service. The management of a PAO therefore needs to exercise strong oversight of the operational model chosen, monitor performance outcomes and take action to improve the CPD systems as necessary.

The aspects considered for the administration section of the toolkit are:

• Administration systems
• Administration processes
• Payments and enrolments
• Oversight of the operational systems

For good practice, effective facilities and IT structures are necessary, with a structured approach to processes, payments and enrolments, along with effective cost control.

Members expect their PAO to have efficient, fit-for-the-purpose business practices.
The CPD Systems Toolkit ("the toolkit") is an online application. This application is a ‘better practice’ tool for the design and implementation of effective CPD systems. The toolkit has been developed to allow PAOs to both assess and improve their CPD-related approaches and activities.

This ‘how’ section provides an overview of the toolkit through a series of screenshots, and follows the sequence in which each module is introduced.

1. Understand CPD Systems – the toolkit overview and each module provide descriptions of ‘better practice’ systems.
2. Assess and Evaluate – a self-assessment process enables the identification of current and desired (or planned) levels of practice and maturity, and allows for priorities and timelines to be considered.
3. Take Action – a template is provided to assist in creating a series of Improvement Action Plans. Case studies and other templates provide information and support implementation.

**CAPA CPD Toolkit**

About the CPD Toolkit

The CAPA Continuing Professional Development (CPD) Toolkit has been prepared as part of a larger project, a Programme to Strengthen Accounting Capacity in Mongolia, the Philippines and Vietnam by Improving the Continuing Professional Development (CPD) Systems, Commenced in early 2012, the project was funded by the World Bank and implemented by the Confederation of Asian Pacific Accountants (CAPA) with the assistance of a joint venture between Accounting & Auditing Reform Consultants Ltd (AARC) and the Association of Chartered Certified Accountants (ACCA). The project resulted in the development of an online CPD Systems Toolkit ("the toolkit") and an associated training video. The project also resulted in the preparation of a CAPA Maturity Model for the Development of Professional Accountancy Organizations. In the toolkit they are used as benchmarks to identify the present position of the PAO and target for the development of the CPD strategy.

**Scope of CPD**

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

- Acquire the importance of a commitment to CPD and maintenance of professional competence;
- Facilitate access to CPD opportunities and resources;
- Adopt requirements for CPD.

**Aims of CPD**

- 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 subsumed through the following goals:
- To little or no CPD activity in the profession;
- To stimulate CPD activity and ensure that it is sustained;
- To ensure that CPD activity is undertaken by the profession;
- To facilitate access to CPD opportunities and resources;
- To adopt requirements for CPD.

**Maturity Model**

The Maturity Model for the Development of Professional Accountancy Organizations deals with different stages of CPD. It is divided into five stages:

1. **M1 (Initial)**
   - Limited CPD activity
   - Inadequate CPD policies
   - Limited CPD opportunities
2. **M2 (Entry)**
   - Some CPD activity
   - Basic CPD policies
   - Some CPD opportunities
3. **M3 (Standard)**
   - Adequate CPD activity
   - Adequate CPD policies
   - Adequate CPD opportunities
4. **M4 (Advanced)**
   - Exceptional CPD activity
   - Advanced CPD policies
   - Advanced CPD opportunities
5. **M5 (Mature)**
   - Comprehensive CPD activity
   - Developed CPD policies
   - Developed CPD opportunities

**How to Use the Toolkit**

Step 1: Understand CPD Systems

(1a) Toolkit Overview

(1b) The Modules

Step 2: Assess and Evaluate

(2a) Current Evaluation Table

(2b) Planned Evaluation Table

Step 3: Take Action

(3a) Improvement Action Plans

(3b) Case Studies and Templates

**Key Topic 1: Regulatory Environment**

The main function according to MOSAIC is to develop PAO education and certification capacity. Includes CPD and related activities in the toolkit. A key area of focus for PAO development is identified. Key CPD Development Areas include:

- Education and certification capacity
- CPD and related activities
- Access to CPD opportunities
- Centralised CPD system
- Case studies and templates

**Module Topics**

- Key Topic 2: Regulatory Environment
- Key Topic 3: Strategic Analysis
- Evaluation
- Current Maturity Level
- Priorities and Timelines
- Case Studies & Templates
Within 12 months, identify a timeline for action. After completing this step, click on the “Detailed Activity” icon in the final column to proceed to Step 3.

Module 2: Governance Structure: Governance structure for CPD

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

Key Objectives:
- Submission of Proposal for Resolution by PAO Board - before end of November.
- General PAO Council and PAO CPD Council to agree on the terms of reference - December Committee Meeting.
- Get approval in principle of the TOR by PAO Board and the Board of Accountancy - Dec 15, 2015.
- Draft Resolution based on the TOR - Dec 29, 2015 – Creation of the “Joint CPD Council.”
- Approval of the Resolution by Professional Regulations Commission - Feb 2, 2016.
- Disseminate to all CPD Providers and PAO members - Feb 1 - 29, 2016.
- Set up the office of the Joint CPD Council - Feb 3 - 14, 2016.
- Inauguration of the CPD Council - One-Stop Center - Feb 14, 2016.

Identify the overall objective
Set out the key steps to achieve the objective
Identify the outcome
Set out the key stakeholders
Identify the resource requirements

2b. Planned Evaluation Table – Allows the PAO to consider the desired or planned level of maturity.

2c. Priority and Timeline Allocation – Once the current and planned maturity levels are assigned, the PAO then determines whether it is high, medium or low priority to address each specific matter and also identifies a time frame for action. After completing this step, click on the “Detailed Activity” icon in the final column to proceed to Step 3.

When developing PICPA’s action plans, we recognised the importance of giving a deadline for each of our action steps to help us monitor progress.

– Philippine Institute of Certified Public Accountants
This is an example of a case study extracted from the toolkit.

The Mongolian Institute of CPAs (MonICPA)

- The Law of Mongolia on Auditing does not specify CPD requirements but does require auditors to maintain their CPA designation. Therefore, MonICPA Council approved CPD Governance Guide for CPAs at Meeting held 21st June 2012. This Guide set out the MonICPA’s CPD Requirements which are compliant with IFAC’s International Education Standard (IES 7).
- Final responsibility for CPD rests with MonICPA Council, whereas the operational responsibility for CPD is delegated to the Training Committee and two of its three subcommittees which are responsible for Training Programs and Training Organization (The third subcommittee is responsible for Examinations).
- MonICPA has a branch office in each of the 21 Provinces, as well as in the Capital City of Ulaanbaatar. Members are required to submit an annual CPD report to their Provincial Office.

We found the toolkit very useful and now have the means to manage and plan our activities to improve the CPD program for the future.

– Vietnam Association of Certified Public Accountants

Following implementation of the toolkit, we have recently created a CPD team aligned to our training committee and started to implement our action plans.

– Mongolian Institute of Certified Public Accountants

To ensure through all possible means that the members of the Institute of Chartered Accountants of India remain continuously updated with respect to developments in existing and emerging disciplines and subject specific areas directly or indirectly related to the profession of Chartered Accountancy and to help impart necessary skills to the members so that knowledge thus garnered by them gets translated into practice.

Objectives of the CPEC

- To adopt, execute and implement such measures - using whatever technology of learning considered appropriate - as may provide sufficient opportunity to all Members of the Institute to (a) keep abreast of all current knowledge in their core areas of competence, (b) familiarize themselves with new and emerging subject areas related to Professional Development and (c) becoming aware of developments in related fields.
- To visualize the future needs of the society and gear up the profession to cater to those needs.
- To help members to meet the evolving expectations of the society as far as the technical and professional skills are concerned.

Following implementation of the toolkit, we have recently created a CPD team aligned to our training committee and started to implement our action plans.

– Mongolia Institute of Certified Public Accountants
# REAL-LIFE ACTION PLAN EXAMPLES

Actions that emerged from the implementation of the CPD Systems Toolkit at the PAOs in Mongolia, the Philippines and Vietnam are provided here as examples.

## Action Plan Examples for Module 1

### Regulatory Environment
- Become recognised by the public as fulfilling a key societal role; meet with MOF to agree the action plan to transfer the CPD monitoring function from MOF to PAO; members understand clearly revised CPD requirement policy and comply with this policy
- Actively continue working with state agencies and other peer organisations to extend areas of cooperation
- Pass resolution mandating CPD as a requirement in renewing CPD license, regardless of the sectoral affiliation

### Strategic Analysis
- Finalise competency framework for each level of professional practice; ensure learning activities are available; get feedback from participants and industry representatives
- Promote PAO as an important brand for employers; require CPD upon membership renewal; form MOUs with private sectoral organisations
- Develop clear and flexible policy for CPD which fits the real needs of members
- Develop more strategic approach to achieve PAO’s ambitions to move towards best practice

## Action Plan Examples for Module 2

### Governance Structure
- Establish CPD unit within the existing training committee, with detailed TCR and a more comprehensive policy document
- Ensure online membership database in place, capturing information to enable segmentation of CPD
- Introduce most appropriate CPD support to the different categories of membership
- Establish service-oriented one-stop centre for CPD needs of members and non-members
- Develop effective and complete governance documentation

### Policy and Compliance Framework
- Put in place dedicated staff with clear responsibility matrix and clearly allocated committee-member responsibilities
- Monitor CPD policy regularly; refer to action plan in monitoring and enforcement
- Reflect CPD requirement in code of ethics through a revision; monitor CPD through the annual ethics declaration by members
- Ensure CPD council follows transitioning process to ensure continuity of programs

## Action Plan Examples for Module 3

### CPD Requirements
- Ensure CPD recognised as requirement for ongoing membership for accountants; all members and staff understand CPD requirement and monitoring process
- Criteria for distinction between verifiable and non-verifiable CPD to be introduced; ensure approval criteria recognised by members
- Ensure professional regulatory authority and PAO work together to ensure CPD is mandatory, monitored and declared by members
- Render CPD requirements more flexible and workable; establish conditions for waiver policy

### Measurement of CPD
- Professional Regulatory Authority and PAO will work together to outline a plan for moving towards a combination approach to measurement of CPD
- Conduct research on the various types of methodology used for measuring CPD; study best practices internationally; select most suitable method

## Action Plan Examples for Module 4

### Training-Needs Analysis
- Develop clear plan to study IES 2, 3 and 7 and PAC members meet the competences outlined in the IESs
- Ensure registered auditor members meet the requirements set out in IES 8 (engagement partner)
- Assure that member training-needs are considered regularly and reflected in member services
- Establish flexible CPD declaration and recognised mechanism that is more convenient for members

### Content Development
- Regularly evaluate and monitor quality of CPD training
- Establish systematic and clear process to develop and review content of CPD training
- Assure providers offer courses with appropriate, peer-reviewed content

### Content Delivery
- Identify pool of trainers for each CPD program; assess speakers through the use of an appraisal form
- Work with partners to extend the range of CPD offered
- Embed accreditation (or recognition) of employers in CPD guidance; make it easier for members to meet CPD requirements
- Establish the criteria to accredit employers based on the existing regulation of MOF; inform all audit firms; create active online administrative system

## Action Plan Examples for Module 5

### Business Management
- Maintain and enhance PAO’s reputation as a high-quality CPD provider to members and non-members
- Deliver CPD together with external partners; establish clear working mechanism between PAO, venue providers and external trainers
- Establish regular and structured communication of policy; ensure members know about CPD policy, CPD declaration timeline and CPD program
- Use multiple marketing channels; ensure CPD program is uploaded on PAO website; send invitation to all members and audit firms via email
- Monitor budget to meet with targets established at beginning of the year

### Performance Management
- Allocate performance outcome and resources and monitor monthly
- Charge course fees; create distinction between members and non-members; make course fee public and inform all members and employers
- Set up clear criteria for measuring performance

### Administration
- Create active online administrative systems that are convenient and efficient; use IT systems to run CPD processes; create active online administrative system that updates members’ CPD records
- Align reward systems with administrative systems; issue comprehensive guidelines for conducting seminars; conduct surprise visits to determine compliance with these guidelines
- Conduct internal audit, an important process in PAO governance
- Conduct gap analysis between current level of facilities and desired level
The following materials have been used in preparation of this publication.

1. Maturity Model for the Development of Professional Accountancy Organisations, Confederation of Asian and Pacific Accountants (CAPA), February 2014

2. Handbook of International Education Pronouncements, International Accounting Education Standards Board (IAESB), 2015
   • International Education Standard (IES) 4, Initial Professional Development - Professional Values, Ethics and Attitudes (2015)
   • International Education Standard (IES) 7, Continuing Professional Development (2014)
   • International Education Standard (IES) 8, Competence Requirements for Audit Professionals (2008)


5. Statements of Membership Obligations (SMOs), International Federation of Accountants (IFAC), November 2012


8. Tools and Resources to Support the Development of the Accounting Profession, International Federation of Accountants (IFAC), December 2010

9. PAO Global Development Report, MOSAIC (Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration), December 2013