

SUPPLEMENT TO PROPOSED MAY 2017 EXPOSURE DRAFT, IES 7 (REVISED): MAPPING & TRACKED CHANGES DOCUMENTS

Exhibit 1 of this supplement to the International Accounting Education Standards Board (IAESB), Proposed IES 7 Exposure Draft (May 2017), “Continuing *Professional Development* (Revised)” has been prepared by IAESB staff to demonstrate how the text of extant IES 7 maps to the Proposed IES 7 Exposure Draft (May 2017). The highlighted text identifies material that is proposed to be deleted. An explanation of the proposed deletion and other comments are provided, where appropriate. Exhibit 2 of this supplement shows the tracked changes of the Proposed IES 7 Exposure Draft (May 2017) as compared to extant IES 7.

The material included is provided only to assist readers of the Proposed IES 7 Exposure Draft (May 2017). It is for information purposes only and does not form part of the Proposed IES 7 Exposure Draft (May 2017). The IAESB has not approved, disapproved, or otherwise acted upon this supplement. It is neither authoritative nor an official pronouncement nor statement of the IAESB.

Exhibit 1. Mapping Document

Note: Highlighting indicates material that has been deleted, unless otherwise noted.

Extant IES 7	New Para Ref	Comment on proposed deletion of highlighted material, significant edits, and other notes
Introduction		
<p>Scope of this Standard (Ref: Para. A1–A4)</p> <p>1. This International Educational Standard (IES) prescribes the continuing professional development (CPD) required for professional accountants to develop and maintain the professional competence necessary to provide high quality services to clients, employers, and other stakeholders, and thereby to strengthen public trust in the profession.</p>		Content of Paragraph 1 retained with an editorial amendment made to improve clarity by adding “accountancy” to profession.
<p>2. This IES is addressed to International Federation of Accountants (IFAC) member bodies. IFAC member bodies have a responsibility for the CPD of professional accountants as set out in the requirements of this IES. In addition, this IES will be helpful to educational organizations, employers, regulators, government authorities, and any other stakeholders who support the CPD of professional accountants.</p>	Para. 3	Content of Paragraph 2 repositioned and now appears as Paragraph 3 of proposed IES 7 (Revised).
<p>3. Although it is the responsibility of the professional accountant to develop and maintain professional competence by undertaking relevant CPD</p>	Para. 4	Content of Paragraph 3 has been repositioned and now appears as Paragraph 4 of proposed IES 7

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<p>activities, this IES is addressed to the IFAC member bodies because their role is to:</p> <ul style="list-style-type: none"> (a) Foster a commitment to lifelong learning among professional accountants; (b) Facilitate access to CPD opportunities and resources for professional accountants; and (c) Adopt prescribed requirements relating to the development and implementation of appropriate measurement, monitoring, and compliance procedures, so as to help professional accountants develop and maintain the professional competence necessary to protect the public interest. 		<p>(Revised). Content has been reorganized and changed to clarify the role of IFAC member bodies.</p>
<p>4. CPD is a continuation of Initial Professional Development (IPD), the learning and development through which aspiring professional accountants first develop competence leading to performing the role as a professional accountant. CPD is learning and development that takes place after IPD, and that develops and maintains professional competence to enable professional accountants to continue to perform their roles competently. CPD provides continuing development of the (a) technical competence, (b) professional skills, (c) professional values, ethics, and attitudes, and (d) competence achieved during IPD, refined appropriately for the professional activities and responsibilities of the professional accountant. In addition, professional accountants may take on new roles during their careers that require new competences. In such cases, CPD that includes many of the same elements as IPD may be necessary for roles that require additional breadth or depth of knowledge, skills, and values.</p>	<p>Para. 2</p>	<p>Some of the content of Paragraph 4 has been repositioned and now appears as Paragraph 2 of the proposed IES 7 (Revised). Content has been clarified to explain what is CPD and how it is relevant to professional accountants taking on new roles.</p>
<p>5. In addition to education, practical experience, and training, CPD also includes learning and development activities, such as (a) coaching and mentoring, (b) networking, (c) observation, feedback, and reflection, and the (d) self-directed and unstructured gaining of knowledge.</p>		<p>Content of Paragraph 5 retained with editorial amendments made to improve clarity by indicating CPD includes learning and development activities, as well as separating</p>

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		bullet (d) into two separate activities.
<p>6. Measuring the attainment of CPD can be achieved by three different approaches:</p> <ul style="list-style-type: none"> (a) Output-based approaches—by requiring professional accountants to demonstrate, by way of outcomes, that they have developed and maintained professional competence; (b) Input-based approaches—by establishing an amount of learning activity for professional accountants to develop and maintain professional competence; and (c) Combination approaches—by combining elements of the input- and output-based approaches, setting the amount of required learning activity, and demonstrating the outcomes achieved, whereby professional accountants develop and maintain professional competence. 		<p>New Paragraphs 13 and A19 of proposed IES 7 (Revised) capture content of Paragraph 6a. Paragraph 14 of proposed IES 7 (Revised) captures content of Paragraph 6b. Paragraph 15 of proposed IES 7 (Revised) captures content of Paragraph 6c.</p>
<p>7. Definitions and explanations of the key terms used in the IES and the Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants (2015) are set out in the International Accounting Education Standards Board (IAESB) Glossary of Terms (2015).</p>	Para. 6	<p>Content of Paragraph 7 has been repositioned and now appears as Paragraph 6 of proposed IES 7 (Revised).</p>
<p>Effective Date</p> <p>8. This IES is effective from January 1, 2014.</p>	Para. 7	<p>Content of Paragraph 8 has been repositioned and now appears as Paragraph 7 of proposed IES 7 (Revised) with the proposed new effective date.</p>
Objective		
<p>9. The objective of an IFAC member body is to have professional accountants develop and maintain their competence subsequent to IPD through the undertaking of CPD that is necessary, in the public interest, to provide high quality services to meet</p>		<p>Some of the content of Paragraph 9 has been repositioned and now appears as Paragraph 8 of the proposed IES 7 (Revised). Content has been clarified to explain what is the Objective of IES 7.</p>

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the needs of clients, employers, and other stakeholders.		
Requirements		
<p>Promotion of CPD (Ref: Para. A5)</p> <p>10. IFAC member bodies shall promote the importance of, and a commitment to, CPD and maintenance of professional competence.</p>		Heading of Requirement has been enhanced to include Access to CPD. Content of Paragraph 10 has been amended to include the development and maintenance of professional competence.
<p>Access to CPD (Ref: Para. A6–A9)</p> <p>11. IFAC member bodies shall facilitate access to CPD opportunities and resources to assist professional accountants in meeting their personal responsibility for CPD and maintenance of professional competence.</p>		Heading of Requirement has been amended to include Promotion of and Access to CPD. Content of Paragraph 11 has been amended to recognize CPD that develops and maintains professional competence.
<p>Mandatory CPD for all Professional Accountants (Ref: Para. A10–A13)</p> <p>12. IFAC member bodies shall require all professional accountants to undertake CPD to contribute to the development and maintenance of professional competence that is appropriate to their work and professional responsibilities.</p>	Para. 9	Content of Paragraph 12 has been repositioned to Paragraph 9 of the proposed IES 7 (Revised). In addition, content of Paragraph 9 has been changed to indicate that professional accountants undertake and record CPD and professional competence needs to relevant to the role rather that work of professional accountants.
<p>13. IFAC member bodies shall establish their preferred approach to measuring professional accountants' CPD activity from the three models: output-based, input-based, or combination approaches.</p>	Para. 12	Content of Paragraph 13 has been repositioned to Paragraph 12 of the proposed IES 7 (Revised). In addition, content of Paragraph 12 has been simplified to require IFAC member bodies establish an approach rather than a preferred approach to measurement of professional accountants' CPD.
<p><i>Output-Based Approach</i> (Ref: Para. A14–A15)</p> <p>14. IFAC member bodies implementing an output-based approach shall require each professional accountant to demonstrate the development and</p>		Content of Paragraph 13 of proposed IES 7 (Revised) now captures requirement on output-based approach and requires

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<p>maintenance of appropriate professional competence by periodically providing evidence that has been:</p> <ul style="list-style-type: none"> (a) Verified by a competent source; and (b) Measured using a valid competence assessment method. 		<p>professional accountants to demonstrate the achievement of learning outcomes relevant to their role and professional responsibilities.</p>
<p><i>Input-Based Approach</i> (Ref: Para. A16–A20)</p> <p>15. IFAC member bodies implementing an input-based approach shall require each professional accountant to:</p> <ul style="list-style-type: none"> (a) Complete at least 120 hours (or equivalent learning units) of relevant professional development activity in each rolling three-year period, of which 60 hours (or equivalent learning units) shall be verifiable; (b) Complete at least 20 hours (or equivalent learning units) of relevant professional development activity in each year; and (c) Measure learning activities to meet the above requirements. 		<p>Content of Paragraph 15 of proposed IES 7 (Revised) now captures requirement on input-based approach and requires professional accountants to complete a specified amount of learning and development activity relevant to their role and professional responsibilities.</p>
<p><i>Combination Approach</i> (Ref: Para. A21)</p> <p>16. IFAC member bodies implementing a combination of input- and output-based approaches shall comply with the requirements of input- and output-based approaches, as applicable, set out in this IES.</p>		<p>Heading and Content of Paragraph 16 have been deleted. Content of Paragraph 12 of proposed IES 7 (Revised) now includes use of both input-based and output-based approaches.</p>
<p>Monitoring and Enforcement (Ref: Para. A22–A31)</p> <p>17. IFAC member bodies shall establish a systematic process to (a) monitor whether professional accountants meet the IFAC member body’s CPD requirements, and (b) provide appropriate sanctions for failure to meet those requirements.</p>	<p>Para. 16</p>	<p>Content of Paragraph 17 has been repositioned to Paragraph 16 of the proposed IES 7 (Revised).</p>
Explanatory Material		
<p>Scope of this Standard (Ref: Para. 1–7)</p> <p>A1. The knowledge needed to function effectively as a professional accountant continues to grow. Professional accountants face increased expectations to display professional competence.</p>		<p>New content on professional competence included to clarify the concept of professional competence identified in</p>

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<p>These pressures apply to professional accountants in all sectors. Continuing development and maintenance of professional competence and lifelong learning are critical if the professional accountant is to meet public expectations. Because the accountancy profession operates in an environment of change, it may be appropriate for IFAC member bodies to periodically review their CPD policies and the application of this IES.</p>		<p>Paragraph 1 of the proposed IES 7 (Revised).</p>
<p>A2. Undertaking CPD does not, by itself, guarantee that all professional accountants will provide high-quality professional service at all times. The latter requires ethical behavior, professional judgment, an objective attitude, and an appropriate level of supervision. Further, not every professional accountant who participates in a CPD program will obtain the full benefits of that program. This will depend on the professional accountant's commitment and capacity to learn. However, CPD plays an important part in enabling professional accountants to develop and maintain professional competence that is relevant to their role. Therefore, despite some inherent limitations, CPD is an important element in maintaining public confidence and trust.</p>		<p>Some of Paragraph A2's content on the limitations of CPD and its part in strengthening public confidence and trust has been repositioned to Paragraph A4 of the proposed IES 7 (Revised).</p>
<p>A3. A well-established program of CPD that is measured, monitored, and evaluated may form part of an IFAC member body's quality assurance processes. Other quality assurance processes may include quality assurance reviews of (a) professional accountants' work (which may include a review of the CPD undertaken by the professional accountant), (b) investigation, and (c) disciplinary processes for misconduct.</p>		<p>Content of Paragraph A3 has been repositioned to Paragraph A5 of the proposed IES 7 (Revised). deleted; Content has been modified to focus on quality assurance processes.</p>
<p>A4. 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. Lifelong learning has relevance to</p>		<p>Content on lifelong learning now covered in new Paragraph A2 which describes lifelong learning in relation to technical competence, professional skills, and</p>

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<p>all professional accountants, irrespective of whether they are involved in accounting fields or other areas.</p>		<p>professional values, ethics and attitudes.</p>
<p>Promotion of CPD (Ref: Para. 10)</p> <p>A5. The following represent examples of activities that may contribute to the promotion of CPD and maintenance of professional competence:</p> <ul style="list-style-type: none"> (a) Communicating the value of CPD regularly to professional accountants; (b) Promoting the variety of CPD opportunities available to professional accountants; and (c) Working with employers to emphasize the importance of CPD within performance management processes. 	<p>Para. A15</p>	<p>Content of Paragraph A5 has been repositioned as Paragraph A15 of proposed IES 7 (Revised).</p>
<p>Access to CPD (Ref: Para. 11)</p> <p>A6. IFAC member bodies may directly provide relevant CPD programs for professional accountants and facilitate access to programs offered by others, including employers.</p>	<p>Para. A16</p>	<p>Content of Paragraph A6 has been repositioned as Paragraph A16 of proposed IES 7 (Revised).</p>
<p>A7. The following are some examples of learning activities that may be undertaken as part of a planned program of CPD activity:</p> <ul style="list-style-type: none"> (a) Participation in courses, conferences, and seminars; (b) Self-directed learning; (c) On-the-job training; (d) Participation in and work on technical committees; (e) Developing or delivering a course or CPD session in an area related to professional responsibilities; (f) Formal study related to professional responsibilities; (g) Participation as a speaker in conferences, briefing sessions, or discussion groups; (h) Writing articles, papers, or books of a technical, professional, or academic nature; 	<p>Para. A17</p>	<p>Some of the content of Paragraph A7 has been repositioned as Paragraph A17 of proposed IES 7 (Revised). The content of bullets have been enhanced to provide more understanding of the learning and development activities.</p>

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<ul style="list-style-type: none"> (i) Research, including reading professional literature or journals, for application in the professional accountant’s role; (j) Professional re-examination or formal testing; (k) Providing professional development support as a mentor or coach; and (l) Receiving professional development support from a mentor or coach. <p>IFAC member bodies may provide guidance to professional accountants on the CPD obtained from a single, repetitive activity (for example, teaching the same introductory accounting course to different audiences).</p>		
<p>A8. IFAC member bodies may provide tools to help professional accountants plan relevant CPD, such as:</p> <ul style="list-style-type: none"> (a) Competency maps, which provide a list of key competences for certain roles or sectors of the profession; and (b) Learning plan templates, which assist professional accountants to identify learning and development needs and how to meet them. 	Para. A10	Content of Paragraph A8 has been repositioned as Paragraph A10 of proposed IES 7 (Revised).
<p>A9. IFAC member bodies may consider providing guidance that encourages professional accountants to discuss their CPD with employers, colleagues, and IFAC member bodies to help them identify competency or learning gaps in order to specify relevant learning opportunities to meet those needs.</p>	Para. A11	Content of Paragraph A9 has been repositioned as Paragraph A11 of proposed IES 7 (Revised).
<p>Mandatory CPD for all Professional Accountants (Ref: Para. 12–13)</p> <p>A10. CPD applies to all professional accountants, regardless of sector or size of the organization in which they operate, because:</p> <ul style="list-style-type: none"> (a) All professional accountants have an obligation of due care to their clients, employers, and relevant stakeholders, and 	Para. A7	Content of Paragraph A10 has been repositioned as Paragraph A7 of proposed IES 7 (Revised). In addition, Bullet (a) has been enhanced by linking more directly with the fundamental principle of professional competence and due care from the IESBA Code of Ethics.

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<p>are expected to demonstrate their ability to competently discharge this responsibility;</p> <p>(b) Professional accountants in all sectors are subject to public accountability and the maintenance of public trust;</p> <p>(c) The public is likely to rely on the designation and professional standing of the professional accountant. Professional accountants carry a professional designation. Lack of competence of a professional accountant has the potential to damage the reputation and standing of the professional accountant, the employer, and the profession as a whole;</p> <p>(d) Rapidly changing environments may impact upon the relevance of a professional accountant’s competence; and</p> <p>(e) Employers recruiting professional accountants rely, to some extent, on the professional designation as proof of professional competence.</p>		
<p>A11. In setting the requirement for CPD, IFAC member bodies are encouraged to consider what is relevant and appropriate for professional accountants in special circumstances, for example:</p> <p>(a) For individuals on career breaks; and</p> <p>(b) For individuals who have retired from full-time practice, but who continue to use their professional accountant designation, or continue to do work in some capacity.</p>	Para. A14	Content of Paragraph A11 has been repositioned as Paragraph A14 of proposed IES 7 (Revised). In addition, Paragraph has been reworded to avoid the possibility of an implied requirement and to align with the idea of relevancy.
<p>A12. IFAC member bodies may choose to develop requirements or guidance on which CPD activities they consider relevant to the professional role(s) and function(s) professional accountants typically have. Alternatively, they may choose to rely on the judgment of professional accountants to make decisions on the relevance of CPD activities. They may also choose to set requirements in certain areas, and allow professional accountants the</p>		Some of the content on IFAC member bodies developing requirements or guidance on CPD activities has been retained in Paragraph A12 of the proposed IES 7 (Revised).

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flexibility to choose relevant CPD activities in others.		
A13. In protecting the public interest, IFAC member bodies may prescribe specific or additional CPD for professional accountants working in specialist areas, specialist roles, or areas of high risk.	Para. A12	Some of the content on prescribing specific and additional CPD in Paragraph A13 has also been repositioned to Paragraph A12 of the proposed IES 7 (Revised).
<p><i>Output-Based Approach</i> (Ref: Para. 14)</p> <p>A14. Reliability of verification in output-based systems is important. IFAC member bodies are encouraged to consider how to incorporate the following key aspects into their approach:</p> <ul style="list-style-type: none"> (a) The clear identification of the outcome or competence achieved; and (b) Use of a competent source that is able to confirm that the outcome or competence has been developed and maintained. 		Some of content of Paragraph A14 is now captured in paragraphs A20 of the proposed IES 7 (Revised).
<p>A15. The following examples represent evidence that could be used for verification purposes in an output-based approach:</p> <ul style="list-style-type: none"> (a) Evaluation or assessment of written or published material by a reviewer; (b) Assessments of learning outcomes achieved; (c) Publication of a professional article or of the results of a research project; (d) Periodic re-examination; (e) Specialist or other qualification; (f) Records of work performed (work logs) that have been verified against a competency map; (g) Objective assessments measured against a competency map developed either by the employer or by the professional body to reflect the individual's level of competence; (h) Independent practice inspections that assess CPD; and 		Some of content of Paragraph A15 on examples of verifiable evidence is now captured in paragraph A27 of the proposed IES 7 (Revised).

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(i) Assessments or sign offs by specialist associations that document enhancements of competences, and assessments by regulators.		
<p><i>Input-Based Approach</i> (Ref: Para. 15)</p> <p>A16. Input-based systems traditionally have been used to measure development and maintenance of competence because of the ease of measurement and verification. Input-based approaches have limitations; for example, they do not always measure the learning outcomes or competence developed. IFAC member bodies may partially overcome these limitations by communicating the underlying objectives of continuing improvement of professional competence and a commitment to lifelong learning.</p>		Content of Paragraph A16 deleted because it does not align with how an input-based approach can be applied to learning and development activities.
<p>A17. This IES measures input-based CPD activity in terms of hours or equivalent learning units. IFAC member bodies may choose to use other measures that will be understood by professional accountants. Examples of measures of input-based CPD include:</p> <ul style="list-style-type: none"> (a) Time spent on learning activity; (b) Units allocated to the learning activity by a CPD provider; and (c) Units prescribed for learning activity by the IFAC member body. 		Some of content of Paragraph A17 on examples of measures of input-based CPD is now captured in paragraph A23 of the proposed IES 7 (Revised).
<p>A18. This IES is based on the concept that IFAC member bodies expect a proportion of the learning activities that professional accountants undertake to be verifiable. Some learning activities, for example on-the-job training, may be measurable, but may not be able to be verified. These activities also contribute to the development and maintenance of professional competence, but would not be considered to form part of the 60 hours of verifiable CPD in the three-year rolling period.</p>		Content of Paragraph A18 deleted because it does not align well with the requirement of the input-based measurement approach that requires professional accountants to complete a specified amount of learning and development activity relevant to their role and professional responsibilities.

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<p>A19. IFAC member bodies may consider providing guidance to professional accountants on what proportion of the 20 hours minimum annual requirement should be verifiable. In providing such guidance, IFAC member bodies may consider local legal and regulatory requirements, and the expectations of other stakeholders.</p>		<p>Content of Paragraph A19 deleted because it does not align well with the requirement of the input-based measurement approach that requires professional accountants to complete a specified amount of learning and development activity relevant to their role and professional responsibilities.</p>
<p>A20. The following examples represent evidence that could be used for verification in an input-based approach:</p> <ul style="list-style-type: none"> (a) Course outlines and teaching materials; (b) Confirmation of participation by a provider, instructor, employer, mentor, or tutor; and (c) Independent assessments that a learning activity has occurred. 	<p>Para. A28</p>	<p>Content of Paragraph A20 has been repositioned as Paragraph A28 of proposed IES 7 (Revised). In addition, Bullet (c) has been modified to indicate that the learning activity has been completed successfully.</p>
<p><i>Combination Approach</i> (Ref: Para. 16)</p> <p>A21. Alternatives for adopting a combination approach to CPD include:</p> <ul style="list-style-type: none"> (a) Applying requirements of both input- and output-based systems, whereby inputs contribute to the output competences being measured for a portion of the knowledge areas in a predominantly output-based system; (b) Allowing professional accountants who may not meet the input requirement to provide verification that competence has been developed and maintained; or (c) Specifying a certain number of hours of input as an indication of likely effort required to achieve competence, and monitoring this, together with verifying the competence achieved as a result of the learning activities. 		<p>Content of Paragraph A25 deleted because the combination approach is no longer discussed in proposed IES 7 (Revised). An example of how both measurement approaches might be used in Paragraph A25 of the proposed IES 7 (Revised).</p>
<p>Monitoring and Enforcement (Ref: Para. 17)</p> <p>A22. IFAC member bodies may also provide guidance on the evidence to be obtained or created to</p>	<p>Para. A26</p>	<p>Content on guidance covering the responsibilities of professional accountants in Paragraph A22 has</p>

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<p>demonstrate that professional competence was developed or maintained. Guidance may cover the responsibilities of professional accountants for:</p> <ul style="list-style-type: none"> (a) Retention of appropriate records and documents related to their CPD; and (b) Provision, on request, of verifiable evidence to demonstrate their compliance with the CPD requirements of the IFAC member body. <p>In designing their approach to monitoring, IFAC member bodies may determine which roles involve high risk, or have the greatest responsibility to the public, and adopt more rigorous monitoring accordingly.</p>		<p>been repositioned as Paragraph A26 of proposed IES 7 (Revised). In addition, some of the content on more rigorous monitoring has been repositioned in paragraph A31 of proposed IES 7 (Revised).</p>
<p>A23. A monitoring process could require professional accountants to periodically:</p> <ul style="list-style-type: none"> (a) Submit a declaration as to whether they meet their professional obligation to maintain the necessary knowledge and skills to perform competently; (b) Submit a declaration confirming compliance with any specific CPD requirements imposed by the IFAC member body; or (c) Provide evidence of learning activities or verification of the competences they have developed and maintained through their chosen CPD activities. 	<p>Para. A29</p>	<p>Content on monitoring process in Paragraph A23 has been repositioned as Paragraph A29 of proposed IES 7 (Revised).</p>
<p>A24. Supplementary monitoring processes could involve:</p> <ul style="list-style-type: none"> (a) Auditing a sample of professional accountants to check compliance with CPD requirements; (b) Reviewing and assessing learning plans or CPD documents as part of quality assurance programs; or (c) Requiring public practice employers to include CPD programs and effective monitoring systems in their quality 	<p>Para. A30</p>	<p>Content on monitoring process in Paragraph A24 has been repositioned as Paragraph A30 of proposed IES 7 (Revised).</p>

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<p>assurance programs, and to track CPD activities as part of their time recording systems.</p>		
<p>A25. IFAC member bodies may conduct a set of monitoring processes on a cyclical basis. In determining the duration of a cyclical monitoring process, the IFAC member body may consider what is reasonable in its environment, taking into consideration (a) the public interest, and the (b) expectations of the public, regulators, and other stakeholders. Experience of some IFAC member bodies suggest that cycles of more than five years may not meet these expectations, while cycles of less than one year are likely to be overly burdensome on the IFAC member body and professional accountants.</p>	<p>Para. A32</p>	<p>Content on monitoring process in Paragraph A25 has been repositioned as Paragraph A32 of proposed IES 7 (Revised).</p>
<p>A26. A system of mandatory CPD will operate more effectively and in the public interest when professional accountants who fail to meet their CPD obligations are brought into compliance on a timely basis. IFAC member bodies are encouraged to determine the types of sanctions they will impose for non-compliance, after considering the legal and environmental conditions in their jurisdiction.</p>	<p>Para. A33</p>	<p>Content on monitoring process in Paragraph A26 has been repositioned as Paragraph A33 of proposed IES 7 (Revised).</p>
<p>A27. The initial steps taken to address non-compliance are likely to focus on bringing the professional accountant into compliance within a reasonable period. IFAC member bodies are encouraged to strike a balance between (a) a sanction that, in substance, amounts to permitting a professional accountant to defer or avoid compliance with the CPD requirement, and (b) one that is excessively punitive.</p>	<p>Para. A34</p>	<p>Content on monitoring process in Paragraph A27 has been repositioned as Paragraph A34 of proposed IES 7 (Revised).</p>
<p>A28. Some IFAC member bodies may have the legal authority to expel non-compliant professional accountants or to deny them the right to practice. Expulsion or denial of the right to practice may be applied to professional accountants who have made it clear, through a pattern of non-compliance</p>	<p>Para. A36</p>	<p>Content on monitoring process in Paragraph A28 has been repositioned as Paragraph A36 of proposed IES 7 (Revised).</p>

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<p>or through their response to the IFAC member body’s inquiries, that they are likely to continue to fail to comply with the CPD requirements. Publication of the names of professional accountants who willfully fail to comply is an option that may be considered. Publication of names can (a) act as a general deterrent for professional accountants, and (b) provide a clear signal to the public of the profession’s commitment to maintaining competence.</p>		
<p>A29. Imposing sanctions is not an action to be taken lightly. A professional accountant’s willful failure to develop and maintain professional competence is, however, a violation of a professional duty that justifies disciplinary action, in that it diminishes the ability to act in the public interest.</p>	<p>Para. A35</p>	<p>Content from paragraph A29 on willful failure to develop and maintain professional competence has been repositioned to Paragraph A35 of the proposed IES 7 (Revised).</p>
<p>A30. An effective monitoring and enforcement process requires adequate resources. IFAC member bodies may also consider establishing a board or committee of members to oversee CPD requirements and the monitoring and enforcement process.</p>	<p>Para. A37</p>	<p>Content on an effective monitoring and enforcement process in Paragraph A30 has been repositioned as Paragraph A37 of proposed IES 7 (Revised).</p>
<p>A31. As part of their public interest responsibility, IFAC member bodies are encouraged to report publicly the extent to which their members comply with the CPD requirements set out in this IES.</p>	<p>Para. A38</p>	<p>Content on reporting compliance in Paragraph A31 has been repositioned as Paragraph A38 of proposed IES 7 (Revised).</p>

Exhibit 2. Tracked Changes Document- Proposed May 2017 IES 7 Exposure Draft, (Revised) compared to extant IES 7 (2014).

**PROPOSED INTERNATIONAL EDUCATION STANDARD 7
CONTINUING PROFESSIONAL DEVELOPMENT (~~2014~~) REVISED**

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Introduction

Scope of this Standard (Ref: Para. A1–~~A4~~–A5)

1. This International Educational Standard (IES) prescribes the ~~continuing professional development~~Continuing Professional Development (CPD) required for professional accountants to develop and maintain the professional competence necessary to provide high quality services to clients, employers, and other stakeholders, and thereby to strengthen public trust in the accountancy profession.
2. CPD is learning and development that takes place after Initial Professional Development (IPD), and that develops and maintains professional competence to enable professional accountants to continue to perform their roles competently. Professional competence requirements may change as professional accountants take on new roles during their careers. CPD that includes many of the same elements as IPD also develops the additional breadth and depth of professional competence which may be necessary when moving into a new role.
- 2.3. This IES is addressed to International Federation of Accountants (IFAC) member bodies. IFAC member bodies have a responsibility for the CPD of professional accountants as set out in the requirements of this IES. In addition, this IES will be helpful to ~~educational organizations, professional accountants,~~ employers, regulators, government authorities, educational organizations, and any other stakeholders who support the CPD of professional accountants.
- 3.4. Although it! is the responsibility of the professional accountant to develop and maintain professional competence by undertaking relevant CPD activities. However, this IES is addressed to ~~the~~ IFAC member bodies because their role is to:– help professional accountants develop and maintain the professional competence necessary to protect the public interest through:
 - ~~(a) — (a) — Foster a commitment to lifelong learning among professional accountants;~~
 - ~~(b) — (b) — Facilitate access to CPD opportunities and resources for professional accountants; and~~
 - ~~(c)~~(a) (c) — AdoptAdopting prescribed CPD requirements relating to the development and implementation of appropriate measurement, monitoring, and compliance procedures, ~~so as to help professional accountants develop and maintain the professional competence necessary to protect the public interest.;~~
 - ~~(d) — CPD is a continuation of Initial Professional Development (IPD), the learning and development through which aspiring professional accountants first develop competence leading to performing the role as a professional accountant. CPD is learning and development that takes place after IPD, and that develops and maintains professional competence to enable professional accountants to continue to perform their roles competently. CPD provides continuing development of the (a) technical competence, (b) professional skills, (c) professional values, ethics, and attitudes, and (d) competence achieved during IPD, refined appropriately for the professional activities and responsibilities of the professional accountant. In addition, professional accountants may take on new roles during their careers that require new competences. In such cases, CPD that includes many of the same elements as IPD may be necessary for roles that require additional breadth or depth of knowledge, skills, and values.~~89 IES 7 (2014)
- ~~(b) — In addition to~~Promoting the importance of, and a commitment to, lifelong learning among professional accountants; and

(c) Facilitating access to CPD opportunities and resources for professional accountants.

~~4.5. CPD includes learning and development activities that contribute to the development and maintenance of professional competence, such as: (a) education, (b) training, (c) practical experience, and training. CPD also includes learning and development activities, such as (a) coaching and (d) mentoring, (b) and coaching, (e) networking, (e) and sharing of knowledge and experiences, (f) observation, feedback, and reflection, and the (d) self-directed and reflective activity, (g) planned self-development activities, and (h) unstructured gaining/acquiring of knowledge.~~

~~5. Measuring the attainment of CPD can be achieved by three different approaches:~~

~~6. (a) Output-based approaches by requiring professional accountants to demonstrate, by way of outcomes, that they have developed and maintained professional competence;~~

~~7. (b) Input-based approaches by establishing an amount of learning activity for professional accountants to develop and maintain professional competence; and~~

~~8. (c) Combination approaches by combining elements of the input and output-based approaches, setting the amount of required learning activity, and demonstrating the outcomes achieved, whereby professional accountants develop and maintain professional competence.~~

~~9.6. Definitions and explanations of the key terms used in the IES and the *Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants* (2015) are set out in the International Accounting Education Standards Board (IAESB) *Glossary of Terms* (2015).~~

Effective Date

~~10.7. This IES is effective from January/July 1, 2014. 2019.~~

Objective (Ref: Para. A6)

~~11.8. The objective of an IFAC member body/this IES is ~~to have~~that professional accountants develop and maintain ~~their competence subsequent to IPD through the undertaking of CPD that is~~professional competence necessary, in the public interest, to ~~provide high quality services~~perform their roles, and to meet the needs of clients, employers, and other stakeholders.~~

Requirements

CPD for All Professional Accountants (Ref: Para. A7–A14)

~~12.9. IFAC member bodies shall require all professional accountants to undertake and record CPD that develops and maintains professional competence relevant to their role and professional responsibilities.~~

Promotion of and Access to CPD (Ref: Para. ~~A5) A15–A17)~~

~~13.10. IFAC member bodies shall promote the importance of, and a commitment to, CPD as well to the as development and maintenance of professional competence.~~

~~14. Access to CPD~~ (Ref: Para. A6–A9)

~~15.11. IFAC member bodies shall facilitate access to CPD opportunities and resources to assist professional accountants in meeting their personal responsibility for CPD that develops and~~

~~maintenance of~~maintains professional competence.

Mandatory Measurement of CPD for all Professional Accountants (Ref: Para. ~~A10–A13~~A18, A25)

~~16. IFAC member bodies shall require all professional accountants to undertake CPD to contribute to the development and maintenance of professional competence that is appropriate to their work and professional responsibilities.~~

~~17.12.~~ IFAC member bodies shall establish ~~their preferred an~~ approach to ~~measuring measurement~~ of professional accountants' CPD ~~activity from, using the three models: output-based approach,~~ input-based approach, or ~~combination approaches. both.~~

Output-Based Approach (Ref: Para. ~~A14–A15~~A19–A21)

~~18.13.~~ IFAC member bodies ~~implementing using~~ an output-based approach shall require ~~each~~ professional ~~accountant~~accountants to demonstrate the ~~development~~achievement of learning outcomes relevant to their role and ~~maintenance of appropriate professional competence by periodically providing evidence that has been: responsibilities.~~

~~(a) Verified by a competent source; and~~

~~(b) Measured using a valid competence assessment method.~~

Input-Based Approach (Ref: Para. ~~A16–A20~~A22–A24)

~~19. 15.~~ IFAC member bodies ~~implementing using~~ an input-based approach shall require ~~each~~ professional ~~accountant~~accountants to:

~~20. (complete a) Complete at least 120 hours (or equivalent learning units) of relevant professional development activity in each rolling three year period, specified amount of which 60 hours (or equivalent learning units) shall be verifiable;~~

~~21.14. (b) Complete at least 20 hours (or equivalent learning units) of and development activity relevant to their role and professional development activity in each year; and responsibilities.~~

~~(c) Measure learning activities to meet the above requirements.~~

Combination Approach (Ref: Para. ~~A21~~)

~~IFAC member bodies implementing a combination of input- and output-based approaches shall comply with the requirements of input- and output-based approaches, as applicable, set out in this IES.~~

Monitoring and Enforcement of CPD (Ref: Para. ~~A22–A31~~A26–A38)

~~15. IFAC member bodies shall specify the nature and extent of verifiable evidence that professional accountants are required to maintain for CPD that has been undertaken.~~

~~22.16.~~ IFAC member bodies shall establish a systematic process to (a) monitor whether professional accountants meet the IFAC member body's CPD requirements, and (b) provide appropriate sanctions for failure to meet those requirements.

~~23.17.~~ IFAC member bodies shall undertake processes for measuring, monitoring, and enforcement of CPD on a regular basis.

Explanatory Material

Scope of this Standard (Ref: Para. 1–7)–6)

- A1. ~~The Professional competence is the ability to perform a role to a defined standard. Professional competence goes beyond knowledge needed to function effectively as a~~ of principles, standards, concepts, facts, and procedures; it is the integration and application of learning outcomes for: (a) technical competence, (b) professional accountant continues to grow skills, and (c) professional values, ethics, and attitudes which were achieved during IPD.
- A2. Lifelong learning represents the ongoing, voluntary, and self-motivated pursuit of technical competence; professional skills; and professional values, ethics, and attitudes. Lifelong learning is critical if professional accountants are to meet public interest expectations.
- A3. ~~Professional accountants face increased expectations to display professional competence. These pressures apply to professional accountants as they anticipate and adapt to changes in all sectors. Continuing development and maintenance of professional competence and lifelong learning are critical if the professional accountant is to meet public expectations. Because the accountancy profession operates in an environment of change, it may be appropriate for IFAC member bodies to periodically review their CPD policies and the application of this IES-processes, technology, professional standards, regulatory requirements, employer demands, and other areas.~~
- A2A4. ~~Undertaking CPD does not, by itself, guarantee that all professional accountants will~~ develop and maintain professional competence necessary to provide high-quality professional service at all times. The latter requires ethical behavior, professional judgment, an objective attitude, and an appropriate level of supervision. Further, not every professional accountant who participates in a CPD program will obtain the full benefits of that program. This will depend on the professional accountant's commitment and capacity to learn. However, CPD plays an important part in strengthening public confidence and trust by enabling professional accountants to develop and maintain professional competence that is relevant to their role. ~~Therefore, despite some inherent limitations, CPD is an important element in maintaining public confidence and trust.~~
- A3A5. A well-established program of CPD that is measured, monitored, and evaluated may form part of an IFAC member body's quality assurance processes. ~~Other~~ These quality assurance processes may include quality assurance reviews of ~~(a)~~ professional accountants' work (which may include a review of the CPD undertaken by ~~the professional accountant~~), ~~(b)~~ accountants, investigation, and ~~(c)~~ disciplinary processes ~~for misconduct.~~
- A4. ~~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. Lifelong learning has relevance to all~~ **Objective** (Ref: Para. 8)
- A6. ~~Ensuring that professional accountants, irrespective of whether they are involved in accounting fields or other areas.~~

Promotion of CPD (Ref: Para. 10)

- A5. ~~The following represent examples of activities that may contribute to the promotion of CPD and maintenance of~~ develop and maintain the professional competence:
- ~~(a)~~ Communicating the value of CPD regularly to necessary to perform their roles serves several purposes. It protects the public interest, improves professional accountants;

- ~~(b) — competence necessary to provide high quality services to clients, Promoting the variety of CPD opportunities available to professional accountants; and~~
- ~~(c) — Working with employers to emphasize the importance of CPD within performance management processes, and other stakeholders, and promotes the credibility of the accountancy profession.~~

Access to CPD (Ref: Para. 11)

~~A6. — IFAC member bodies may directly provide relevant CPD programs for professional accountants and facilitate access to programs offered by others, including employers.~~

~~A7. — The following are some examples of learning activities that may be undertaken as part of a planned program of CPD activity:~~

- ~~(a) — Participation in courses, conferences, and seminars;~~
- ~~(b) — Self-directed learning;~~
- ~~(c) — On the job training;~~
- ~~(d) — Participation in and work on technical committees;~~
- ~~(e) — Developing or delivering a course or CPD session in an area related to professional responsibilities;~~
- ~~(f) — Formal study related to professional responsibilities;~~
- ~~(g) — Participation as a speaker in conferences, briefing sessions, or discussion groups;~~
- ~~(h) — Writing articles, papers, or books of a technical, professional, or academic nature;~~
- ~~(i) — Research, including reading professional literature or journals, for application in the professional accountant's role;~~
- ~~(j) — Professional re-examination or formal testing;~~
- ~~(k) — Providing professional development support as a mentor or coach; and~~
- ~~(l) — Receiving professional development support from a mentor or coach.~~

~~IFAC member bodies may provide guidance to professional accountants on the CPD obtained from a single, repetitive activity (for example, teaching the same introductory accounting course to different audiences).~~

~~A8. — IFAC member bodies may provide tools to help professional accountants plan relevant CPD, such as:~~

- ~~(a) — Competency maps, which provide a list of key competences for certain roles or sectors of the profession; and~~
- ~~(b) — Learning plan templates, which assist professional accountants to identify learning and development needs and how to meet them.~~

~~A9. — IFAC member bodies may consider providing guidance that encourages professional accountants to discuss their CPD with employers, colleagues, and IFAC member bodies to help them identify competency or learning gaps in order to specify relevant learning opportunities to meet these needs.~~

Mandatory CPD for all Professional Accountants (Ref: Para. ~~12-13~~-9)

~~A10~~A7. CPD applies to all professional accountants, regardless of sector or size of the organization in which they operate, because:

- ~~(a)~~ ~~(a)~~ ~~All professional accountants have an obligation of due care to their clients, employers, and relevant stakeholders, and are expected to demonstrate their ability to competently discharge this responsibility;~~
- ~~(a)~~ ~~(b)~~ ~~The Code of Ethics for Professional Accountants includes a fundamental principle of professional competence and due care which requires all professional accountants to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards¹;~~
- (b) Professional accountants in all sectors are subject to public ~~accountability~~scrutiny and ~~contribute to~~ the maintenance of public trust;
- (c) ~~(e)~~—The public is likely to rely on the designation and professional standing of the professional accountant. ~~Professional accountants carry a professional designation.~~ Lack of competence of a professional accountant has the potential to damage the reputation and standing of the professional accountant, the employer, and the profession as a whole;
- (d) ~~(d)~~—Rapidly changing environments ~~may impact upon~~drive the ~~relevance~~need to develop new areas of a professional ~~accountant's~~ competence; and
- (e) ~~(e)~~—Employers recruiting professional accountants ~~may~~ rely, to some extent, on the professional designation as ~~proof~~evidence of professional competence.

~~A8.~~ ~~A11.~~ ~~In setting the requirement for~~Planned, relevant, and timely CPD ~~leads to effective learning and development for professional accountants. Relevance refers to how well-planned CPD aligns with professional accountants' identified learning and development needs or role.~~

~~A9.~~ Acknowledging that each professional accountant has differing learning and development needs, IFAC member bodies ~~are encouraged to consider what is relevant and appropriate~~may develop CPD frameworks that can provide increased structure, further guidance, or explanation of concepts in order to support the learning and development of professional accountants. For example, a CPD framework may include the following structure for professional accountants in special circumstances, for example: to follow:

- ~~(a)~~ Perform a self-appraisal to identify relevant learning outcomes and personal learning and development gaps;
- ~~(b)~~ Plan for, complete, and record learning and development activities;
- ~~(c)~~ Evaluate and undertake reflective activity on completed learning and development activities;
and
- ~~(d)~~ Revise the learning and development plan accordingly.

~~A10.~~ In addition to CPD frameworks, IFAC member bodies ~~may provide other tools to support a commitment to lifelong learning and to help professional accountants plan relevant CPD, such as:~~

¹ Code of Ethics for Professional Accountants 2016 Edition, International Ethics Standard Board for Accountants – Section 100.5c.

(a) Competency maps, which provide a list of key competences for certain roles or sectors of the profession; and~~(a)~~

(b) Learning plan templates, which assist professional accountants to identify learning and development needs and plan how to meet them.

A11. IFAC member bodies may provide guidance that encourages professional accountants to discuss their CPD with employers, colleagues, and IFAC member bodies. Such discussions would help identify competence or learning and development gaps that can be used to specify relevant learning opportunities to meet those needs.

~~For individuals on career breaks; and~~

~~(b) For individuals who have retired from full-time practice, but who continue to use their professional accountant designation, or continue to do work in some capacity.~~

A12. IFAC member bodies may choose to develop requirements or guidance on ~~which~~ CPD activities they consider relevant to the ~~professional role(s)~~roles and ~~function(s)~~functions professional accountants typically have. ~~Alternatively, they may choose to rely on the judgment of professional accountants to make decisions on the relevance of CPD activities. They~~IFAC member bodies may also choose to set requirements in certain areas, and allow professional accountants the flexibility to choose relevant CPD activities in others.

~~A13. In protecting the public interest, IFAC member bodies may~~ prescribe specific or additional CPD for professional accountants working in specialist areas, specialist roles, or areas of high risk.

A13. Given the significance of the audit engagement partner role to the public interest, IES 8, *Professional Competence for Engagement Partners Responsible for Audits of Financial Statements*² (2016) prescribes the professional competence that professional accountants are required to develop and maintain as part of a specified role.

A14. In setting the requirement for CPD, IFAC member bodies may consider what is relevant for professional accountants in special circumstances, for example:

(a) For individuals on career breaks; and

(b) For individuals who have retired from full-time practice, but who continue to do work in some capacity as a professional accountant.

Promotion of and Access to CPD (Ref: Para. 10-11)

A15. The following represent examples of activities that may contribute to the promotion of relevant CPD and maintenance of professional competence:

(a) Communicating the value of CPD regularly to professional accountants;

(b) Promoting the variety of CPD opportunities available to professional accountants; and

(c) Working with employers to emphasize the importance of CPD within performance management processes.

A16. IFAC member bodies may directly provide relevant CPD programs for professional accountants and facilitate access to programs offered by others, including employers.

² IES 8, *Professional Competence for Engagement Partners Responsible For Audits of Financial Statements* (2016), Para. 1.

A17. The following represent examples of learning and development activities that may be undertaken as part of a planned program of CPD:

- (a) Participating in, or completing of, educational programs or training events, such as in-person or virtual live courses, e-learning courses, conferences, and seminars;
- (b) Designing, developing, reviewing, or teaching educational programs or training events, such as in-person or virtual live courses, e-learning courses, conferences, and seminars;
- (c) Reflecting on practical experiences and developing personal development plans through self-appraisal;
- (d) Receiving on-the-job training, performance feedback, or professional development guidance from a mentor or coach.
- (e) Providing on-the-job training, performance feedback, or professional development guidance as a mentor or coach;
- (f) Participating in and working on professional boards, technical committees, sector activities, information networks, or communities of practice;
- (g) Writing articles, papers, or books of a technical, professional, or academic nature;
- (h) Researching relevant subject matter, including reading professional literature and journals for application in the professional accountant's role; and
- (i) Studying for professional re-examination or formal testing.

Measurement of CPD (Ref: Para. 12)

A18. In determining the approach for measuring CPD, IFAC member bodies may consider a number of factors, including:

- (a) Public interest, including knowledge of the local environment, public expectations, and relevant regulatory requirements; and
- (b) Learning and development needs of professional accountants in the jurisdiction, including an understanding of the range of roles that professional accountants perform.

Output-Based Approach (Ref: Para. ~~14~~ 13)

~~A14. Reliability of verification in output-based systems is important. IFAC member bodies are encouraged to consider how to incorporate the following key aspects into their approach:~~

- ~~(a) The clear identification of the outcome or competence achieved; and~~
- ~~(b) Use of a competent source that is able to confirm that the outcome or competence has been developed and maintained.~~

A19. ~~The A15.~~ The following examples represent evidence that could be used for verification purposes in an output-based approach:

- (a) Evaluation or assessment of written or published material by a reviewer;
- (b) ~~Assessments focuses on whether professional accountants can demonstrate the achievement of learning outcomes achieved;~~ The measurement focus is on what professional accountants achieved from having undertaken learning and development activities.

- ~~(c) Publication of a professional article or of the results of a research project;~~
- ~~(d) Periodic re-examination;~~
- ~~(e) Specialist or other qualification;~~
- ~~(f) A20. The output-based approach typically includes the establishment of clearly defined learning outcomes that are relevant to professional accountants' roles. Learning outcomes may be established by a number of sources, including:

 - ~~(a) IFAC member bodies;~~
 - ~~(b) Professional accountants when undertaking self-appraisal;~~
 - ~~(c) Employers;~~
 - ~~(d) Licensing regimes; and~~
 - ~~(e) Regulatory bodies.~~~~
- ~~A2. A21. For IFAC member bodies and licensing regimes, determining achievement of learning outcomes~~
~~Records of work performed (work logs) that have been verified against a competency map;~~
- ~~(g) Objective assessments measured against a competency map developed either by the employer or by the professional body to reflect accountant may include consideration of factors such as:

 - ~~(a) The nature and extent of CPD undertaken for the learning and development needs identified for the individual's level of competence; professional accountant's role; and~~
 - ~~(b) (h) Independent practice inspections that assess CPD; and~~
 - ~~(c) (i) Assessments or sign-offs by specialist associations that document enhancements of competences, and assessments by regulators.~~
 - ~~(b) The nature and extent of reflective activity the professional accountant has documented in their CPD record demonstrating the achievement of learning outcomes.~~~~

Input-Based Approach (Ref: Para. 14)-14)

- ~~A16. Input-A22. An input based systems traditionally have been used to measure development and maintenance of competence because of the ease of measurement and verification. Input-based approaches have limitations; for example, they do not always measure the learning outcomes or competence developed. IFAC member bodies may partially overcome these limitations by communicating the underlying objectives of continuing improvement of professional competence and a commitment to lifelong learning.~~
- ~~A17. This IES approach measures input-based CPD activity in terms of hours or equivalent learning units. For example, IFAC member bodies may establish requirements for each professional accountant to:

 - ~~(a) Complete a predetermined number of hours of learning (or equivalent units) within a rolling period of time, of which a portion could be verifiable;~~
 - ~~(b) Complete a set amount of learning or relevant professional development activity in each year; and~~
 - ~~(c) Measure learning and development activities undertaken to meet such requirements.~~~~

A23. IFAC member bodies may choose to use other measures that will be understood by professional accountants. Examples of measures of input-based CPD include:

- (a) ~~(a)~~—Time spent on a learning and development activity;
- (b) ~~(b)~~—Units allocated to the learning and development activity by a CPD provider; and
- (c) ~~(c)~~—Units prescribed for learning and development activity by the IFAC member body.

~~A18. This IES is based on the concept that~~ A24. IFAC member bodies ~~expect a proportion of the learning activities that professional accountants undertake to be verifiable. Some learning activities, for example on-the-job training, may be measurable, but may not be able to be verified. These activities also contribute to the development and maintenance of professional competence, but would not be considered to form part of the 60 hours of verifiable CPD in the three-year rolling period.~~

- ~~• A19. IFAC member bodies may consider providing~~ provide guidance to professional accountants on what proportion of the 20 hours minimum annual requirement should be verifiable. In providing such guidance, IFAC member bodies may consider local legal and regulatory requirements, and the expectations of other stakeholders.

~~A20. The following examples represent evidence that could be used for verification in an input-based approach:~~

- ~~(a) the extent of CPD that can be obtained from a single learning and development~~ Course outlines and teaching materials;
- ~~(b) Confirmation of participation by a provider, instructor, employer, mentor, or tutor; and~~
- ~~(c) Independent assessments that a learning activity has occurred. that is undertaken more than once (for example, delivering a presentation more than once when the content of the presentation or speech remains unchanged).~~

Combination Approach Use of Both Measurement Approaches (Ref: Para. ~~16~~-12)

~~A21. Alternatives for adopting a combination approach to CPD include:~~

- ~~(a) Applying requirements of both input and output-based systems, whereby inputs contribute to the output competences being measured for a portion of the knowledge areas in a predominantly output-based system;~~
- ~~(b) Allowing professional accountants who may not meet the input requirement to provide verification that competence has been developed and maintained; or~~
- ~~(c) Specifying a certain number of hours of input as an indication of likely effort required to achieve competence, and monitoring this, together with verifying the competence achieved as a result of the learning activities.~~

A25. IFAC member bodies may choose to use both the output-based and the input-based approaches. This could include evaluating the achievement of important learning outcomes while allowing for a quantifiable measurement of completed CPD. For example, professional accountants would complete an educational program or course of study, followed by a written examination on the content. Only on successful completion of the examination would the professional accountants be awarded or credited with a number of learning hours for the overall learning activity that would be counted towards an input based requirement.

Monitoring and Enforcement of CPD (Ref: Para. 15-17)

A22A26. IFAC member bodies may ~~also~~ provide guidance on the verifiable evidence to be ~~obtained or created to demonstrate that professional competence was developed or maintained~~ for CPD that has been undertaken. Guidance may cover the responsibilities of professional accountants for:

- (a) ~~(a)~~—Retention of appropriate records and documents related to their CPD; and
- (b) ~~(b)~~Provision, on request, of verifiable evidence to demonstrate their compliance with the CPD requirements of the IFAC member body.

A27. The following examples represent verifiable evidence that could be used to demonstrate that learning outcomes have been achieved in an output-based approach:

- (a) Examination results;
- (b) Specialist or other qualifications;
- (c) Assessments of learning outcomes achieved;
- ~~(a)~~(d) Records of work performed (work logs) that have been verified against a competency map;
- (e) Objective assessments against a competency map;
- (f) Evaluations or assessments of written or published material by a reviewer; and
- (g) Publication of professional articles or of the results of research projects.

A28. The following examples represent evidence that could be used for verification in an input-based approach:

- (a) Course outlines and teaching materials;
- ~~(a)~~—Confirmation of participation by a provider, instructor, employer, mentor, or tutor; and~~in designing their approach to monitoring, IFAC member bodies may determine which roles involve high risk, or have the greatest responsibility to the public, and adopt more rigorous monitoring accordingly.~~
- (b) A23
- (c) Independent confirmation that a learning activity has been completed successfully.

A29. A systematic monitoring process ~~could require~~may involve professional accountants ~~to~~ periodically:

- (a) ~~(a)~~—~~Submit~~Submitting a declaration as to whether they meet their professional obligation to maintain the necessary knowledge and skills to perform competently;
- (b) ~~(b)~~SubmitSubmitting a declaration confirming compliance with any specific CPD requirements imposed by the IFAC member body; or
- (c) ~~(c)~~ProvideProviding evidence of learning and development activities or verification of the competences they have developed and maintained through their ~~chosen CPD activities.~~

A24A30. Supplementary monitoring processes ~~could~~may involve:

- (a) ~~(a)~~—Auditing a sample of professional accountants to check compliance with CPD requirements;
- (b) ~~(b)~~—Reviewing and assessing learning plans or CPD documents as part of quality assurance programs; or

- (c) ~~(c)~~—Requiring ~~public practice~~certain employers to include CPD programs and effective monitoring systems in their quality assurance programs, and to track ~~CPD~~learning and development activities as part of their time recording systems.

A25A31. IFAC member bodies may determine which roles involve high risk, or have the greatest responsibility to the public, and adopt more rigorous monitoring accordingly.

A32. IFAC member bodies may conduct a set of monitoring processes on a cyclical basis. In determining the duration of a cyclical monitoring process, the IFAC member body may consider what is reasonable in its environment, taking into consideration ~~(a)~~ the public interest, and the ~~(b)~~ expectations of the public, regulators, and other stakeholders. ~~Experience of some IFAC member bodies suggest that cycles of more than five years may not meet these expectations, while cycles of less than one year are likely to be overly burdensome on the IFAC member body and professional accountants.~~

A26A33. A system of mandatory CPD will operate more effectively and in the public interest when professional accountants who fail to meet their CPD obligations are brought into compliance on a timely basis. IFAC member bodies ~~are encouraged to~~may determine the types of sanctions they will impose for non-compliance, after considering the legal and environmental conditions in their jurisdiction.

A27A34. The initial steps taken to address non-compliance are likely to focus on bringing the professional accountant into compliance within a reasonable period. IFAC member bodies are ~~encouraged~~likely to ~~strike~~seek a balance between ~~(a)~~ a sanction that, in substance, amounts to permitting a professional accountant to defer or avoid compliance with the CPD requirement, and ~~(b)~~ one that is excessively punitive.

A28A35. A professional accountant's willful failure to develop and maintain professional competence is, however, a violation of a professional duty that justifies disciplinary action, in that it diminishes the professional accountant's ability to act in the public interest.

A36. Some IFAC member bodies may have the legal authority to expel non-compliant professional accountants or to deny them the right to practice. ~~Some IFAC member bodies may have the legal authority to expel non-compliant professional accountants or to deny them the right to practice.~~ Expulsion or denial of the right to practice may be applied to professional accountants who have made it clear, through a pattern of non-compliance or through their response to the IFAC member body's inquiries, that they are likely to continue to fail to comply with the CPD requirements. Publication of the names of professional accountants who willfully fail to comply is an option that may be considered. Publication of names can ~~(a)~~ act as a general deterrent for professional accountants, and ~~(b)~~ provide a clear signal to the public of the profession's commitment to maintaining competence.

~~A29. Imposing sanctions is not an action to be taken lightly. A professional accountant's willful failure to develop and maintain professional competence is, however, a violation of a professional duty that justifies disciplinary action, in that it diminishes the ability to act in the public interest.~~

A30A37. An effective monitoring and enforcement process requires adequate resources. IFAC member bodies may also consider establishing a board or committee of members to oversee CPD requirements and the monitoring and enforcement process.

~~A31. As part of their public interest responsibility,~~ A38. IFAC member bodies ~~are encouraged to report~~may consider reporting publicly the extent to which their members comply with the CPD requirements set out in this IES.