

Detailed Analysis of Respondents' Comments on Exposure Draft**Table of Contents:**

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I. General Statements of Support of Note**Respondent's Comment**

- ACCA ACCA is supportive of the proposals outlined in the exposure draft. We are pleased to be able to contribute.
- AICPA We appreciate the opportunity to comment on the Exposure Draft of the proposed International Education Standard TM (IES) 7, Continuing Professional Development (Revised) (ED), and commend the International Accounting Education Standards Board™ (IAESB) for its ongoing efforts to enhance education which increases the competence of the global accountancy profession and strengthens public trust.
- With regard to this ED, we generally support some of the proposed changes.
- BDO As we have stated previously we support the revision of International Education Standard (IES) 7, particularly as this provides an opportunity for it to be aligned with the learning outcomes based approach employed within IESs 2-5 and IES 8, however on review of the Exposure Draft we do not believe it goes far enough in a number of areas.
- CAI Chartered Accountants Ireland has considered the content of proposed IES 7 (Revised). We are broadly supportive of its content and accordingly will not be answering the specific questions asked.

CPA
Canada

CPA Canada acknowledges the significant work completed by the IAESB (the Board) over the past four years in the revision of its eight International Education Standards (IES). We believe that education standards reflecting best practices for the initial and continuing professional development of our members contributes to increased competency for professional accountants, and thus to our mandate to protect the public interest. We have reviewed the Exposure Draft and consulted with key stakeholders and offer the following general comments for the Board's consideration.

Generally, CPA Canada is supportive of moving toward a more principles based method of reporting continuing professional development (CPD) by member bodies and we are pleased with the Board's recommendation to enhance the explanatory material included in the revised standard. In particular, we are in agreement with the proposed CPD Framework, which provides the member bodies with a clear process that can be used by members to assess their CPD requirements.

CPA Canada also recognizes that member bodies are faced with differing circumstances and challenges with respect to implementation of CPD requirements and we are pleased that the revised standard continues to provide member bodies with the flexibility in selecting between output-based, input-based systems or both. CPA Canada believes that, because of its flexibility and focus on learning outcomes, an output-based CPD reporting system would be welcomed by many professional accountants. However, we also recognize the challenges of moving to an output-based system and appreciate the additional guidance included in the revised draft standard.

CPA Canada is generally supportive of the proposed amendments to IES 7.

CPA
Australia

CPA Australia supports some of the revisions to this standard.

DTT

We appreciate this opportunity to comment on the Exposure Draft of the Proposed International Education Standard IES 7 Continuing Professional Development (Revised), ("IES 7"). We fully support the International Accounting Education Standards Board ("the Board") in its project to revisit and revise IES 7, and we commend the Board for the work done on the project to date, including the extensive research and consultation activities undertaken as part of the preparation of this draft.

- EFAA EFAA commends the IAESB on the proposed International Education Standard 7, *Continuing Professional Development*. We are pleased to provide our comments below, both ‘General Observations’ as well as ‘Specific Comments’ on the questions posed in the ED that have relevance to EFAA’s constituency. Our comments have been compiled by EFAA’s Assurance Expert Group.
- EYG Overall, we support the International Accounting Education Standards Boards (IAESB) continuing effort to improve its standards, including the proposed revision of IES 7 issued on June 5, 2017.
- GAO We appreciate the IAESB’s efforts to update the Continuing Professional Development (CPD) standards to serve the public interest. We support the IAESB in its efforts to revise the IESs to better reflect the current environment and believe that the proposed revisions to IES 7, along with our suggestions, will help clarify the CPD requirements for member bodies.
- IAA We decisively support the IAESB initiative on this important issue, considering the educational issue as fundamental in the formation and exercise of the accounting and auditing professional.
- This reply summarizes the views of different member countries of the IAA, according to the following due process:
Due process:
The Draft was submitted to the different IAA member, the Inter-American Technical Commissions (ITC) and the Sponsor Organizations (SO), hence all members had the opportunity to participate in the discussion of the Draft.
- All comments received from the ITC and SO, were compared and discussed, before preparing a reply which has been approved upon by all members
- ICAEW ICAEW supports the establishment of high quality standards in accountancy, and recognizes that the profession is undergoing significant changes such as the globalization of business and evolution in technology and as such competency requirements must evolve to meet those trends and remain relevant to stakeholders’ needs.
- ICAS The objective statement is appropriate and clear with the accountability for the professional competence of a professional accountant resting with the individual.

- IBRACON We believe that issuing an ED related to this topic is important as the professional accountant and standards setter can express its view about the clarification of the standard and the developing implementation support materials taking into account, quality, relevance and consistency of CPD undertaken by accountants.
- ICPAS Overall, we applaud and support the vision, direction, and long-term intent of the IES™ 7 Continuing Professional Development. We share the international community's commitment to professional education standards that preserve and strengthen the public's interest while providing timely, meaningful learning opportunities to professional accountants who desire to attain the highest level of technical competence, professional skills and professional values, ethics, and attitudes to best serve their clients and employers. We especially commend the recognition of the breadth and depth of skills required for professional accountants to competently perform in their expanding roles.
- IRBA The IRBA welcomes the opportunity to comment on the proposed standard on CPD. Given that the aim of CPD is to ensure that professional accountants maintain and develop their competence in order to strengthen public trust in the profession, we commend the International Accounting Education Standards Board (IAESB) on re-drafting the extant IES 7 standard and for highlighting the role of professional accountants in the protection of the public interest. From a public interest perspective, we support any improvement in the standards that assists IFAC member bodies in achieving the ultimate outcome of initial and continuing professional accounting education and the development of professional accountants through standards which are fit for purpose.
- ISCA We would like to commend your team's follow up efforts to enhance the clarity of IES 7 in prescribing the continuing professional development (CPD) required for professional accountants to develop and maintain the necessary competences.
- Knowledge Equity We commend the IAESB for taking the initiative to revise this standard with the view to serve the public interest and based on the extensive research conducted. When finalising the proposals contained in this exposure draft, we encourage the IAESB to seek out specific comments and input from educational organisations and providers of CPD.
- KPMG We support the Exposure Draft and its aim to clarify and support the principles and requirements on the measurement approaches.

- NASBA NASBA would like to commend the members and staff of the International Accounting Education Standards Board for initiating a discussion about Continuing Professional Development and an output-based approach to CPD.
- TÜRMOB TÜRMOB supports the revision of this IES 7. The proposed revisions are preferable and the standard as a whole, is more clarified and more holistic in comparison to the previous standard.

II. *General Statements of Concern and Related Matters for Consideration*

Respondent's Comment	Staff Comment (where necessary)
<p>AAT AAT is currently reviewing its CPD policy and recording procedures and it is useful to have sight of IFAC's plans for development on IES7 to feed into consideration. AAT notes that the proposed changes to IES7 include the removal of the combination measurement approach by way of addressing confusion around the implementation of this measurement method, AAT welcomes this development.</p> <p>As identified in AAT's response to the IES7 survey (submission deadline of 25 February 2016), the extant IES7 identified at A16 shortcomings with input-based measurement systems. The comment column in the supplement to the proposed IES7 Exposure Draft explains that the deletion of this paragraph was due to it not aligning with how input-based approaches can be applied to learning and development activities. The Exposure Draft does not appear to provide clarification or justification to support this change. In responding to the abovementioned survey AAT indicated that it would like to see a review undertaken to establish whether the effective outcomes of operating the different methods of measurement is comparable. Assuming that this evidence has been obtained AAT is happy to support the maintenance of the two CPD measurement approaches, however in the absence of this evidence, or any explanation to that effect in the supporting guidance to the new draft IES7, AAT maintains the view that a move towards greater equality in CPD attainment measurement is essential.</p>	

- AICPA With regard to this ED, we generally support some of the proposed changes. However, we do not believe the ED provides a sufficient understanding of how to
- achieve an output-based measurement approach,
 - move from an input-based to an output-based measurement approach, or
 - combine both the input and output measurement approaches.

We also have identified certain changes within the ED that we believe may have unintended consequences at odds with the IAESB's intent and objective in the revision to IES 7. We have included, in the Response to Questions for Commenters, certain proposed changes we believe warrant further consideration.

- BDO As we have stated previously we support the revision of International Education Standard (IES) 7, particularly as this provides an opportunity for it to be aligned with the learning outcomes based approach employed within IESs 2-5 and IES 8, however on review of the Exposure Draft we do not believe it goes far enough in a number of areas.

Consistent with our previous letters to you, and in particular our letter dated 8 March 2016 and titled Meeting Future Expectations of Professional Competence: A Consultation on the IAESB's Future Strategy and Priorities, we do not support a solely input-based approach to Continuing Professional Development (CPD). We appreciate that for the vast majority of IFAC member bodies there is evidence to suggest that the input-based approach remains their primary way of measuring CPD however we would have liked for this revised IES to drive further change within the accounting profession by encouraging IFAC member bodies to move in the direction of an output-based approach.

We acknowledge that the current Exposure Draft still permits an input-based and output-based approach to enable flexibility in CPD approaches to accommodate a wide range of academic, legal and regulatory differences, however we would encourage the IAESB through its provision of implementation guidance to provide additional materials, as set out below, to further encourage use of an output-based approach.

- CAI We are broadly supportive of its content and accordingly will not be answering the specific questions asked. I would mention, however that we have received some negative comments on the proposed removal of

guidance on the required number of hours needed under the input approach. Having a required number of hours assists in providing clarity to members and regulators.

Castro
Espinosa

Paragraph 12: Each CPA society member may choose the method of measuring their continuous professional development according to their own learning characteristics, and the CPA societies will establish the different ways of evaluating the completion of the updating of the accountant.

Paragraph 17: Penalties for failure to comply with the standard of continuing professional development will depend on each country in accordance with the laws of the subject that apply to them.

Paragraph A7: The CPA society member may choose from among the various activities proposed in the standard to comply with the program of continuing professional development and will be subject to the evaluation forms specific to the activities, the results of the evaluation will be commented with the CPA society member and will be followed up, so that the areas of opportunity in their updating process tend to fulfill their training objective over time.

As a conclusion, it is important to consider that the process of continuous professional development is part of the professional commitment that the Public Accountant acquires in performing his profession, therefore the Institutions of Higher Education as well as the CPA societies, must insist on students and professionals in the commitments they acquire with their clients and with society in general in the quality professional practice.

CPA
Australia

CPA Australia supports some of the revisions to this standard. However, we do not support the removal of the specification of the number of CPD hours required for professional members of IFAC professional accounting bodies.

Whilst we have no argument with the focus on educational and professional development outcomes as described in the revision of IES7, we do have a concern that:

1. IFAC member bodies may not have the ability to describe to members the requirements of the output-based approach rather than CPD hours measurement (as per existing input-based approach) and that this may not lead to improvements in professional learning and competency.
2. The resources required of IFAC member bodies to sufficiently audit professional development requirements of output-based measurement will mean that little headway will be achieved.
3. Whilst some IFAC member bodies may be in a position to develop output-based measures (as CPA Australia does in most of our professional development offer), this will be difficult to impossible to stipulate for other providers of professional development, particularly for those organisations conducting internal corporate programs.

CPA
Canada

Generally, CPA Canada is supportive of moving toward a more principles based method of reporting continuing professional development (CPD) by member bodies and we are pleased with the Board's recommendation to enhance the explanatory material included in the revised standard. In particular, we are in agreement with the proposed CPD Framework, which provides the member bodies with a clear process that can be used by members to assess their CPD requirements.

CPA Canada also recognizes that member bodies are faced with differing circumstances and challenges with respect to implementation of CPD requirements and we are pleased that the revised standard continues to provide member bodies with the flexibility in selecting between output-based, input-based systems or both. CPA Canada believes that, because of its flexibility and focus on learning outcomes, an output-based CPD reporting system would be welcomed by many professional accountants. However, we also recognize the challenges of moving to an output-based system and appreciate the additional guidance included in the revised draft standard.

CPA Canada is generally supportive of the proposed amendments to IES 7. However, it was noted through our discussions with regulatory bodies in Canada that the removal of the specific number of hours for the input-based model will provide the member bodies with the discretion to set their own limits. There was a concern expressed that this change would result in inconsistent standards across the accounting profession.

DTT The principles included in this standard form the foundation for other important standards, notably, IES 8 Professional Competence for Engagement Partners Responsible for Audits of Financial Statements and accordingly, warrant particular attention by the Board.

Key Comments

Impact of proposed revisions on consistency of CPD practice and measurement across jurisdictions

We believe the proposed revised standard allows for increased flexibility in framing CPD for professional accountants. This being said, as a multinational network, that flexibility presents certain challenges to maintaining consistency across the jurisdictions in which we operate.

We note that the requirement in paragraph 14 of the proposed standard regarding the measurement of CPD using input-based approaches refers to IFAC member bodies specifying “an amount” of learning and development activity. No minimum or reference amount for such activity is proposed, and the previously stated 120-hour minimum over a 3-year period has been removed from the requirements.

While this is certainly principles-based, we are not convinced that it is in the public interest to cease requiring a minimum level of activity for input-based approaches. Indeed, certain jurisdictions may encounter significant challenges in implementing purely output-based approaches as a result of local legislation requiring input-based measures, namely hours of structured or verifiable CPD.

In our view, ceasing to require a minimum amount of activity for input-based approaches sends the wrong message to the profession. Even under an output-based approach an important consideration will be the overall investment made to achieve the learning outcomes and as a result there will always be cost-benefit considerations in planning a program of CPD. The current universal 120-hour ‘yardstick’ measure provides a vital signal of the importance of a significant investment in CPD for professional accountants, whatever the measurement approach adopted. Removing this yardstick could be seen as an indication to those responsible for the CPD of professional accountants, that they can or should reduce their investment, which is unlikely to be in the interests of the profession.

Furthermore, global audit networks such as ourselves have a strategic imperative to drive consistency in the quality of audits conducted across the whole network, and the continuing professional development of audit practitioners is one important contributor in achieving that. Whilst recognizing there are inherent limitations in an input-based approach to the measurement of CPD, a clear and consistent learning-hours measure is still an important strategic tool in the setting, monitoring and measurement of learning requirements for a complex, multi-jurisdictional organization like ours. In the absence of an hours requirement set by the IES, we expect there would still be a need to articulate a specific minimum requirement for our organization and would likely retain the existing 120-hour requirement which is already defined in our internal policy.

As a result, albeit the clarifications proposed relating to the output-based approach are helpful, we believe that the removal of the quantitative “bright lines” included in extant IES 7, i.e. the 120 hour or equivalent learning units in each rolling three-year period requirement, is unhelpful given the global context within which we operate and will adversely affect consistency in application. We note that paragraph A22 of the proposed standard does clarify that the common factor among all input-based approaches is their measurement of CPD activity in terms of “hours or equivalent learning units”. Accordingly, a requirement specifying a minimum amount of CPD activity could refer to “hours or equivalent learning units” as extant IES 7 does.

Dumisani Msipa I Dumisani Msipa, recommend the move towards introducing an output orientated approach to Continuing Professional Development Standards as proposed by the International Accounting Education Standards Board, (IAESB). In my opinion, the move will enhance quality service delivery by all professional Accountants going through the CPD Standardized sessions of trainings and, it will in a greater way improve the approach of handling issues by Accountants in this technologically affected field on Accountancy. The IT industry activities are one among others, of critically influential factors to the Accountancy Industry. This calls for aligning standards with ever advancing technology. The (IES) 7 can be one best approach that will embrace the needs of aligning knowledge and skills already acquired with current trends.

EFAA Overall the ED marks a significant improvement on the extant in terms of structure and understandability. In addition, the content much better reflects the modern-day reality of how professional accountants maintain and enhance their competence.

We welcome the approach taken towards measurement of CPD that of allowing for an output-based approach, an input-based approach, or both. While we recognize the intellectual superiority of an output-based approach an input-based approach is often simpler to implement, monitor and enforce. Many professional accountancy organizations (PAOs), including some of our own member organizations, will likely only realistically be able to implement an input-based model. Ultimately the proposed flexibility in measuring CPD will foster global convergence on IES.

While we support flexibility to use the input-based approach we question the ED proposing the requirement for a “specified amount of learning development activity” (Paragraph 14). The extant IES 7 prescribes a specific number of hours to be completed (120 hours in each rolling three-year period, of which 60 hours shall be verifiable) (Paragraph 15). This lack of number of hours will likely result in widespread interpretation by PAOs as to what is the appropriate “specified amount”. Such differing interpretation will manifest itself in a wide range of hours being used by PAOs and, hence, inconsistent implementation of this requirement. Accordingly, we believe that IES 7 (Revised) should preserve this requirement in some way. We therefore suggest that the explanatory material state, around Paragraphs A22-24, that ordinarily the specified amount will be 120 hours in each rolling three-year period, of which 60 hours shall be verifiable.

EYG

We support the direction of revised IES 7 and the removal of the fixed hours requirement of continuing professional development (CPD) under the input-based approach. In regards to the output-based approach, we struggle whether enough explanatory guidance has been provided in the revised IES 7 for professional accountants to be able to measure CPD undertaken through an output-based approach. As a result, given the complexity of measuring CPD under an output-based approach, we suggest that the Board revisit whether additional explanatory guidance is necessary related to the output-based approach.

Since the term is not defined in the proposed standard nor in the IAESB Glossary of Terms, it is unclear to us what is meant by reference to “professional responsibilities” in Paragraph 9 and how this is intended to be different from the reference to one’s role. For example, is it intended to encompass the skills that support the professional accountant’s compliance with a relevant code of ethics? Or the competencies required to achieve professional certification in the jurisdiction served by the professional accountant? Or something else? As a result, we believe additional clarification is needed in the proposed IES 7 as to a professional

accountant's professional responsibility to develop and maintain professional competence relevant to their role and professional responsibilities.

Fonseca
Vivas Thank you for inviting me to comment on IES 7 "Continuing Professional Development", although the code of ethics establishes the obligation to be up-to date, I believe that in the areas of accounting that are taught in different universities, it should be reduced to Maximum six semesters or three years and strengthen the specialties or masters and doctorates as the postgraduate in strengthening the part of the professional and the specialist in each one of the areas.

It is recommended to separate the training in the undergraduate or accounting professional who is a professional and technologist or professional technician and that there will be programs to only prepare auditors as auditors and in the case of Colombia a program Only Tax Reviewers, this helps to improve the quality of professionals in all three areas and to fulfil their role and responsibility, helping to minimize corruption, fraud among others in which accountants are immersed, auditors signatures or Independent auditors are being sanctioned for professional neglect, As well as forensic auditing for investigations of frauds and crimes discovered after they occur, this will also help to strengthen their special work.

In addition to strengthening aspects of ethics as well as being done by the IFAC, but in universities and teachers so that during the whole program of accounting or audit or fiscal reviewer this aspect is instilled throughout his career and helping Strengthen their professional nature with subjects of humanities.

I am grateful for your attention and hope to contribute some grain to improve those aspects that have noise in our discipline and that affect the assurance of the quality of the information of the organizations and to reduce the level of corruption in the world's entrepreneurs.

FRC(UK) In June 2016 the UK implemented the EU's Audit Regulation and Directive (ARD) which has fundamentally changed the relationship between the FRC and the RSBs. Ultimate responsibility for statutory audit regulation has moved from the RSBs under FRC oversight to the FRC itself as competent authority for statutory audit regulation in the UK. The RSBs now carry out their regulatory functions (Regulatory Tasks) under legally binding delegation agreements with the FRC. The conditions for performance of these Delegated Tasks have

been agreed with each of the bodies in respect of their members for 1) Registration 2) Audit Monitoring 3) Enforcement and 4) Continuing Professional Development (CPD).

The Delegation Agreements include the condition that each RSB's CPD requirements should include compliance with IES7 and IES8. If the RSB's requirements depart from these standards (insofar as they relate to Statutory Audit) then it must explain the reasons to the FRC. This condition provides evidence of the importance that the FRC places on professional competence as a factor in improving the quality of audit in the UK. Each RSB as part of its audit monitoring visits considers whether a firm and its staff working in audit have undertaken sufficient CPD to meet that RSB's CPD requirements. The FRC monitors how effectively the RSBs collate the key themes from their audit monitoring activities and how they use this to feed back into their publications and training activities for audit firms and audit personnel. The FRC also evaluates how the RSBs have assessed whether a lack of appropriate CPD has contributed to any deficiencies in audit work carried out by its members.

As competent authority for audit in the UK we welcome the project to clarify and improve IES 7 and the changes made have our support. We have some comments and suggestions on specific detailed points in the Standard and Explanatory Material.

GAO We agree that CPD includes learning and development activities that contribute to developing and maintaining professional competence, such as (1) education; (2) training; (3) practical experience; (4) mentoring and coaching, (5) networking and sharing of knowledge and experiences; (6) observation, feedback, and reflective activity; (7) planned self-development activities; and (8) unstructured acquiring of knowledge. However, we believe that requiring a minimum specified amount of CPD measured using an input-based approach best facilitates monitoring and enforcement of the requirements. Therefore, we suggest that the CPD standard include a requirement for the professional accountant to complete a specified amount of CPD relevant to the accountant's role and professional responsibilities measured in hours or equivalent learning units. While we believe that learning and development activities measured using the output-based approach also contribute to developing and maintaining a professional accountant's competence, these activities may be more difficult to consistently measure, monitor, and enforce and should be undertaken in addition to activities measured using the input-based approach.

IBRACON The reorganization of the paragraphs of Requirements and the Explanatory Materials brings better structure for IES 7, presenting the importance of CPD, how to promote, give access, measure and monitor CPD and also promote the enforcement.

The revised glossary of terms presents the concept of CPD framework and Lifelong Learning in a comprehensible and practical way.

ICAEW ICAEW is particularly concerned to ensure that the profession continues to serve the public interest. In this regard we support appropriate global standards that can facilitate the raising of standards for professional competence. Clearly the competence of professional accountants is of critical importance and we believe that strengthened public confidence in the accountancy profession is of the highest priority.

As such the ICAEW has continuously supported the development and strengthening of IES 7 since its inception over a decade ago. We remain committed to the output-based approach to CPD (in force at ICAEW since 2005). We see a focus on outputs as being grounded on the effectiveness of learning and development activity while offering members the flexibility to select the amount and type of CPD that best supports their needs.

The 2014 revisions to IES 7 brought the standard to a position of maturity such that any further changes now have to be carefully weighed, both in terms of necessity and unintended consequences. ICAEW welcomes some of the enhancements to IES 7 that IAESB is now proposing but we are also concerned by some of the changes. Our main point is the challenges that may be created by the proposed removal of minimum input measures in paragraph 14. We set out our views more fully below.

IAESB showed with IES 8 that it could publish helpful webinars and other support materials which could assist PAOs and their members understand and implement the IES. Some of the IAESB's questions below refer to whether requirements or terminology could be clarified. While an essential aspect to this is textual clarity in the wording of the standard itself, an important area which should not be neglected is the publication of support materials.

- ICAS A14 It is welcomed that IFAC member bodies may consider what is relevant for professional accountants in special circumstances. It may improve this further in the event a further point (c) was introduced, that covered those professional accountants for whom their work does not directly require the maintaining or developing of their level of professional competence but wish to continue to maintain their professional designation.
- IFAC are encouraged to continue to try to offer clarity on the term, ‘professional accountant’ and provide guidance to ensure a consistent approach is followed by all IFAC member bodies and the professional accountants for whom IES7 should apply. Individuals working acting for clients and employers are easy to identify as ‘professional accountants’ but within each IFAC member body, there is likely to be a focus on societal good and many members will continue to support charitable organizations, or move into sectors where maintaining competence has no direct relationship with accountancy. We understand that this term might still be a source of confusion for some bodies.
- ICPAS The Indiana CPA Society and the CPA Center of Excellence® ardently advocate to expand continuing professional development that is relevant to a professional accountant’s role and professional responsibilities. We demonstrate our commitment to incorporating output-based education through publishing white papers, developing and piloting programs with practitioners and educators, supporting legislation and related regulations, and creating competency-based courses and learning opportunities that focus on acquiring and developing the individual’s CPA core competencies.
- We encourage innovation and broad discussion identifying CPD needs, both now and in the future, and appropriate measurement and monitoring by member bodies. It is critical to preserve flexibility and adaptability for professionals when determining CPD needs and methods of achieving them, and to not overprescribe what is required to meet the Standard. Measurement and monitoring should be premised on the professional’s integrity, with member bodies focusing on reasonable record-keeping, measurement, and reporting.
- IDW After having compared the proposed IES 7 to extant IES 7, we are not convinced that the nature and extent of changes justified a project to re-open IES 7. In addition, as we point out in our response to Question 2, we See responses to Questions 1 and

are concerned that in some respects the proposed standard weakens CPD requirements at an international level, and we ask ourselves whether this is necessary and appropriate.

2 of section on
*Responses to
Specific
Questions*

That being said, with the exception of the matters we note in our responses to the questions posed in the Exposure Draft, the Standard appears to be appropriate.

We would like to emphasize our response to the first question posed in the exposure draft, in which we question whether it is appropriate for the IAESB to “sprinkle” the term “public interest” throughout the standard, and in particular in the objective. We do not believe this approach to be indicative of good standard setting and refer to our reasons in our response to question 1.

IRBA We note that the proposed standard contains many requirements for IFAC member bodies, similar to the Statements of Member Obligations with which the member bodies have to comply. It might be helpful if the standard could clarify that, while the member body has certain obligations, the responsibility for continuous professional development also rests with the professional accountant.

ISCA In addition to requested specific comments, please see our comments on Paragraphs 4 and 5 in Introduction below:

Comments on Paragraphs 4 and 5

Paragraph 4 reads:

Paragraph 4: 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 IFAC member bodies because their role is to help professional accounts develop and maintain the professional competence necessary to protect public interest through:

- (a) Adopting prescribed CPD requirements relating to the development and implementation of appropriate measurement, monitoring, and compliance procedures;

- (b) 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.

We view the proposed revised changes to be in the direction of the intended improved consistency, quality and greater relevance of CPD. We believe these steps forward are necessary in order to continually ensure professional development of professional accountants remains relevant, given the changing landscape of how learning and development activity is conducted. Simultaneously, the proposed changes allow greater emphasis on the demonstration of learning outcomes which is key to ensuring professional accountants have applied their knowledge and skills acquired.

We acknowledge that there is a need to move towards an output-based approach as this would enable a more holistic view of the professional accountant's professional development. Furthermore, it will allow the professional accountant greater flexibility in demonstrating their continued learning and development, considering the various platforms that learning can be conducted. This is consistent with the objectives of the IES 7 to improve the relevance of CPD where professional development can be demonstrated by learning outcomes and how the professional accountant was able to benefit from and apply the learning outcomes in the professional work. An output-based approach also encourages self-reflection of the professional accountant in performing a self-assessment of how he/she has been able to translate learning to outcomes for his/her organisation, which benefits the professional accountant and the organisation.

However, there are less clearly-defined areas of an output-based measurement approach which we need to be aware of and we have to address these in building the measurement approach. An output-based approach is less definitive and open to variations, hence it is more difficult for the IFAC member body to measure and assess as compared to an input-based approach where a predefined threshold (e.g. minimum CPD hours over a predefined period) is set. An output-based approach would give the professional accountant greater flexibility in demonstrating learning outcomes. With this greater flexibility accorded to the professional

accountant, we are concerned if the varying expertise of different professional accountants in demonstrating the learning outcomes would give greater benefit to a professional accountant who has flair in presentation and persuasive communication. For example, while two professional accountants may have participated in the same learning activity, a professional accountant who is more adept and persuasive in demonstrating the learning outcomes would appear to have met the learning outcomes if assessed solely on an output-based measurement approach.

For IFAC member bodies which are currently adopting only the input-based measurement approach, there needs to be a clear definition of the output-based approach and guidance in the transition from an input-based to an output-based measurement approach, or integration of both approaches.

In respect of Paragraph 5, we would like to suggest the following amendment:

Paragraph 5: CPD includes learning and development activities that that are relevant to the work of the professional accountant, and contribute to the development and maintenance of professional competence, such as: (a) education, (b) training, (c) practical experience, (d) mentoring and coaching, (e) networking and sharing of knowledge and experiences, (f) observation, feedback, and reflective activity, (g) planned self-development activities, and (h) unstructured acquiring of knowledge.

JICPA

We give high credit to the exposure draft that allows both output-based and input-based approaches to continue to coexist on an equal footing, instead of prioritizing either of the two.

Initially, this project was launched based on the idea that, at the end of the day, approaches should be converged on the output-based approach while the input-based approach should be abolished in the mid- to long-term perspective, given that it is inconsistent with the learning outcomes approach. The course of this project, however, has been modified, so that it stood on its ground of realistic standards, taking into account the practice of CPD in many countries. We would like to extend our warm welcome to this.

Knowledge Equity We support the objective of the ED, and the proposals as a useful starting point. We also broadly support the principles-based approach to the standard. Against this backdrop of support, we are concerned that the proposals do not go far enough to heighten the importance of CPD or change the perception of lifelong learning as being ‘critical’ to the profession and its public interest expectations. We are also concerned that the choice of measurement models would result in inconsistent quality of education by professional accountants across different member bodies, especially for those within the same country or jurisdiction.

MIA Based on the Exposure Draft on IES 7 and its supporting “Supplement to Proposed Exposure Draft IES 7”, the MIA is of the view that the proposed amendments (as noted by the mapping and tracked changes of the Supplement document) are relevant and beneficial to both the Professional Accountancy Bodies (“PAO”) and its members.

The MIA is also supportive of the proposed changes; however, this needs to be introduced gradually and will take time (for example 5 years) to improvise, implement, and embrace the output-based approach to its fullest extent taking into consideration of the different market segments and target groups to ensure the accountancy community as a whole is able to understand, appreciate and embrace the benefits of the output-based approach.

NBA As NBA, the public-law organisation for the Chartered Accountants in the Netherlands, we are very much in favour of CPD based on an out-come approach as is proposed in the renewed IES 7.

We are of the opinion that not the hours related to CPD are important, but the content of the CPD and the relation to the actual work one is doing or the career one wants to have.

At this moment a group of members are in a pilot to get to know the new system. After we review the results, we can make a final decision that will also include monitoring and enforcement.

Paisey & Paisey The following comments have been prepared by Professor Catriona Paisey, a professor of accounting at the University of Glasgow and Professor Nicholas Paisey, a professor of accounting at Heriot-Watt University, Edinburgh. We are also members of the Institute of Chartered Accountants of Scotland (ICAS). We have conducted research into continuing professional development (CPD) in the accountancy profession and have

published papers on this topic in *Critical Perspectives on Accounting* in 1996 and in *Accounting Education: An International Journal* in 2007. We also guest edited a special issue of *Accounting Education: An International Journal* on CPD and are currently engaged in a research project on extant CPD policies of accountancy bodies. Our latest research is not yet published but was presented at the 2016 conference of the European Accounting Association. Our comments here draw on the findings and conclusions of this latest research.

General comments

We agree that clarity is needed (paragraph 12), especially in relation to the output and combination approaches. Most accountancy bodies currently have input-based CPD but there is a lot to commend output-based CPD as it focuses attention on professionalism and the expectation that professionals should be able to reflect upon their development needs and to act accordingly. We therefore welcome the clarifications in the proposed standard around output-based CPD and combination approaches. We also welcome the fact that the proposed standard does not specify the number of input hours (paragraph 14) as this proposal better fits with a principles-based approach. The specification of hours does not appear to sit well with the need for accountants, as professionals, to engage in CPD reflectively rather than adopting a strict compliance approach. We also support the risk-based approach proposed for monitoring (paragraph A31) as it seems sensible to direct resources at those professionally-qualified accountants who may be most likely to be in situations where the public interest could be affected most noticeably.

We have a number of concerns with the current proposals, however. We have set out these concerns below and indicated which paragraphs of the proposed standard relate to these concerns.

Professional responsibilities or role?

The essence of our concern is that, at various points, the proposed standard refers to the professional responsibilities of accountants and to their role. For example, paragraph 9 states that “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” while paragraph 13 refers to the proposed switch from an emphasis on the demonstration of competencies to the achievement of learning outcomes relating to role and professional responsibilities. The preamble makes it clear that the intention here is that the CPD would now relate to both role and professional responsibilities but, although the term

“role” is clear, the term “professional responsibilities” is used in various places but is not defined. The conjunction of role and professional responsibilities makes it clear that professional responsibilities are not the same as one’s role. We believe that professional responsibilities should relate to one’s responsibilities as a member of the accountancy profession in the same way as we would expect, for example, a doctor’s professional responsibilities to relate to the practice of medicine.

For many accountants, their role will be in an area related to accounting and hence their professional responsibilities will relate in some way to the accountancy profession. For such accountants, the proposals will be relatively straightforward to apply as CPD activities relating to role would also relate to some aspect of professional responsibilities and vice versa. However, where a professionally qualified accountant is not currently working within an accounting-related role, difficulties could arise. To some extent this is recognized in paragraph A9 which acknowledges that each professional accountant has differing learning and development needs but there could be some instances that cause particular difficulty.

To illustrate with some examples from the UK, it is commonplace for professionally-qualified solicitors who are members of the Law Society of Scotland to relinquish membership of the Law Society if they move to employment in another field. This effectively means that they align role with profession. However, this does not always apply within accountancy. If we take our own institute, ICAS, as an example, there are significant numbers of ICAS members who do not work within accountancy-related jobs but who retain their membership of ICAS. For example, there are comedians, radio presenters, members of the clergy and people who have left to train as science teachers. For these people, they retain professional membership but do not have an accounting role, hence profession and role are not aligned. For such individuals, the CPD that would be helpful to them to retain professional competence (defined using the IAESB definition as the ability to perform a role to a defined standard) might well have nothing whatsoever to do with accounting. For example, a science teacher might want to undertake CPD on some new teaching method while a comedian or radio presenter might want to undertake CPD on a new sound recording system. The question then becomes, what CPD should these people undertake in order to meet IES 7 (proposed) requirements?

Professional bodies with such categories of member would therefore have to consider whether CPD activities that have no relationship with accounting, however widely defined, are acceptable for their CPD purposes. Given that an expressed reason for CPD is the maintenance of trust in the public interest, it seems to us that

non-accounting related CPD would be unlikely to maintain trust or be in the public interest. The public would rightly be concerned if someone could maintain membership of a medical professional body by undertaking CPD not related to their medical practice and it is our view that the same argument applies in accountancy. Following this logic, we believe that CPD requirements need to relate to the work of the profession of accountancy. Whilst recognizing that this professional scope is nowadays quite wide, we believe that there will be activities that form part of some members' role that will fall outside of the scope of the accountancy profession and in these circumstances we believe that the CPD must relate to professional responsibilities (in the sense of the accountancy profession) rather than the member's current role. We recognize that this will present difficulties for individual professional bodies who retain people in membership who are no longer in accounting-related roles. It is possible that some exemption might be required for them but we do not believe that the existence of such members should drive the CPD requirements more generally.

This view essentially focuses on what is meant by a professional accountant. The IAESB has defined a professional accountant as "an individual who achieves, demonstrates and further develops professional competence to perform a role in the accountancy profession". We believe that the view we have presented above is consistent with people performing a "role in the accountancy profession" but not with someone simply performing "a role". Taking everything together we would like to see paragraph 9 and other mentions revised with the addition of "in the accountancy profession" and "accountancy-related" as follows:

"IFAC member bodies shall require all professional accountants to undertake and record CPD that develops and maintains professional competence relevant to their role in the accountancy profession and accountancy-related professional responsibilities".

This means that a new requirement will be necessary for those current members who do not have a role in the accountancy profession or accountancy-related professional responsibilities. For such members, there are three logically-consistent possibilities. The first is to exempt them from CPD but to ensure that such members cannot hold themselves out to be a member of their institute e.g. they should not use designatory letters after their name or refer to themselves by their designation, for example by saying that they are a chartered accountant. The second is to remove them from membership. The third is to move away from linking CPD to the concept of being a professional accountant but that, in our view, would have detrimental consequences for public trust and confidence in the accountancy profession.

Learning outcomes approach

The proposals for output-based CPD include a change from the current demonstration of competence to the achievement of learning outcomes (paragraph 13). In educational terms, this makes sense but we believe that such a change could be difficult for professionally-qualified accountants to implement in practice since learning outcomes can be difficult to specify. Our experience of working in universities that use learning outcome approaches is that these are often not fully understood, and require considerable thought and precision of language. Difficulties will therefore arise where the specified learning outcomes lack precision or clarity, in addition to difficulties associated with the appropriateness of the learning outcomes themselves. We consider that considerable training and review would be required to make the proposed system workable and this may impose a significant burden on professional bodies if charged with the task of monitoring the achievement of these learning outcomes.

Planning of activities

Paragraph 5 refers to “planned self-development activities”. We agree that it is important to plan activities but we do not believe that it is always possible to plan activities in advance. Sometimes, opportunities arise serendipitously and it is not always possible for individuals to know in advance what it is that they need. Therefore, whilst recognising that careful planning is good practice, we believe that there must be scope for unplanned, as well as planned, self-development activities.

PWC

We recognize that IES 7 Revised is intended to serve public interest by having professional accountants develop and maintain the competence necessary to perform their roles and to meet the needs of clients, employers and other stakeholders.

We believe that the revisions proposed appropriately address most of the significant issues as summarized in the Explanatory Memorandum with the following exceptions.

Removal of the prescribed minimum number of hours when using the input-based approach

Regarding the proposed revision to remove the prescribed minimum number of hours when using the input-based approach, it is unclear to us what issue this change is responding to and we are concerned the change has potential to:

- Dilute the effectiveness of IES 7
- Exacerbate some of the issues that the revisions are designed to address (e.g., the consistency of CPD undertaken by professional accountants)
- Result in significant inconsistencies across IFAC member bodies.

We believe that the IAESB should instead re-assess the minimums specified in Extant IES 7 and revise the minimums if determined to be appropriate.

Requirement to demonstrate achievement of learning outcomes when using the output based approach

Regarding the proposed output-based approach, we believe it will be difficult to determine and articulate specific and relevant learning outcomes for experienced professional accountants who have completed their initial development and have a wide range of roles and responsibilities. Therefore, we believe it will be important to develop implementation guidance that illustrates specific and relevant learning outcomes that may be appropriate in these circumstances.

Rodríguez Espínola After analyzing the IAESB revised standard on Continuing Professional Development my conclusions were I do not have comments and that we fulfil all the requirements included in this revised standard considering that the "Norma de Desarrollo Profesional Continuo" issued by the "Instituto Mexicano de Contadores Públicos" covers all of them as follows:

Requirements included in the revised standard:

- CPD for All Professional Accountants
- Promotion of and Access to CPD
- Measurement of CPD
Output-Based Approach

Input-Based Approach

- Monitoring and Enforcement of CPD

For the above mention I think that this revised standard was prepared with an open approach allowing member bodies to adapt or develop their own standard, tools, metrics or monitoring systems to comply the requirements of the revised CPD standard. In our case I do not see any impact in our Instituto Mexicano de Contadores Públicos for the publication of this revised standard.

WPK

The most important aspect of the Exposure Draft is the approach taken towards measurement of CPD. The Exposure Draft still allows for an output-based approach, an input-based approach, or both. That is, in our view, an appropriate decision.

We are aware of the complexity of this issue and the wide range of opinions related to it. An input-based approach is sometimes deemed to be “simple”. However, it will help many IFAC Member Organizations to implement a robust CPD system comparatively easy to monitor. We think this will be the right way forward if we are serious about global implementation – and not only prescription – of CPD.

Unfortunately, there is one aspect in the Exposure Draft that somehow blurs the input-based approach. Paragraph 14 of the Exposure Draft only requires a “specified amount of learning and development activity”. The extant IES 7 (paragraph 15) prescribes a specific amount of hours to be completed (120 hours in each rolling three-year period, of which 60 hours shall be verifiable).

We strongly believe that IES 7 (Revised) should preserve this requirement. The replacement of a specific amount of hours with the mere requirement of a “specified amount” (without designating a number of hours) would probably open discussions in quite a few IFAC Member Organizations about what exactly the “specified amount” should look like. We are not convinced that these discussions will always come to an end that fosters the quality of CPD. Again: An input based approach with a specific amount of hours will help a lot of IFAC Member Organizations.

III. *Responses to Specific Questions*

Question 1. **Is the Objective statement (see paragraph 8) of the proposed IES 7 (see Appendix 1) appropriate and clear?**

AAT AAT agrees that the objective statement is appropriate and clear and clarifies the importance of CPD in terms of the numerous stakeholders which may be affected.

ACCA ACCA believes that for the most part the objective statement is appropriate and clear, however would ask that the following be considered:

- Learning new skills for career progression is an important aspect of CPD. Undertaking CPD in order to gain new skills to aid career progression is not explicit in the objective statement as it refers to “develop and maintain the professional competence,, to perform their roles”.
- Is there scope to include a specific reference to ‘maintenance of professional ethics’ in the objective statement?

AICPA Yes, the objective is appropriate and clear. Reframing the objective as that of “IES 7” instead of “IFAC Member Body” provides a clear purpose for the standard. Further, we appreciate how explanatory paragraph A6 clearly explains why professional competence is necessary and appropriately identifies protecting the public interest as the primary goal. However in response to Question 3 below, we recommend IAESB consider proposed changes to the description of professional competence and lifelong learning in explanatory paragraphs A1-A2.

The Association does recommend a change to the “Scope of this Standard” section that precedes this Objective statement. We recommend IAESB consider a clarification to paragraph 5(h) to revise unstructured acquiring of knowledge to unstructured acquisition of knowledge and development of skills. This change will recognize that professional competence is not just the acquisition of knowledge, it is the demonstration of the application of knowledge, which can be obtained through unstructured activities such as on-the-job training, peer-to-peer learning, and mentoring and coaching.

- BDO The revision of the objective makes it clear that CPD applies to professional accountants working in a range of organizations, commerce and roles. In particular:
- We support the emphasis this places on professional accountants as it provides a recognition that being a ‘professional’ places a requirement on each individual to develop and maintain their own professional competence in order to be able to perform their role.
 - We note that the revised objective no longer refers to the IFAC member body. We are supportive of this change as it brings the proposed IES in line with the other IESs.
 - We also support the continued focus on the concepts of ‘develop’ and ‘maintain’ which during a period of great social, commercial and technological change re-emphasizes the need for professional accountants to constantly build their skillset to respond to change.
 - However, when reviewing the associated explanatory material we identified the phrase ‘It...improves professional competence necessary to provide high quality services to...’. While we note that this phrase is similar to that of the objective in the original IES 7, we found the wording used in paragraph A6 to be confusing as it seems to imply that the development and maintenance of professional competence increases the level of professional competence needed in order to provide high quality services as opposed to increasing the capacity of the professional accountant to provide high quality services. We recommend that it is changed to ‘...improves professional accountants’ professional competence which enables them to provide high quality services...’
- Bouzas Sañudo CPA Australia Yes, the Objective statement of the proposed IES 7 is appropriate and clear.
- CPA Australia CPA Australia supports this objective statement as it is appropriate and clear, and specifically in that it promotes the credibility of the accounting profession, in the public interest. However, we would recommend the re-insertion of the reference to CPD into this objective statement as the focus of this standard is CPD and the universal language of professional accounting is “CPD”, as it relates to the development of professional competence.
- CPA Canada CPA Canada believes the Objective Statement of the Proposed IES 7 is clear. We have no further comments or concerns.

DTT The “Objective” section of Appendix 2 “IAESB Drafting Conventions” of the 2015 revision of the *Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants* (“IES Framework”) states that the objective of an IES “assists an IFAC member body to understand the overall aim of the standard, and what needs to be accomplished, as well as to decide whether more needs to be done to achieve the objective”.

In this instance we note that the “Objective” of the proposed revised standard is directed at the professional accountant. While we understand that the ultimate aim of the Board, and for the profession more widely, is for professional accountants to develop and maintain the required level of professional competence, the purpose and focus of this standard is to set expectations and requirements for IFAC member bodies to implement, measure, monitor and enforce in order to achieve this. We therefore recommend the Board reconsiders the formulation of the Objective statement and revises it such that it addresses the Objective as it relates to the role and responsibilities of IFAC member bodies.

In addition, while we recognize the public interest context in which all IESs are written, we do not believe that the reference to the “public interest” in the Objective of the proposed revised standard, as a means of understanding what needs to be done, is necessary. We note that, although extant IES 7 includes a reference to the public interest in its Objective, extant IES 7 was issued prior to the IES Framework and therefore the reference to the “public interest” in the proposed Objective for IES 7 requires reconsideration. The only other standard that makes reference to the public interest in its objective is IES 1, which was also issued prior to the current Framework, and therefore the objective in IES 1 should also be reconsidered.

This does not imply that we believe that no reference to the public interest should be made or that it is not relevant. Indeed, the references to the public interest in paragraphs 7 and A35 are appropriate. We do however believe the Board’s overarching public interest objective is well understood and clearly articulated through the Board’s Framework, such that it is clear that each of the IESs addresses public interest concerns, and this does not require reiteration in the Objective statement of individual standards.

EFAA The Objective statement is appropriate and clear though we wonder it’s better to articulate in such a way that the public interest appears as the ultimate outcome, say:

“Ensuring that professional accountants develop and maintain the professional competence necessary to perform their roles serves several purposes. It improves professional competence necessary to provide high quality services to clients, employers, and other stakeholders, promotes the credibility of the accountancy profession and, in so doing, helps ensure the profession works in the public interest.”

- EYG Yes, the objective statement is appropriate and clear.
- FACPCE Yes, it is appropriate and clear.
- FRC(UK) Yes, the FRC supports the proposed objective statement.
- GAO The Objective statement is appropriate and clear.
- IAA We believe it should be drafted as follows:
The objective of this IES is that professional accountants develop and maintain the professional competence necessary to perform their functions protecting the public interest to meet the needs of clients, employers and other stakeholders.
- IBRACON Paragraph 8 address the objective of this IES, mentioning that professional accountants need to develop and maintain the professional competency necessary, in the public interest, to perform their roles, and to meet the needs of clients, employers, and other stakeholders.
- We observe that it seems be repetitive include in the objective that the professional accountant need to meet the needs of the public interest and also the needs of the clients, employers and stakeholders, if these later do not conflict to the public interest needs.
- In addition, acting in the public interest cannot meet the needs of the clients and employers which give an idea of some inconsistencies in the objective described.
- Therefore, we believe that the objective statement proposed can be clearer.

ICAEW Yes. ICAEW believes that the objective of the IES “for professional accountants to develop and maintain the professional competence necessary, in the public interest, to perform their roles, and to meet the needs of clients, employers, and other stakeholders” is appropriate.

It is of great importance to the accountancy profession and the needs of the clients that professional competence is regularly reviewed, analysed, and interrogated in order to ensure that the standards of competence are aligned with the needs of the stakeholders and also the needs of the rapidly changing business landscape.

It is therefore welcome that IAESB states that regardless of the CPD approach, whether input-based, output-based, or a mixed approach, the professional competence of the accountant is the aim.

We also view the Objective here as more clearly expressed than in the current standard.

ICAN No, not clear.

Paragraph 8 states: “The objective of this IES is that professional accountants develop and maintain the professional competence necessary, in the public interest, to perform their roles, and to meet the needs of clients, employers, and other stakeholders.”

For a person to be referred to as a professional accountant, it infers that the person must have developed the professional competence required to perform the roles as an accountant in the first instance. Such a person needs is continuous update of skills and retraining for effective service delivery.

Continuing Professional Development (CPD) is a regular programme designed to assist professional accountants in updating their skills and competencies as the need arises and also to adapt to contemporary and emerging issues. This standard focuses on continuing professional development (education) which is different from other education standards. Its objective should therefore read thus:

The objective of this IES is that professional accountants UPDATE and maintain the professional competence necessary, in the public interest, to perform their roles, and to meet the needs of clients, employers and other stakeholders

ICAS The objective statement is appropriate and clear with the accountability for the professional competence of a professional accountant resting with the individual.

ICAZ Clarity may be needed on the use of the word ‘develop’ in the objective statement as the use of the word may be construed to mean that the standards also governs the requirements on initial professional development of professional accountants. We propose the removal of develop in the objective statement, so that it reads as follows: “The objective of this IES is that professional accountants acquire and maintain the professional competence necessary, in the public interest, to perform their roles, and to meet the needs of clients, employers, and other stakeholders.”

ICPAU Yes, the Objective statement is appropriate and clear. The statement clarifies that it is the responsibility of the Professional Accountant to complete CPD in order to develop and maintain their professional competence.

IDW We do not believe that the objective statement is appropriate and clear because we do not believe it to be appropriate to include the reference to “in the public interest” in an objective. In accordance with the “Objective” section of Appendix 2 of the Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants, the objective “assists an IFAC member body to understand the overall aim of the standard, and what needs to be accomplished, as well as to decide whether more needs to be done to achieve the objective”.

Although extant IES 7 had a reference to the public interest in its objective, extant IES 7 was issued prior to the issuance of the current Framework with its new role for objectives, and therefore the reference to the “public interest” in the objective requires reconsideration. The only other standard that makes reference to the public interest in its objective is IES 1, which was also issued prior to the issuance of the current Framework and therefore the objective in IES 1 also need to be reconsidered in this context.

We recognize the public interest context in which all IESs are written, but we do not believe that an objective referring to the public interest as a means of understanding what needs to be done, and in particular, whether more needs to be done, is enforceable in any jurisdiction of which we are aware. This is because laws, regulations and standards are written by legislators, regulators and standard setters (including the IAESB), respectively, in the public interest. There is a presumption in writing laws, regulations and standards, that when those subject to the laws, regulations and standards have complied with them, the public interest has been served because those complying with laws, regulations and standards cannot be expected to ascertain who the public is and what their interests are – that is the role of legislators, regulators and standard setters when writing laws, regulations and standards, respectively. For these reasons, we strongly recommend deleting the reference to “in the public interest” in the objective.

Overall, we do not believe that references should be made to the “public interest” in standards unless needed for context. In any case, such references should be made in a manner that is in line with the use of the term in the current IESBA Code (paragraph 100.1). This does not imply that we believe that no reference to the public interest could be made. The references to the public interest context in paragraph 7 and A35, for example, appear to be appropriate. On the other hand, the IAEB might wish to consider whether the reference to the public interest in paragraph A2 ought to be changed to “stakeholder expectations”, and whether the reference to the public interest in A18 is superfluous given the reference to “public expectations”. The same applies to paragraphs A32 and A33.

IRBA	<p>The change in the objective paragraph from the previous standard has been noted. The objective is now more concise and places emphasis on the overarching purpose which is the competence of professional accountants. However, as the standard is addressed first and foremost to IFAC member bodies there should be an expansion on the role of the IFAC member bodies in achieving the objective. This expansion can be done through the explanatory material paragraph A6. Furthermore, with reference to point 2 above, and in addition to relating the objective to the member body, there should also be a link back to the objective at the level of the professional accountant.</p>	<p>Please see section above on <i>General Statements of Concern and Related Matters for Consideration</i></p>
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ISCA The Objective statement (Paragraph 8) reads:

Paragraph 8: The objective of this IES is that professional accountants develop and maintain the professional competence necessary, in the public interest, to perform their roles, and to meet the needs of clients, employers, and other stakeholders.

While the objective of the IES as stated in Paragraph 8 is appropriate and consistent with how the Objectives have been defined for other IESs, including IES 2, IES 3 and IES 4, it can be further expanded to provide greater clarity on what constitutes ‘public interest’ and in particular, for professional accountants to be committed to act on ‘public interest’ and strengthen the public trust in the profession by ensuring continued development to their professional competence. The element of being relevant in the changing business environment or changing scope of work can also be included.

In addition, we suggest the following amendment to Paragraph 8 to better align with Paragraphs 9 and A7.

Paragraph 8: The objective of this IES is that professional accountants develop and maintain the professional competence necessary, in the public interest, to perform their roles, and to meet the needs of provide competent and relevant professional services to clients, employers, and other stakeholders based on current developments in practice, legislation and techniques.

JICPA It is appropriate and clear.

Knowledge Equity Yes, we believe that the objective statement is clear and appropriate in respect of its ultimate goal.

KPMG We believe that the Objective outlined in paragraph 8 is appropriate and clear.

NASBA The objective statement in paragraph 8 is appropriate and clearly communicates the public interest associated with having professional accountants maintain their professional competence.

- PAFA Yes, the Objective statement is appropriate and clear as the completion of CPD is the responsibility of the Professional Accountant.
- PWC The revised Objective statement is appropriate and clear.
- SAIPA Yes the objective statement is clear and appropriate. It clarifies the responsibility of the completion of CPD to be for the Professional Accountant.
- TURMOB Yes, it is appropriate and clear.
- WPK We wonder if keeping the term “in the public interest” is still in line with Appendix 1 of the Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants (2015). According to the Framework the “objective assists an IFAC member body to understand the overall aim of the standard, and what needs to be accomplished, as well as to decide whether more needs to be done to achieve the objective”.

Public interest is the underlying rationale of all IESs. But the core of the objective for all professional accountants is to develop and maintain the professional competence necessary to perform their roles, and to meet the needs of clients, employers, and other stakeholders.

Question 2. Are the Requirements (see paragraphs 9-17) of the proposed IES 7 (see Appendix 1) appropriate and clear?

- AAT AAT would like to raise a question over the wording in paragraph 10 as it is AAT’s view that this is not appropriate and clear. Paragraph 10 states that “IFAC member bodies shall promote the importance of, and a commitment to, CPD as well to the as development and maintenance of professional competence”. It appears that the second usage of ‘as’ is in the wrong place, however even with that being addressed AAT would suggest that ‘CPD’ and ‘the development and maintenance of professional competence’ could be considered to be one and the same thing, with the latter arguably being a definition of the former. Having this

described as an additional element for professional bodies to promote the importance of appears unclear in the way it is stated.

AAT would seek clarification on the expected definition of ‘demonstrate’ as set out in paragraph 13 and what the expectations are for this in practice. Contingent on the expected definition of ‘demonstrate’, this paragraph could also be seen as placing a prescriptive requirement on professional bodies which could be perceived to contradict the guidance relating to periodic monitoring as provided in the explanatory material at A29.

Linked to the above point therefore, further clarification of the practical expectations of ‘systematic process’ and ‘monitor’ as set out in paragraph 16 would be welcomed. Would minimum levels and standards be expected and/or required by IFAC for example?

ACCA

ACCA believes that for the most part these paragraphs are appropriate and clear, however would suggest the following clarifications:

- Paragraphs 10 and 11: There are references to “development and maintenance of professional competence.” Having defined what CPD is in Paragraph 2, would it be possible to simply refer to “CPD” throughout the IES
- Paragraphs 14 and A22-24: While the flexibility for IFAC bodies in determining the amount of CPD their members should undertake when using the input-based approach may be welcome, it is possible that it may lead to large variances across bodies. ACCA would therefore welcome guidance for all bodies on how to determine the correct amount of CPD using this method.
- Paragraph A22 (a): states that “a portion could be verifiable”. This seems to imply that it would be acceptable for a body adopting an input or mixed approach to not require any CPD to be verifiable. Was this intended?
- Paragraph 17: It may be helpful for the wording for Paragraph 17 be updated to reflect the fact that enforcement should occur only when required and not simply “on a regular basis.”
- Paragraph A7 (c) makes reference to reputational damage and standing of the professional accountant, the employer and the profession as a whole. ACCA believes that lack of competence has the potential to

damage the reputation of the IFAC member body and would therefore ask for this to be considered for inclusion.

- Paragraph A15: ACCA agrees with the inclusion of “relevant” but to reinforce its importance we would recommend that it is repeated before the word CPD in each of the sub-paragraphs (a), (b) and (c).
- Paragraph A22 (b): ACCA suggests that “relevant” should be repositioned before “learning or” and that the “and” at the end of the sentence be removed as it implies that all three elements can only operate in conjunction with one another.
- Paragraph A23: The reference to “time spent” in A23 (a) may cause confusion because the term “number of hours” is referenced in A22 and this in itself is a measure of “time spent”.
- Paragraph A25: the example given indicates that CPD is only given is an exam is passed may cause difficulties. Members may complete the learning in one CPD year but sit the exam later. Using the example given, the Member would not be able to claim CPD for the learning.
- Paragraph A27 uses the terminology “verifiable evidence that could be used to demonstrate” whereas Paragraph A28 uses “evidence that could be used for verification”. It is not clear why the wording for input and output based approaches are not the same and ACCA would therefore suggest the wording is amended for either to make them consistent.
- Paragraph 27: ACCA would suggest amending the order of the examples in Paragraph A27 to reflect the most commonly used methods of CPD and also adding in three additional ones. The proposed new order including additional examples would be:
 - Assessment/self-assessment of learning outcomes achieved
 - Records of work performed (work logs) that have been verified against a competency map
 - Objective assessments against a competency map
 - Carrying out additional roles
 - Independent confirmation of learning gained through advocacy roles or coaching and mentoring
 - Examination results
 - Specialist or other qualifications
 - Evaluations or assessments of written or published material by a reviewer; and
 - Publication of professional articles or of the results of research projects.

- Paragraph A30 (a): ACCA would suggest replacing the word “auditing” with “reviewing”. Auditing has a specific meaning to many professional accountants and IFAC member bodies and may raise expectations about the nature of the process adopted.
- Paragraph A35: The wording prescribes that wilful failure should result in disciplinary action. If this is the intention of the IES then perhaps the content should be moved from the Explanatory Material to the Requirements in Paragraphs 15 to 17.

AICPA

CPD for All Professional Accountants. Paragraph 9 introduces the requirement that IFAC member bodies shall require all professional accountants to record CPD. The Association supports this requirement. However, explanatory paragraph A30 notes supplementary monitoring processes may involve requiring certain employers to track learning and development activities as part of their time recording systems. The Association believes the responsibility to record CPD rests with the professional accountant as it represents their professional competence development and may be burdensome for some employers, especially small businesses, to record within their systems especially in instances where unstructured, informal learning is accepted as CPD. It may also be possible that some accountants undertake their learning in their own time i.e. after work or they take a vacation day etc. CPD is personal – some accountants may be undertaking activity that is relevant to an anticipated career move. Therefore, this could not be discussed with current line managers or tracked on time sheets.

Measurement of CPD:

The Association supports an output-based measurement approach that focuses on professional competence attained as opposed to an input-based measurement approach that may or may not result in enhanced professional competence. However, we recognize there are significant steps necessary for IFAC member bodies to implement, measure, monitor, and enforce an output-based measurement approach and we appreciate the IAESB’s recognition of this by continuing to allow an output-based, input-based, or combination of both approach to measurement. We hope that the IFAC member bodies will consider a combination of both approaches as a step to experiment and learn what best meets the needs of their local environment and the professional accountants in their jurisdiction in a move toward a completely output-based measurement approach over time.

Paragraph 12 notes IFAC member bodies shall establish an approach to measurement of professional accountants' CPD using the output-based approach, input-based approach, or both. Extant IES 7 stated the third measurement option as "combination approaches"; the ED states the third measurement option as "both". Explanatory paragraph A25 provides an example of how an IFAC member body may choose to use both the output-based and input-based approaches as follows, "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." The Association has several concerns about this requirement and associated explanatory paragraph including:

- It is not clear of the IAESB's intent in revisions to paragraph 12 to change "combination" to "both" when referring to the third measurement method.
- In the Explanatory Memorandum it appears the change from "combination" to "both" was to eliminate the need to have principles and requirements for the combination measurement approach, but it seems that would still be necessary for an approach that includes both input-based and output-based measurement.
- The example in explanatory paragraph A25 is a combination approach around a single learning event (e.g. a professional accountant completes a program and passes an examination on that program to receive input-based credit). Many input-based approaches already require completion of learning and demonstration through passing an examination and thus this example does not fully demonstrate the possibilities of a combination of an input-based and output-based approach.
- Additional examples should be included to encourage and facilitate IFAC member bodies in implementation of an output-based approach. For example, an IFAC member body may establish an approach by which the professional accountant records hours or equivalent learning units alongside a reflective statement. Another example may include that an IFAC member body may establish an approach by which a portion of the overall CPD requirement is input-based and the other portion output-based.

Measurement of CPD:

Output-Based Approach. We are concerned about changes to requirement paragraph 13 which states, "IFAC member bodies using an output-based approach shall require professional accountants to

demonstrate the achievement of learning outcomes relevant to their role and professional responsibilities.” Prior to the changes within this ED, demonstration of the development and maintenance of appropriate professional competence was required. We understand from the Explanatory Memorandum included in this ED, IAESB was striving to clarify by focusing on the demonstration of learning outcomes, which are outputs of CPD learning and development activities; however, because learning outcomes are synonymous with structured learning activities this may not appropriately recognize the value of unstructured learning activities such as on-the-job training, peer-to-peer learning, and mentoring and coaching that play a critical role in competence development. We recommend IAESB clarify that learning outcomes may arise from both structured and unstructured learning experiences. We recommend learning outcomes be redefined as the measurable result that learners achieve upon completion of structured or unstructured learning activities. Absent such clarification, the inclusion of “learning outcomes” could actually be a hindrance to moving to an output-based measurement approach instead of an aid.

Measurement of CPD:

Input-Based Approach. The Association supports IAESB’s removal, in paragraph 14, of a prescriptive minimum number of hours (or equivalent learning units) that is required or is required to be verifiable in a given timeframe because the number of hours spent on a learning activity does not equate to competence gained. We recognize some respondents may express concern regarding how IFAC member bodies may interpret and implement in their own input-based measurement approach; however, the Association supports an output-based approach that focuses on professional competence attained as opposed to an input-based approach that may or may not result in enhanced professional competence.

Monitoring and Enforcement of CPD:

Verifiable Evidence. The Association supports the new requirement in paragraph 15 that 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. This is an improvement from the extant IES 7 which provided only as explanatory material that IFAC member bodies may provide guidance on verifiable evidence.

Monitoring and Enforcement of CPD:

Measuring, Monitoring, and Enforcement on a Regular Basis. The Association supports the new requirement in paragraph 17 that IFAC member bodies shall undertake processes for measuring, monitoring, and enforcement of CPD on a regular basis. We noticed the IAESB struck the following statement from the related explanatory material in paragraph A32: “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.” A cycle less than 1 year could be overly burdensome to professional accountants and for the monitoring processes they are subject to and a cycle more than 5 years may not achieve IAESB’s desire that non-compliance of a professional accountant with his or her CPD be brought into compliance within a reasonable period (explanatory paragraph A34).

BDO

We believe the requirements of the proposed IES 7 are much clearer than the extant IES 7.

The ordering of the requirements is now more logical, from the initial requirements of who must undertake CPD through to ultimate monitoring and enforcement. This approach: (a) mirrors the various decisions that an IFAC member body would need to work through in order to successfully implement a CPD approach, and (b) reflects the language of the rest of the suite of IESs. Additionally, these new requirements have an increased focus on the professional accountant being responsible for their own professional competence and we are strongly supportive of this acknowledgement of personal responsibility and encouragement of individuals to develop a mind-set of lifelong learning.

The new requirement for the provision of CPD for all professional accountants (paragraph 9) is much more succinct than the extant paragraph 12 that it replaces, and is worded in a manner that reflects the wide range of activities that can contribute to an individual’s development. By recognizing that it is a combination of activities that develop and maintain the professional accountant’s competence, not only provides clarity but links to the overarching objective of the revised IES. We also welcome the acknowledgement that each

professional accountant has different learning and development needs and support the inclusion of the example CPD framework which helps to highlight self-analysis, planning, activity and reflection stages.

We note that promotion and access to CPD has been combined into a single section. As often those activities are often interrelated, we are supportive of this change. We are also very supportive of the increase number and variety of activities that could potentially be considered as types of CPD. We believe this is a significant step forward and recognizes that learning and development is not limited to a traditional classroom setting or formal training events, but increasingly occurs in less formal situations – for example in the workplace every day when individuals are applying a new technical requirement, working through a complex issue or reflecting on their own performance.

We also note the addition of a new section, Measurement of CPD, which deals directly with the possible approaches for measuring CPD and which are likely to comprise some of the more challenging parts of the IES for implementation by IFAC member bodies. Having a separate section provides a much clearer differentiation than in the extant IES, where measurement is included under the heading of Mandatory CPD for all Professional Accountants and is not given the prominence that it properly deserves.

In addition, we find the updated requirements related to measurement of CPD much clearer, especially with regard to the output-based approach. The removal of the description of the combination approach from the IES is also welcome as we found extant paragraph 16 unclear. We continue to be supportive of a measurement approach that utilizes both input-based and output-based approaches and are happy to note that paragraph 12 continues to allow for this. We believe that appropriate implementation guidance is going to be critical to how these approaches work in practice. In relation to the input-based approach, we note the removal of the 120 hours minimum of CPD per rolling three year period. We are supportive of this deletion as the requirement may become totemic and we are unaware of any educational basis for the specific benchmark used. We believe that IFAC member bodies should have the flexibility to determine their own benchmark measures for the input basis – taking into account the academic environment, entry and qualification processes to the accounting profession, and applicable legal and regulatory framework.

In relation to monitoring and enforcement, we are supportive of the expanded requirements which provide clearer guidance to IFAC member bodies on what is expected, in terms of evidence and regularity of the process. We also appreciate the increased explanatory material that has been provided with regards to what may constitute verifiable evidence, especially in regards to the output-based approach, which previously had little guidance.

Potential Improvements

Measurement of CPD

As mentioned in our introductory comments, we note that the IES retains a purely input-based approach for evaluating CPD. As we have stated in previous comment letters, we do not believe that a pure input-based approach is in line with the principles-based approach of the body of IES's and as noted in our letter responding to Meeting Future Expectations of Professional Competence: A Consultation on the IAESB's Future Strategy and Priorities, attendance at a learning event does not necessarily guarantee from a learning perspective that the attendee paid attention to the materials delivered or is able to apply the knowledge or skills in a workplace context. As such we do not believe that it is the most reliable measurement of CPD undertaken to develop and maintain professional competence.

In order to improve on the measurement perspective of the input-based approach we would encourage the IAESB to explore the potential usage of a CPD framework, such as the one introduced in the exposure draft, so that professional accountants are encouraged to be more involved in the determination, application and review of their CPD learning rather than the pure input-based (and potentially passive) approach permitted by this IES. An excellent way to share this measure could be through the provision of implementation guidance which address through example cases how IFAC member bodies have moved from a pure input-based approach to one which has more opportunities for review and reflection by the professional accountant.

We also noted the following items in the explanatory materials that we found to be confusing:

- In paragraph A21 we note that one of the factors considered when determining the achievement of learning outcomes by the professional accountant is the nature and extent of the CPD undertaken. We note that extent of CPD could also relate to an input measure such as time or volume and thus seems

incompatible with determining whether the professional accountant is able to demonstrate the achievement of a learning outcome. We suggest that ‘extent’ be replaced with ‘depth’ in order to make this clearer.

- Paragraph A23 states that ‘IFAC member bodies may choose other measures that will be understood by professional accountants’ and then goes on to give examples of hours or units, both of which were set out in paragraph A22(a). With the absence of any examples other than time or equivalent units then we believe that the first sentence of paragraph A23 is defunct and should be deleted so the paragraph includes only the examples.
- In relation to the use of both measurement approaches, paragraph A25 states that IFAC member bodies ‘may choose to use both the output-based and the input-based approaches’. We support having content on this particular issue – not least because it provides a potential opportunity for those IFAC member bodies currently using an input-based approach to consider adding to this through elements of an output-based approach. As currently written though, we believe this may be confusing to some as it may be interpreted as picking and choosing when to use each approach. By changing this sentence to read ‘...may choose to use a combination of approaches which contain elements of output-based and input-based methods...’ we believe this issue may be resolved.

As we believe that the subject of measurement is a significant area concern for IFAC member bodies, and given the importance of encouraging greater use of a learning outcomes based approach to assessment, the IAESB should provide implementation guidance surrounding the measurement of CPD, however this is covered further under question 7.

Monitoring and Enforcement of CPD

We reviewed the requirements in paragraphs 15 – 17 and believe they are appropriate and clear.

In conjunction, we reviewed the explanatory materials and noted that paragraph A28 refers to verifiable evidence that could be used for verification of an input-based approach citing the example of course outlines and teaching materials. As this is being used to illustrate the relevancy of a topic for the professional accountant’s role, we recommend that this is made clear in the explanatory material by adding ‘...to verify the relevance of the topic’ to the end of the sentence.

Paragraph A30 discusses supplementary monitoring processes, one of which is to audit a sample of professional accountants to check compliance with the CPD requirements set. The use of the word supplementary, which we recognize is also included in the extant IES 7, may be interpreted as these processes being optional rather than an integral part of the overall monitoring process, which we believe they are. In order to remove this ambiguity we suggest that paragraph A30 read ‘Periodic monitoring processes performed by the IFAC member body may involve...’. This sentence structure is also more in line with that of the preceding paragraph which is directed toward the professional accountant.

Bouzas Sañudo
CPA Australia

Yes the Requirements of the proposed IES 7 are appropriate and clear.

CPA Australia supports the measurement of CPD using either the output-based approach or the input-based approach, or a combination of both.

CPA Australia is concerned that the removal of specified hours (Ref: Para A16-A20. “Complete at least 120 hours...”) will lead to differential approaches by IFAC member bodies, thus removing a “benchmark” of consistency across the profession. CPA Australia believes there should be some uniformity of standard for professional development hours (or equivalent) for the input-based approach to ensure the profession is committed to enabling ongoing development of professional competence, in the public interest. We believe the proposed revisions to the standard (namely the removal of specified hours) will not achieve the aim to improve consistency of CPD undertaken by professional accountants.

CPA Canada

CPA Canada believes the Requirements of the Proposed IES 7 are appropriate and clear. In particular, we support the changes to focus on the accountant’s role.

DTT

Please refer to our comments “Impact of proposed revisions on consistency of CPD practice and measurement across jurisdictions” under “Key Comments” above.

Please see section above on *General Statements of Concern and*

*Related Matters
for Consideration*

EFAA	Yes, though please see our suggestion above relating to explanatory material for “specified amount” in relation to input-based approach (Paragraph 14).	Please see section above on <i>General Statements of Concern and Related Matters for Consideration</i>
EYG	<p>We are comfortable with no longer proscribing a fixed numerical amount of CPE hours in IES 7. However, it is unclear in paragraph 14 and the related explanatory guidance as to how the specified amount of learning and development activity is to be determined under the input-based approach. Historically, this has been a specified number of hours or units of learning and development activity. With the removal of the hours requirement, could this alternatively be a specified set of learning or specified courses professional accountants should attend? We suggest that the explanatory paragraphs A22 and A23 be revised to expand the examples beyond hours or learning units, if that was the intention.</p> <p>We suggest that paragraph 16 be modified to include remediation. We suggest the following revision to paragraph 16: IFAC member bodies shall ... and, (b) provide appropriate sanctions and remediation for failure to meet those requirements.</p>	
FACPCE	Yes, they are clear.	
FRC(UK)	<p>Paragraph 10 includes a typo. We think this paragraph should read “IFAC member bodies shall promote the importance of, and a commitment to, CPD as well as to the development and maintenance of professional competence.”</p> <p>Paragraph 12 permits bodies to use both output-based and input-based approaches together to measure CPD. We believe that it would be helpful to explain further, possibly in paragraph A25 of the explanatory</p>	

material how the use of both measurement approaches differs (if it differs at all) from the combination approach in the current IES 7.

Paragraph 13: Given the importance of selecting appropriate learning outcomes for measurement of CPD we suggest that this paragraph is amended to say “IFAC member bodies using an output-based approach shall require professional accountants to identify learning outcomes relevant to their role and professional responsibilities and to demonstrate their achievement.”

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|---------|---|---|
| GAO | As stated above, we believe that the CPD standard should include a requirement for completing a minimum specified amount of CPD relevant to the professional accountant’s role and professional responsibilities measured in hours or learning units. We believe that CPD measured using the input-based approach best facilitates monitoring and enforcement of the standard. CPD measured using an output-based approach also contributes to developing and maintaining a professional accountant’s competence. However, we believe that such activities may be more difficult to consistently measure, monitor, and enforce and should be undertaken in addition to activities measured using an input-based approach. | See response in section above on <i>General Statements of Concern and Related Matters for Consideration</i> |
| IAA | The requirements of IES 7, described in paragraphs 9 to 17, are adequate and clear, however, having described the approaches to measurement of Continuing Professional Development based on results and inputs, it would be desirable at paragraph 15 to describe the approach of DPC measurement based on inputs and results, which would be written as follows:
15. Input-based approach and results IFAC member organizations that use a mixed approach based on inputs and outputs will require professional accountants to complete a specific amount of learning and development as well as demonstrate the achievement of learning outcomes relevant to their performance and professional responsibilities. | |
| IBRACON | Yes, the requirements proposed in IES 7 are appropriate. They are clear when reading it together with the explanatory paragraphs. | |
| ICAEW | Not always. The requirements set out in paragraph 9-17 vary in their appropriateness. | |

Our main point, explained more fully below, is the wording of paragraph 14. We think it may present challenges and difficulties if IAESB moves away from setting minimum time requirements for input policies and leaves it to each PAO to mandate whatever CPD amounts they deem fit.

We welcome the introduction in paragraph 13 of the reference to the achievement of relevant learning outcomes as we judge this to be an appropriate support to the focus on professional competence in paragraph 9.

We think both paragraph 13 and paragraph 14 would be improved by including a reference to professional competence. While this is highlighted in paragraph 9, it is important to emphasize that any approach to CPD, whether input or output or mixed, must have the goal of professional competence.

ICAN

The meaning of Paragraph 10 seems not clear. It reads thus:

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

It should read thus:

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

Paragraph 14 – We do not support the removal of a specified, minimum requirement of CPD for the input method measurement approach.

Reason

We are of the view that PAOs or member bodies who adopt input method approach may experience difficulties in applying the proposed modified method that the new input method demands.

The previous statement on the said paragraph of an expected minimum requirement by IFAC is a helpful benchmark for PAOs and member bodies using the input method.

Furthermore, many PAOs and regulators have specified a minimum requirement of input hours for assessment and measurement of CPDs for professional accountants and IES 7 should appropriately reflect this.

ICAS

Paragraph 9
Agreed.

Paragraph 10

The proposed paragraph: 'IFAC member bodies shall promote the importance of, and a commitment to, CPD as well to the as development and maintenance of professional competence' is unclear with grammatical errors.

The meaning is also unclear.

More appropriate wording may be considered as:

'IFAC member bodies shall demonstrate a commitment to CPD for professional accountants as it provides for maintaining and developing their professional competence through promoting the value and variety of planned CPD opportunities available'

IFAC member bodies shall communicate the importance of CPD for professional accountants as it provides for maintaining and developing their professional competence through promoting the value and variety of planned CPD opportunities available.

Note: Further comments on Question 3 that relate to A4 guidance.

Paragraph 11

Agreed although we suggest that the last bit of the paragraph is revised to read 'in meeting their personal responsibility to undertake CPD that maintains their professional competence'.

Paragraph 12

Agreed.

Paragraph 13

The current paragraph expresses learning outcomes as more significant than an assurance-based approach that measures and verifies competence. This could be interpreted as a reduction in standards and as such, we would suggest that if the learning outcome was expressed as what the professional accountant had gained from the learning outcome and had applied to maintaining and developing their competence then this could be viewed as more developmental in terms of CPD, providing assurance that a professional accountant is technically and professionally competent for the role they are performing.

Proposed change to: 'IFAC member bodies using an output-based approach shall require professional accountants to demonstrate what had been gained from the achievement of learning outcomes and how these have been applied in developing and maintaining professional competence relevant to their role and professional responsibilities'.

Paragraph 14

An alignment of the minimum requirement for verifiable CPD between both output and input approaches could help strengthen the value of both approaches and assist those who provide both, although we agree that there doesn't need to be a prescribed minimum amount for an output-based approach.

The focus upon learning outcomes for both approaches should be made clearer and, given our comments for paragraph 13, this could ensure consistency between both approaches to ensure how the learning gained and applied because of the activity, is shown to develop and maintain the professional competence relevant to their role and professional responsibilities.

We suggest that for those IFAC member bodies implementing an input-based approach, the requirement for professional accountants to complete a minimum specified amount of CPD (in hours, equivalent learning units, or as relevant professional development activity) should remain.

‘Proposed change to: ‘IFAC member bodies using an input-based approach shall require each professional accountant to complete a specified amount of learning and development activity that meets at least the following:

- a) Complete 20 hours (or equivalent learning units) of relevant professional development activity in each year or 60 hours in each rolling three-year period;
- b) Measure learning activities as they relate directly to the achievement of learning outcomes.

The professional accountant will be required to demonstrate what had been gained from the achievement of these learning outcomes and how these have been applied in developing and maintaining professional competence relevant to their role and professional responsibilities’.

It is suggested that additional guidance in section A22 could state the minimum number of hours of CPD activity required over a specified period of time.

We suggest reinstating the current paragraph 15 with the following changes, this paragraph having been removed from the exposure draft:

- a) Complete a pre-determined number of hours (or equivalent units) of learning or relevant professional development activity of no less than 20 hours in each year, or 60 hours in each rolling three-year period, of which a portion could be verifiable.
- b) Remove
- c) Retain as ‘Measure learning activities to meet the above requirements’.

Paragraphs 15-17

Agreed.

ICAZ

Generally, the requirements in the above-mentioned paragraphs are clear and appropriate within the overall context of IES. However, we propose inclusion of requirements and explanatory material on how IFAC member bodies can use a combination of an input based and outcome based measurement basis of CPD. There is a possible risk of duplication where IFAC member bodies decide to use both approaches which may then result in strenuous requirements on professional accountants.

ICPAU With the exception of the following paragraphs, the requirements are appropriate and clear:

Paragraph 10

It is not properly written and its meaning is unclear. It should be redrafted to read “IFAC member bodies shall promote the importance of, and a commitment to, CPD as a means of development and maintenance of professional competence.”

Paragraph 13

The ultimate goal of CPD is for professional accountants to achieve competence in a particular role. Learning outcomes as proxy for competence, is a lessening of the standard set in the existing IES 7.

Therefore, the proposed change to demonstrate the achievement of learning outcomes is less helpful to IFAC member bodies as it loses the link to the requirement for achievement and maintenance of professional competence.

Paragraph 14

The change to remove a specified, minimum requirement of CPD for the input method is unhelpful. Many IFAC member bodies follow the input method and may be adversely affected by this change.

The statement of an expected minimum requirement by IFAC is a helpful benchmark for all bodies using the input method. In addition, many regulators have specified a minimum requirement of input hours and IES 7 should reflect this where possible.

The lack of a specified minimum requirement may cause conflict between the member bodies and their regulators, especially where regulators have put in place a minimum number of CPD hours or points to be achieved by professional accountants.

IDW

With the exception of the matters we address immediately below, we believe the requirements to be appropriate and clear. We will address the most important issue from our point of view first.

Measurement of CPD for an Input-Based Approach

We note that the requirement in relation to measuring CPD using input-based approaches in paragraph 14 of the proposed standard only refers to IFAC member bodies specifying an amount of learning and development activity without setting a minimum bar for such an amount. While this is certainly principles-based, we are not convinced that it is in the public interest to cease requiring a minimum level of activity for input-based approaches in the context of those jurisdictions where solely output-based approaches are likely not to be implementable due to the reference to input-based measures (e.g., hours of structured or verifiable CPD) in law, regulation or professional requirements of IFAC member bodies. Furthermore, although solely output-based approaches are contemplated in the standard, to cease requiring a minimum amount of activity for input-based approaches sends the wrong message about the importance of CPD to members of the profession. This is because the cost in terms of the likely amount of time expended by members of the profession to meet the learning outcomes is an important consideration when designing an output-based approach (whether designed by a member body or by a member) – that is the amount of CPD activity is always subject to cost-benefit considerations, even for output-based approaches. The amount of input-based activity specific in a standard is therefore an important underlying factor for consideration even when solely an output-based approach is applied.

We recognize that there are different means for measuring CPD activity using an input-based approach. However, paragraph A22 of the proposed standard does clarify that the common factor among all input-based approaches is their measurement of CPD activity in terms of “hours or equivalent learning units”. A requirement specifying a minimum CPD activity could therefore refer to “hours or equivalent learning units” as extant IES 7 did. Furthermore, we regard it to be important that, if a minimum level of hours or equivalent learning units needs to be required for input-based approaches to CPD, then there needs to be an accompanying minimum requirement for some or all of the CPD to be supported by verifiable evidence.

We therefore recommend that the IAESB retain its current requirement in extant IES 7 for 120 hours or equivalent learning units in each rolling three-year period, of which 60 hours must be verifiable, and 20 hours or equivalent learning units in each year.

Other Issues in the Requirements

We note that the definition in the Glossary of Terms (and repeated in paragraph 2 of the proposed standard) of 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”. Given this definition, there are a number of paragraphs in the introduction and in the requirements that include redundant wording that refer to CPD and then add words about what CPD is. Such redundancy not only lengthens the standard unnecessarily, but also results in some logical issues in terms of what the sentences then actually mean. The paragraphs in the introduction and requirements where we have identified this problem include paragraphs 1, 5, 9, and 11. For example, paragraph 9 could be redrafted to simply state “IFAC member bodies shall require all professional accountants to undertake and record CPD.” The words “that develops and maintains professional competence relevant to their role and professional responsibilities” are actually already covered in the definition of CPD. There may be similar issues in the explanatory material and we therefore suggest that the IAESB review the wording therein (see for example, paragraph A6).

IRBA

The requirements are appropriate, clear and principle-based. Based on the reading of the proposed standard, it is clear that the Board has steered away from being prescriptive. For example, the current standard prescribes the number of hours that professional accountants ought to complete in a given cycle if they are on an input-based approach. The proposed standard is leaving it to the IFAC member bodies to determine their own requirements. This allows IFAC member bodies in different jurisdictions to set requirements that are more relevant and appropriate for their jurisdictions. However, while the requirements have steered away from requiring measurement based on hours, the explanatory material still refers specifically to hours as an input measure, and while this measure should only serve as an example, it might drive the same behavior which the board had hoped to change. The proposed standard does not give sufficient direction or guidance to member bodies that have opted to use the input-based approach, as it still refers to units which must be determined by the member body (which could, again, be hours).

ISCA Paragraphs 12 to 17 have simplified the requirements on measurement, monitoring and enforcement of CPD. It is good to know that the input-based approach has been retained and it is clear that IFAC member bodies can still choose the input-based approach which allows flexibility for a practical approach to comply with a CPD standard. We feel that while the move towards an output-based measurement approach is a necessary step forward, there are still benefits of input-based measurement approach of being directly measurable and for measurable inputs are good sources of primary evidence of participation in CPD activities.

For Paragraphs 12 and 13, there can be greater clarity that IFAC member bodies shall also establish the depth of details required of professional accountants in demonstrating the learning outcomes, and to have the authority to seek verification of these learning outcomes to a reliable source e.g. the professional accountant's employer.

We suggest the inclusion of paragraph A13 to highlight the need to read *IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (2016)* together with paragraph 9 Requirements: CPD for All Professional Accountants, in view of the significance of the audit engagement partner role to the public interest.

Paragraph 9: IFAC member bodies shall require all professional accountants to undertake and record CPD that develops and maintains professional relevant to their role and professional responsibilities. *Given the significance of the audit engagement partner role to the public interest, IFAC member bodies shall require professional accountants performing the role of an engagement partner to develop and maintain professional competence by demonstrating the achievement of learning outcomes and by undertaking CPD, as set out under IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (2016).*

Please see suggested amendments to Paragraphs 10 and 13 below:

Paragraph 10: IFAC member bodies shall promote the importance of, and a commitment to, CPD as well as ~~to~~ the ~~as~~ development and maintenance of professional competence.

Paragraph 13: IFAC member bodies using an output-based approach shall require professional accountants to demonstrate the achievement of learning outcomes relevant to their roles and professional responsibilities.

JICPA They are appropriate and clear.

Knowledge Equity Yes, the requirements of paragraphs 9-17 are appropriate and clear. Knowledge Equity also agrees that the approach of these requirements remain primarily principles-based.

However, we are concerned about the unintended consequences related to the ability of a member body to choose the measurement approach it would use. Throughout the exposure draft, emphasis is placed on the need for professional accountants to identify their own learning and development needs. Specifically, the CPD framework covered in paragraph A9 emphasises the role that individual professional accountants will play in planning, undertaking and reflecting upon CPD.

We believe that the ability of member bodies to choose one measurement approach over another would directly affect and/or influence the ability of individual accountants to choose and develop their own CPD activities related to their roles. That is, the measurement choice permitted to member bodies may directly limit, or be perceived to limit, the choices of valid learning and development activities that individual accountants can choose from, especially for member bodies that adopt the input-based approach in isolation. With the primary objective of ensuring professional accountants develop and maintain the necessary professional competence to perform their roles and meet stakeholder needs, there doesn't seem to be any direct relationship from this objective to the input-based approach described in paragraph 14. While undertaking a specified time period of learning and development activity can improve performance or competence, there is no basis upon which to measure or validate that performance or competence.

Accordingly, we believe that an output-based approach is far superior to an input-based approach.

Over the years, professional accountants have perceived CPD activities to be a ‘tick-the-box’ exercise and attending training without necessarily learning anything in order to simply comply with CPD requirements.

To change this perception, member bodies should adopt a more output-based measurement model for verifiable CPD evidence, as a minimum. In this way, both measurement models would be used by all member bodies, but for verifiable evidence that learning has taken place, there must be measurement in the form of an assessment, evaluation or demonstration, as per the output-based approach.

We are also concerned about the inconsistent quality of CPD activities that would be undertaken across different member bodies. Generally, those that adopt an output-based measurement model will achieve higher quality CPD activities undertaken by its members in comparison to member bodies that adopt only the input-based approach. This will consequently also place an unfair cost and compliance burden on professional accountants belonging to different member bodies – especially when those member bodies service the same country or jurisdiction.

Suggestion: We recommend that member bodies be required to adopt both an input-based and an output-based measurement model. Therefore, the ability for an IFAC member to solely establish an input-based approach (as described in paragraph 12) should be removed and we recommend a strong move towards the output-based approach only in future. Further to this, where the input-based approach is used in combination with the output-based, only certain types of CPD activity (e.g. providing on-the-job training or mentoring), should be allowed to use the input-based approach in isolation. Other learning and development activities (e.g. educational programs and training events) should be required to have an element of output-based approach in measuring the CPD undertaken.

Verifiable evidence required by member bodies in respect of paragraph 15 should be limited to only an output-based measurement approach as this would confirm the achievement of learning objectives, aid in changing the perception of CPD activities by professional accountants and promote consistency across member bodies.

- KPMG The requirements are clear. We note that previously the minimum amount of hours of learning and development activity for the input approach was specified in IES 7. The revised standard states that a specified amount of learning and development shall be required. We comment on this further in question 6. See response of Question 6 of this section
- NASBA NASBA has concerns about paragraph 17 which states that “IFAC member bodies shall undertake processes for measuring, monitoring, and enforcement of CPD on a regular basis.” The explanatory guidance does not define “a regular basis” and we are concerned that the period for measuring, monitoring, and enforcing CPD be sufficiently short (for example one to three years) to bring a professional accountant back into compliance if problems arise. We also note that the exposure draft drops the language in the current paragraph A25 suggesting reporting cycles of one to five years.
- PAFA With the exception of the following paragraphs, the requirements are appropriate and clear:
- Paragraph 10 does not read well and its meaning is unclear;
- Paragraph 13 – the change to demonstrate the achievement of learning outcomes is less helpful to IFAC member bodies as it loses the link to the requirement for competence. The ultimate goal of CPD must be competence in a role and a learning outcome as a proxy for competence is a lessening of the standard set in the existing IES7.
- Paragraph 14 – the change to remove a specified, minimum requirement of CPD for the input method is unhelpful. The view of PAFA member bodies who follow the input method is that this changed requirement may weaken the position of a number of professional bodies. The statement of an expected minimum requirement by IFAC is a helpful benchmark for all bodies using the input method. In addition, many regulators have specified a minimum requirement of input hours and IES7 should reflect this where possible. PAFA member bodies following the input method are concerned that the lack of a specified minimum requirement may cause conflict between the member bodies and the regulators.
- PWC We believe the revised requirements are appropriate and clear subject to the following observations:

Removal of the prescribed minimum number of hours when using the input-based approach

None of the issues cited in the explanatory memorandum refer to a request or need for removal of the prescribed minimum number of hours. We are concerned that the proposed revision to remove the prescribed minimum number of hours when using the input-based approach (paragraph 14) has the potential to dilute the effectiveness of IES 7 and may also exacerbate some of the issues that the revisions are designed to address (e.g., the consistency of CPD undertaken by professional accountants).

We believe that removing the prescribed minimum and leaving the flexibility for IFAC member bodies to determine these minimums could result in significant inconsistencies across IFAC member bodies, which will be challenging for global organizations who employ professional accountants subject to the standards of different IFAC member bodies.

Requirement to demonstrate achievement of learning outcomes when using the output based approach

Regarding the proposed output-based approach, we believe it will be difficult to determine and articulate specific and relevant learning outcomes (paragraph 13) for experienced professional accountants who have completed their initial professional development and have a wide range of roles and responsibilities. Therefore, we believe it will be important to develop implementation guidance that illustrates specific and relevant learning outcomes that may be appropriate in these circumstances.

Other

We noted that the requirements in paragraphs 9, 13 and 14 each refer to the professional accountant's "roles and responsibilities". We did not know whether the addition of "and responsibilities" implies a new consideration in the context of CPD. We note that scope paragraph 4 and explanatory material paragraphs A4 and A6 mention only "roles". We also note that the term "responsibilities" is not defined in the Framework or the Glossary of Terms. Other than the use of "responsibilities" in a different context in IES 5, we do not believe this term is used elsewhere in the Standards. We believe that proposed IES 7 can achieve the intended objectives without the addition of this term. If the addition of this term was intentional, we believe it should be defined and used consistently throughout the proposed revisions to IES 7 and the relevance to other Standards should be considered.

Paragraph 12 references measuring CPD but does not seem to mention measuring the quality of such CPD when using the input-based approach. We believe that completing a specified amount of learning and development activity relevant to their role may not necessarily mean that a professional accountant will develop and maintain professional competence if that learning and development activity is not of high quality. We suggest adding a reference to the quality of the learning and development activity to paragraph 14.

We noted a typo in paragraph 10. We believe it should say “IFAC member bodies shall promote the importance of, and a commitment to, CPD as well as to the development and maintenance of professional competence.”

SAIPA

Paragraph 9.

This paragraph is clear and appropriate

Paragraph 10.

This paragraph does not read well and the grammar needs to be fixed.

Paragraph 11.

This paragraph is clear and appropriate.

Paragraph 12.

This paragraph is clear and appropriate.

Paragraph 13.

The requirement to demonstrate the achievement of learning outcomes is less helpful to IFAC member bodies, as it loses the link to the requirement for competence. The ultimate goal of CPD must be competence in a role and a learning outcome as a proxy for competence is a lessening of the standard set in the existing IES7.

Paragraph 14.

The change to remove a specified quantifiable minimum requirement of CPD for the input method is unhelpful. Our view as SAIPA is that if a PAO follows the input method this proposed amendment may make it difficult to apply uniform standards across member bodies thus making it subjective to determine compliance and non-compliance with CPD requirements. The indication of a specified expected minimum requirement by IFAC is a helpful benchmark for all bodies using the input method. Furthermore the different regulators in different countries are using a specified number of CPD points as a requirement which has in most cases been based on the IFAC pronouncements. It will now be difficult to meet such regulatory requirements.

TURMOB Yes

WPK With the exception of the matter of measurement of CPD addressed above, the requirements seem appropriate and clear. Please see section above on *General Statements of Concern and Related Matters for Consideration*

Question 3. Are there any additional explanatory paragraphs needed to better explain the requirements of the proposed IES 7 (see Appendix 1)?

AAT In addition, the examples provided at A27 as verifiable evidence that could be used to demonstrate learning outcomes that have been achieved under an output-based approach could be perceived to be a definitive list. In monitoring compliance with its existing output-based CPD scheme AAT has observed that its membership has demonstrated a wide variety of activities that have fulfilled the requirement of developing and maintaining the professional competence necessary to perform their roles, all of which following the framework AAT has in place aligned to that detailed at A9. On that basis AAT is of the view that the way this Please see response to question 2.

is presented could benefit from being softened in order to provide scope for flexibility which reflects the reality of the way in which many professional accountants will approach their CPD obligations.

Furthermore, the emergence of new technologies (such as digital credentials and badging) and dynamics such as peer-to-peer endorsement through professional networking platforms represent examples of new ways that verifiable evidence could be obtained that are not included in the list provided at A27. Producing something that could be perceived as a definitive list in the explanatory material runs the risk of the revised IES appearing to be quickly out of date.

ACCA In relation to paragraph 14, guidance on how an IFAC body following the input-based approach or a mix of input and output can set and justify the amount of hours required each year for their members would be a welcome addition to the explanatory paragraphs.

Guidance on whether different amounts (hours or units) can be set for different classes of membership or by members working in specific areas or sectors would also be welcome.

AICPA We ask IAESB to consider additional clarification within the explanatory material as described below that may result in changes to existing paragraphs or the addition of new paragraphs.

Scope of this Standard-Professional Competence.

We recommend that IAESB consider additional clarifications to the definition of professional competence in explanatory paragraph A1. The inclusion, of the term “learning outcomes”, which is defined in the IAESB Glossary of Terms (2015) as “the content and the depth of knowledge, understanding, and application required for a specified competence area”, is a term commonly used in structured learning activities and does not adequately recognize that the majority of learning, or the attainment of professional competence, is achieved through unstructured activities such as on-the-job training, peer-to-peer learning, and mentoring and coaching that play a critical role in competence development. We have previously proposed learning outcomes be redefined, but we also recommend the definition of professional competence omit reference to learning outcomes and instead be defined as: “Professional competence is the ability to perform a role to a defined standard. Professional competence is one’s attainment and maintenance of a level of knowledge,

skills, values, ethics, and attitudes that enables him or her, as a professional accountant, to render services with facility and acumen. Professional competence goes beyond knowledge of principles, standards, concepts, facts, and procedures; it is the ability to apply such knowledge in one's role appropriately. Professional competence is underpinned by professional values, ethics, and attitudes, and includes a commitment to continuously acquire new skills and knowledge.

Scope of this Standard-Lifelong learning.

We recommend the explanation of lifelong learning in explanatory paragraph A2, which currently references "technical competence" be restated as follows: "Lifelong learning represents the ongoing, voluntary, and self-motivated pursuit of professional competence and is critical if professional accountants are to meet public interest expectations." We believe professional competence encompasses what IAESB defines as technical competence in the IAESB Glossary of Terms (2015) and that IAESB does not intend to exclude professional skills and professional values, ethics, and attitudes from the explanation of lifelong learning. We believe the use of both terms – professional and technical competence is confusing. We recognize this has implications to other IESs beyond IES 7, but we recommend consideration be given to professional competence being the overarching term and goal of CPD which embodies technical skills, non-technical skills, as well as the necessary values, ethics, and attitudes, which are currently referred to in the IESs with slightly different terminology (e.g. technical competence in IES 2 could be reframed as technical skills and professional skills in IES 3 could be reframed as non-technical skills).

Scope of this Standard-Increased Expectations of Professional Accountants.

We appreciate the IAESB noting in explanatory paragraph A3 that professional accountants face increased expectations in an evolving world and specifically identifying technological advancements as a cause. Given the rapidly changing business world professional accountants operate in, we recommend IAESB maintain previous extant IES 7 considerations that because of such change "it may be appropriate for IFAC member bodies to periodically review their CPD policies and the application of this IES".

CPD for All Professional Accountants-Effective Learning and Development.

The Association agrees with explanatory paragraph A4 which notes undertaking CPD does not guarantee that all professional accountants will develop and maintain professional competence. Furthermore, we agree

with the previous explanations as to why this is the case as included in extant IES 7 paragraph A2 which cited dependence upon the professional accountant's commitment and capacity to learn. As such, we recommend revising explanatory paragraph A8, which currently states "Planned, relevant, and timely CPD leads to effective learning and development ..." to "Planned, relevant, and timely CPD facilitates effective learning and development..."

CPD for All Professional Accountants-Self-Appraisal.

IAESB introduces the concept of self-appraisal (explanatory paragraphs A9, A17, and A20), but does not define it within IES 7 or the IAESB Glossary of Terms (2015). Because the IAESB cites in the Explanatory Memorandum (Page 9) that research indicates self-appraisal is critical to the success and efficacy of CPD, the Association recommends IAESB define the term to avoid confusion among IFAC member bodies in implementation of IES 7.

CPD for All Professional Accountants-Relevancy.

The Association recommends IAESB keep IES 7 paragraph A12 extant language which allows IFAC member bodies to rely on the judgment of professional accountants as to the relevancy of CPD activities. The extant standard read, "Alternatively, they may choose to rely on the judgment of professional accountants to make decisions on the relevance of CPD activities." We believe this is important to maintain within the standard because of the great diversity in roles the professional accountant has and will have as the world economy and the accountancy profession evolves.

Promotion of and Access to CPD-Examples of Learning and Development Activities.

Requirements paragraph 5 and explanatory paragraph A17 refer to planned activities. While paragraph 5 recognizes unstructured acquisition, we believe it is important to understand that unstructured learning activities such as on-the-job training or coaching are often opportunistic and thus not planned or part of a predetermined planned program of CPD. In an attempt to understand the IAESB's intent regarding planned activities, we considered the Explanatory Memorandum, which on Page 8 states "...self-development activities need to be planned" and on Page 9 states "...all forms of learning, formal and informal, and practical experience are valid learning and development activities when they are planned, relevant, and reflected upon."

We seek clarification from IAESB as to its intent regarding the term “planned” to ensure that unstructured learning activities although they may not originally be established as part of a planned program of CPD are acceptable methods of learning and development activities that may be measured within an output-based measurement approach. If the IAESB is proposing that self-development activities that are not planned may not qualify as CPD, we strongly object as this would mean unplanned on-the-job training would not count as CPD despite understanding 70% of learning occurs on-the-job – unplanned, unstructured.

Self-directed learning has been omitted from the list of examples of learning and development activities that may be undertaken as part of a planned program of CPD in explanatory paragraph A17. While we realize the list is not meant to be exhaustive, we are not clear of the intent of its removal from extant IES 7 and seek clarification on if IAESB intends a difference between self-directed learning and what is now included in IES 7 as “Reflecting on practical experiences and developing personal development plans through self-appraisal”. Unstructured, unplanned on-the-job training is invaluable to professional competence development and we do not support any intentional or unintentional changes to IES 7 that would cause IFAC member bodies to conclude that such activities would not be accepted as CPD.

Furthermore, we understand from the Explanatory Memorandum, IAESB was striving to identify a broader range of appropriate CPD learning and development activities in this ED; however, beyond providing greater descriptions of the activities previously included in extant IES 7 paragraph A7, we do not believe the list was actually expanded to be broader. We do not have specific recommendations to add as we had not sought a broader list, but did want to raise to IAESB’s attention for those respondents seeking a broader list.

Measurement of CPD-Determining an Approach.

The Association appreciates the IAESB providing factors for IFAC member bodies to consider when determining a measurement approach (starting at explanatory paragraph A18); however, additional factors would be helpful including considering the shortcomings of an input-based approach including most importantly that it does not always measure development or maintenance of professional competence. We have provided a similar comment below for explanatory paragraph A22.

Measurement of CPD-Output-Based Approach.

The Association has included comments related to the output-based approach, including requirements paragraph 13 and explanatory paragraphs A19-A21 in response to Question 4 as requested.

Measurement of CPD-Input-Based Approach.

Extant IES 7 explanatory paragraph A16, which has been replaced by explanatory paragraph A22 contained insights on the limitations of an input-based approach, which we believe are still relevant and useful to include in efforts to move the accountancy profession to an output-based measurement approach, which more appropriately measures professional competence development. Accordingly, we recommend keeping the following extant language, “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.”

Measurement of CPD-Input-Based Approach.

Extant IES 7 explanatory paragraph A18, which has been replaced by explanatory paragraph A24 stated that extant IES 7 was based on the concept that IFAC member bodies expect a proportion of the learning activities that professional accountants undertake to be verifiable. It also stated “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,…” We believe on-the-job training (as well as peer-to-peer learning and mentoring and coaching) is an important method of learning and development activity and believe it is important to note that while it may not always be verifiable, it does contribute to the development and maintenance of professional competence. We are also unclear on IAESB’s intent in striking reference to verifiable under the output-based approach explanatory material and leaving it only as a concept under the input-based approach explanatory material.

Monitoring and Enforcement of CPD-Verifiable Evidence.

Explanatory paragraph A27 (d) includes, as an example of verifiable evidence, “Records of work performed (work logs) that have been verified against a competency map;” While we recognize extant IES 7 contained this explanatory material as well, we do believe that because of the ever-growing and diverse roles professional accountants serve today and tomorrow that there may not always be a competency map to

verify work performed against. We ask IAESB to consider defining competency map, which is not currently defined in IES 7 or the IAESB Glossary of Terms (2015), to be broadly defined which may include job descriptions or even project descriptions of roles and responsibilities. We also recommend that recognition be made to the scenario when confidentiality requirements may prohibit the professional accountant from completely providing records of work performed and recognize that information may need to be withheld or redacted in those situations. In such situations, IFAC member bodies, may consider use of a competent source that is able to confirm the competence has been developed and maintained, which is included as language in extant IES 7 explanatory paragraph A14 as it related to reliability of verification in an output-based system.

BDO

In addition to the items noted in question 2 above, we note in the Significant Issues section of the Exposure Draft on page 6, the first bullet point explained how to move from an input-based approach to an output-based approach as one of the main issues. This suggests both a preference on the part of the IAESB towards one of the two approaches and a desire for IFAC member bodies to be encouraged to move away from a solely input-based approach. Neither of these matters appear to be fully reflected either in the IES or in the explanatory materials that support it. We acknowledge that the IAESB has made improvements to this revised IES to support the clarity of the input-based and output-based approaches, eliminated the ‘combination’ approach which was not well understood and also removed the arbitrary hours targets that were included in the input-based approach section previously. We would strongly encourage the IAESB to create and share appropriate implementation guidance on how IFAC member bodies can move from an input-based to output-based approach of measurement. To help support this guidance it would be useful if the IAESB could highlight the value attached to the output-based method by making appropriate linkages to the IAESB’s recent papers on a learning outcomes approach.

We note the inclusion of a CPD framework in paragraph A9 and find this to be a very valuable addition to the explanatory materials. Such a CPD framework requires the professional accountant to be an active participant throughout the CPD cycle and helps them as ‘professionals’ to draw a direct correlation between the activities of CPD and their workplace performance. As we currently read the Exposure Draft the framework positioning only seems to be relevant to use in an output-based approach, however for the

reasons stated above, we believe that it has value no matter which measurement approach an IFAC member body chooses to adopt and that adoption of such a CPD framework should be promoted.

As such we recommend the following:

- Paragraph A15(a) – append ‘...and promoting the use of a CPD framework’.
- Add a new paragraph under measurement of CPD (general) such as ‘IFAC member bodies may provide guidance on the use of a CPD framework. Such a framework allows professional accountants to play an active role in their CPD and helps draw a direct correlation between CPD activities and performance in a role.’

Bouzas
Sañudo

Yes in our opinion there are some explanatory paragraphs that should be better explain the requirements of the proposed IES 7.

CPA
Australia

CPA Australia recommends retaining the requirement of 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.

CPA Australia believes that the explanatory paragraphs for the output-based approach (Ref: Para 13) and the input-based approach (Ref: Para 14) may require further explanatory details in order for IFAC member bodies to interpret and apply the intentions consistently.

CPA Canada

Paragraph A14 may require more clarification as to what is considered a “career break” and some direction as to when an individual is considered to be “retired”. For example, is a retired member an accountant who is no longer practicing in a professional capacity or would an individual who is otherwise retired but still undertaking work of a volunteer nature be required to complete CPD?

DTT

Please refer to our comments under “Specific drafting points” below.

Please see
section below on
*Comments on
Other Matters*

EFAA	Yes. Please see our suggestion above relating to explanatory material for “specified amount” in relation to the input-based approach (Paragraph 14)	Please see section above on <i>General Statements of Concern and Related Matters for Consideration</i>
EYG	<p>Yes, we believe that additional explanatory paragraphs are needed to better explain the requirements of the proposed IES 7. Our suggestions are as follows:</p> <ul style="list-style-type: none"> • Since member bodies are responsible for specifying the amount of verifiable evidence that professional accountants are required to maintain for monitoring CPD that has been undertaken, there could be situations when non-verifiable activities will qualify for CPD. As a result, the IAESB should provide examples of non-verifiable activities that qualify for CPD. For example, non-verifiable activities could be independent or informal learning activities that are not held by a recognized educational or professional sponsor. • Given the complexity of measuring CPD under an output-based approach, we suggest that the IAESB provide additional explanatory guidance related to measuring the achievement of CPD under the output-based approach. <p>Additionally, we offer several suggestions to improve the clarity of certain explanatory paragraphs. Our suggestions are as follows:</p> <ul style="list-style-type: none"> • We suggest that paragraph A6 be revised because as currently written the ‘it’ in the second sentence is circular. Therefore, as currently written this states ‘Ensuring professional accountants develop and maintain the professional competence necessary to perform their roles improves professional competence necessary to provide high quality services...’. As a result, we propose the paragraph be reworded as follows: Ensuring that professional accountants develop and maintain the professional competence necessary to perform their roles serves several purposes. It protects the public interest, 	See Response of Questions 2 and 4 of this section

improves professional competence necessary to provide supports the provision of high quality services to clients, employers, and other stakeholders, and promotes the credibility of the accountancy profession.

- As worded, paragraph A21(a) describes an input-based approach when the focus of A21 is on determining the achievement of learning outcomes. See detailed response in Question 4 below.
- As indicated in our response to Question 2, we suggest that paragraphs A22 and A23 be expanded to include additional examples beyond hours or learning units.

FACPCE The exposed ones are adequate.

FRC(UK) Paragraph A4: we suggest that the point made in the second sentence of this paragraph would be strengthened by the replacement of “enabling” with “requiring”.

Paragraph A6: we suggest that it would be more accurate to say that a body’s CPD regime “maintains “rather than “promotes” the credibility of the accountancy profession”.

Paragraph A13: Given that IES 8 is framed largely in terms of the competencies that an engagement partner requires we would welcome some additional discussion in the Explanatory Material about how audit engagement partners can demonstrate that they have met IES 8 requirements based on the measures available to users of an input-based approach.

GAO We believe that certain types of CPD discussed in the proposed standard, such as practical experience and self-development activities, may be difficult to consistently measure, monitor, and enforce. Paragraph A17 of the proposed standard provides examples of learning and development activities, and paragraphs A27 and A28 provide examples of verifiable evidence that could be used to measure completion of learning activities. However, we believe that the proposed standard would benefit from additional guidance on implementing the measurement approaches. For example, it is unclear how “reflecting on practical experiences” (one example of a learning activity included in para. A17) would be verified given the examples listed in paragraphs A27 and A28.

IAA Consistent with the previous answer, we believe it is the only modification that could be made.

See response from Question 2 of this section

IBRACON Regarding this question we have the following observations:

Paragraph A7 mentions that CPD applies to all professional accountant regardless of sector or size the organization, which we agree. However, it would be helpful to clarify, since the beginning of the explanatory material that CPD requirements can be different and will depend on the role of the professional accountant.

In addition, in item (a) of this paragraph mention that professional accountant needs to maintain professional knowledge and skill to ensure that a client and employer receives competent professional service. We agree in part of this statement as we believe that there is other parties interest in the professional accountant role that was not mentioned in A7 (a).

Paragraph A14, presents special circumstances that would need to have specific requirements in CPD. We agree that it is necessary, however we observe that it would be better explained or more guidance should be included.

Paragraph A17 presents some examples of learning and development activity that may be undertaken as part of a planned program of CPD which we considered very useful, except for item (h) that we believe it would an activity hard to measure and monitor.

Paragraph A27 brings examples of verifiable evidence that could be used to demonstrate that learning outcomes have been achieved in an output-based approach. We believe that item (c) assessment of learning outcomes achieved and (e) objective assessment against competency, in the way that they are described, does not make clear what type of verifiable evidence should be provided.

Paragraph A34 we suggest to include examples of steps that address the balance between the permission to a professional accountant to defer or avoid compliance with CPD requirements and necessary punitive sanctions.

Paragraph A36 and A38 address the issue of reporting publicly the compliance or not of the CPD by a professional accountant. We agree that it can act as a general deterrent for professional accountants, and provide a clear signal to the public of the profession's commitment to maintaining competence. However, we stress out that, in case of noncompliance, not only the professional accountant is affected but can also other be affected, for example the entities for which he had provided any service.

ICAEW Yes, it would be beneficial to clarify certain aspects of the proposed requirements with additional explanatory paragraphs.

Our central concern with the Exposure Draft's proposals is the removal of the minimum 'time spent' requirements for the input-based approach and the confusion this could cause. It is significant that it is proposed to leave it to individual IFAC member bodies to each determine the minimum amount of CPD that their members must complete.

ICAEW is generally not an advocate of prescribing amounts of 'CPD hours' or 'CPD points'. We moved away from inputs in 2005 having previously operated an input-based system for 25 years. However, where an input system is used, we do think it greatly aids clarity for stakeholders if there are specified minimums, or at least guidance. The explanatory paragraphs for the input-based approach should at least provide clearer guidance on what amounts of annual CPD the IAESB envisages as appropriate.

There could also be more in the standard outlining the role that IT and systems can play in promoting and administering CPD compliance. Too often the underpinning administrative issues of CPD systems are not fully addressed following the publication of top-level requirements. Without investment in the right systems any PAO will be severely compromised in its ability to introduce and run an effective approach to CPD.

ICAN Yes, there are.

Comment.

There is need to also provide for the minimum requirement of hours in the proposed IES 7. This will serve as a guide to member bodies in determining the adequacy of CPD

We recommend that detailed explanations be provided to enable more stakeholders to participate with respect to the CPD needed/expected.

ICAS

Paragraph A4.

Remove 'Undertaking CPD does not guarantee that all professional accountants will develop and maintain professional competence necessary to provide high quality professional service. However, we suggest reinforcing the personal responsibility of professional accountants towards CPD and the role it plays in developing and maintaining their professional competence by using the following revision:

'All professional accountants have a personal and professional responsibility to develop and maintain their professional competence. 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'.

Note: With a revised A4 section, there may be an opportunity to further revise our response to Question 2, paragraph 10, to become even more clear i.e.

'IFAC member bodies shall communicate the importance of CPD for professional accountants as it provides for maintaining and developing their professional competence.

IFAC member bodies shall demonstrate a commitment to CPD for professional accountants as it provides for maintaining and developing their professional competence.

Paragraphs A7-A14.

Based on our comments, there is a need to review the explanatory notes that supplement the paragraphs of the standard. The guidance could benefit from a diagram that explains the framework as an overview.

Paragraphs A8 and A9, A10 and A11

Whilst an emphasis on the planning and structure of learning activities does help focus the attention for professional accountants on planning their CPD, it would be useful to highlight the relevance of unstructured

learning that can be reflected upon both during and after the activity using self-appraisal and reflective learning, which may lead to the revision of learning and development plans accordingly.

This is especially relevant to those members working at a senior level, whose role requires them to be more reactive to the changing environment in which they or their organization operate.

Paragraph A11

Could illustrate a broader range of sources for CPD-related insight especially from networking within their own professional member organization i.e. through their appraisal process, internal mentoring programs, organization-led networking events.

Paragraph A12

Could be expanded for IFAC member bodies to introduce mandatory requirements that could relate to the expectations of specific areas or roles, address public interest, or raise standards of professional competence for their professional organization i.e. in respect of ethics.

Paragraph A17

Could indicate that this list is not exhaustive.

ICAZ As highlighted in question 2 above there is need for explanatory material where members bodies are using a combination of an input based and outcome based measurement approach. See response of Question 2 of this section

ICPAU If no minimum requirement of hours is stated in the IES 7 requirements, detailed guidance should be provided to assist IFAC member bodies to establish what a sufficient amount of input CPD is.

The revised IES 7 appears to be weak regarding having a strong link to the CPD being relevant to the professional accountant's role. The explanatory material could also emphasize this further.

A9 could be improved by illustrating the CPD Framework as a diagram showing the continual feedback cycle.

A11 could be expanded to make greater reference to gathering feedback from a wider range of stakeholder groups in relation to the CPD required.

A12 could be expanded to refer to IFAC member bodies introducing mandatory requirements for CPD e.g. ethics.

IDW

We believe that on the whole the explanatory material explains the requirements well and that therefore no additional explanatory paragraphs are required.

However, we have identified a number of paragraphs in which we have issues with the wording (other than those that we have identified in our responses to the other questions).

Paragraphs A12 and A31 refer to “risk”. This begs the question: “risk of what”? Further specification is needed here.

We do not understand the structure and meaning of paragraph A22 because the word “and” at the end of (b) suggests that the example means that all three are being suggested. If that is not is meant, then the “and” should be changed to “or”.

Paragraph A 30 (a) refers to “auditing a sample of professional accountants”. The term “audit” is restricted to reasonable assurance engagements on historical financial information in IAASB engagement standards, and the use of this term in this way would not be consistent with IES 8. We therefore suggest that the term “audit” be replaced with “Testing”.

IRBA

While we appreciate the Board’s approach to the requirements being principle-based, we find the requirements insufficient to provide member bodies and professional accountants with what needs to be done to comply with any of the approaches. The requirements also do not appear to adequately address all the issues raised in consultations with stakeholders, for example, improving the implementation of an input-based measurement approach; how to demonstrate the achievement of learning outcomes in an output-based approach and understanding how to effectively use both the input and output-based measurement approaches. The standard does not elaborate on the differences between the previous combination approach

and using ‘both approaches’. This may be particularly important for those member bodies seeking to improve the input-based approach by incorporating elements of the output-based approach in their current input-based approach.

We are particularly concerned that, while the proposed standard refers to ‘monitoring and enforcement’ of CPD, the current requirements will not provide an adequate basis for such monitoring and enforcement, specifically for the output-based approach.

As a regulator of the audit profession in South Africa, we have been using an input-based approach and are currently reviewing our CPD policy. The standard does not give us adequate guidance on how an output-based system could be effectively implemented. Any future guidance material that will be prepared by the Board to supplement IES 7 should include examples of how an output-based approach has been successfully implemented by IFAC member bodies who have adopted this approach. Also of particular interest to us as a Regulator would be the monitoring and enforcement of CPD activities under the output-based approach. The Board should consider more guidance on the monitoring and enforcement of an output-based measurement approach.

ISCA In Paragraph A1, it is noted that:

Paragraph A1: Professional competence is the ability to perform a role to a defined standard. Professional competence goes beyond knowledge of principles, standards, concepts, facts and procedures; it is the integration and application of learning outcomes for: (a) technical competence, (b) professional skills, and (c) professional values, ethics and attitudes which were achieved during IPD.

The content in Paragraph A1 suggests that CPD is a further development of the professional competence achieved during IPD. While it usually is so, this may not be as such if a professional accountant has moved on to a different industry or scope of work and where the technical competence that is required may differ significantly from the technical competence achieved during the IPD. For example, a professional accountant who has moved into specialisation fields such as financial forensics and business valuation would need to

develop and maintain areas of technical competence which are not covered during IPD. We suggest for greater clarity, that while CPD is a further development of the professional competence achieved during IPD, professional accountants need to also consider new areas of technical competence that are necessary with their new responsibilities or roles.

We would like to suggest the following amendment to Paragraph A8:

Paragraph A8: 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 roles.

We are in full support of the principles-based approach which has enhanced clarity and consistency in all IESs, and allowed high flexibility for member bodies to develop professional accounting and continuing professional development programs that meet the diverse local and stakeholder needs, while maintaining focus on the core competence areas that all professional and aspiring accountants need to acquire.

We welcome the inclusion of Paragraph A9 in “acknowledging that each professional accountant has differing learning and development needs” and including the self-appraisal process as part of the suggested structure of CPD framework. This encourages professional accountants to self-evaluate and take charge of the requirements of their roles and monitor their own progress in CPD on an ongoing basis, in light of the rapidly changing business landscape. In addition, it would be good to include a recommended frequency for performance of self-appraisal, review and evaluation of planning, completing and recording of learning and development activities (e.g. on an annual basis).

ISCA currently adopts the input-based measurement approach using CPD hours as the measurement criteria rather than on learning outcomes. The national regulator and issuer of licenses for public accountants in Singapore, the Accounting and Corporate Regulatory Authority (ACRA), has also adopted the input-based measurement approach. ISCA's criteria for verifiable CPD activities is set as follows:

- The activity is **relevant** to the professional accountant's current or future work.
- There are clear **learning objectives or outcomes** when attending or completing the activity.
- The activity helps in the development of the **professional competency**.
- There is **proof of attendance** or participation of the activity.

The current explanatory paragraphs on input-based approach focus only on time spent or units allocated / prescribed and do not mention about assessment of learning outcome or how the CPD activities are aligned with the professional accountant's identified learning and development needs or role. To better align with the objective of CPD activities that are relevant to the current and future work of the professional accountant and life-long learning, we suggest to add an additional explanatory paragraph after Paragraphs A22 or A23 to clarify that it is possible to establish a continuum to illustrate additional controls or criteria that must be met before CPD is awarded for time spent on a learning activity. It will be useful for IFAC member bodies to move their CPD system along the continuum and improve the relevance of CPD.

The inclusion of an output-based measurement system would call for the necessity for demonstration of the learning outcomes before the professional accountant can be assessed as compliant.

In Paragraph A10, it is noted that:

Paragraph 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:

- (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 plan how to meet them.

We would like to seek clarity on guidelines on what constitutes a competency map under Paragraph A10, given the varying needs of professional accountants in different industries and specialisation roles.

We would like to suggest the following examples to be added as learning and development activities that may be undertaken as part of a planned programme of CPD under Paragraph A27.

Paragraph 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;
- (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.
- (h) Writing of organisation policies e.g. accounting policies, risk management policies and employee code of conduct.
- (i) Involvement in leading discussions at as well as preparing for board or committee meetings e.g. audit committee meetings (for professional accountants holding senior positions).

For points (c) on ‘Assessments of learning outcomes achieved’ and (e) on ‘Objective assessments against a competency map’, we seek clarity on whether this includes a self-reflection of learning outcomes that professional accountants would need to provide as part of ‘verifiable evidence’ and whether such evidence can be provided without further endorsement by an independent source.

- In Paragraph A28, it is noted that points (b) and (c) appear to be repetitive. In view of this, we suggest the following amendment:

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

- (a) Course outlines and teaching materials;

(b) Confirmation of participation by independent sources; including the activity provider, instructor, employer, mentor, or tutor.

~~(c) Independent confirmation that a learning activity has been completed successfully~~

Other recommendations

In view of the changing expectations for professional accountants to be equipped with multi-disciplinary skills, it is recommended for IES 7 to reflect the prevalent use of new information technology tools as well as the increasing need for specialised knowledge. To equip ISCA members with specialised knowledge, ISCA offer a wide range of Continuing Professional Education (CPE) courses, including areas of financial forensics, business and data analytics.

JICPA

Yes.

We would like you to illustrate by diagrams that the learning outcomes approach includes both output-based approach and input-based approach and that input-based approach is not inconsistent with learning outcomes approach.

Knowledge
Equity

Explanatory paragraph A4 reads as a measure to placate the public to show that the profession has a system in place. But, it also acknowledges that the system is not sufficient. Meeting the CPD requirements should guarantee (or at least aspire to such) that professional accountants are able to perform at the required level.

Suggestion: The CPD requirements should be worded in the positive form, and structured such that undertaking CPD leads to the provision of high-quality professional service. If a professional accountant is found to not be providing such high-quality professional services, then the CPD undertaken (if any) has not been sufficient and the professional accountant has not met their obligations in maintaining their professional accountant status (or alternatively, the relevant IFAC member has not ensured the CPD was sufficient in the circumstances).

Explanatory paragraphs A5, and A9 to A12, should be key features of the quality assurance processes and CPD frameworks for IFAC member bodies. While we appreciate that this is part of the explanatory material (rather than the requirements), and that the standard is principles-based, the wording here is very soft in espousing what an IFAC member bodies' quality assurance processes and CPD frameworks should entail, especially with the instances of the word 'may'. Use of the word 'may' limits the effectiveness of this standard in truly seeking to uplift the competence of professional accountants, noting that IFAC members are the drivers of this.

Suggestion: We recommend removing the word 'may' as the examples provided should be prevalent in IFAC member bodies' quality assurance processes and CPD frameworks.

As a primary driver of IES 7 is to protect the public interest, and therefore the ongoing public image of professional accountants, IFAC member bodies should be provided with more structure on the requirements for the systematic monitoring processes and supplementary monitoring processes. The systematic monitoring process does not currently specify the timeframe for periodic declarations or provision of evidence by professional accountants (e.g. yearly). Further, supplementary monitoring processes refer to auditing samples, which can lead to a minimalist, cost-focused approach to the monitoring function.

Suggestion: The proposed IES 7 should take the opportunity to press harder on the obligations of IFAC member bodies to prevent rogue professional accountants from operating and better ensuring the credibility of the profession. It should specify the timeframe for systematic monitoring as well as the extent/reach of supplementary monitoring processes to provide greater confidence in the profession.

KPMG

Illustrative examples for the additional explanatory paragraphs would be useful for clarity – see question 4.

See response of Question 4 of this section

NASBA

Paragraph A9 introduces the concept of a self-appraisal in the context of identifying relevant learning outcomes and personal learning and development gaps. However, we believe that the standard should be clear that self-appraisal is not sufficient to demonstrate the achievement of learning outcomes in an output-based approach.

Paragraph A23(b) suggests that CPD providers might determine the units allocated to a learning and development activity. In our opinion, allowing CPD providers to determine the units allocated to a learning and development activity without guidance from a member body or licensing body is ripe for abuse, and should not be allowed. Paragraph A23(b) might be better written as follows:

(b) Units allocated to the leaning and development activity by a CPD provider in accordance with the rules or regulations of a member body or licensing body.

Finally, we are concerned about the guidance provided in paragraph A25 for the use of both output-based and input-based approaches. First, the guidance needs to be clear that the achievement of learning outcomes attained while participating in an input-based approach learning and development activity cannot be counted twice, if the same learning outcomes are then demonstrated as part of an output-based approach. Second, the combination of both measurement approaches introduces great complexities for IFAC member bodies (or regulatory bodies) in equating the measurements for the satisfaction of CPD requirements for the professional accountant. How will the input-based CPD that is traditionally measured in time equate to the demonstration of the achievement of a learning outcome in output-based CPD? How will IFAC member bodies (or regulatory bodies) consistently apply output-based CPD among professional accountants, when an output-based CPD could vary significantly from professional accountant to professional accountant? The discussion of a hybrid method incorporating both output-based and input-based approaches needs better examples and a clear discussion of how each is used separately, and then combined in an appropriate manner.

Lastly, there is concern on the variance that could occur among IFAC member bodies (or other regulatory bodies) in consistently allowing both measurement approaches, when the global environment for the professional accountant indicates a need for more uniformity in the rules and regulations of the profession.

PAFA

If no minimum requirement of hours is stated in the IES7 requirements, it is believed by PAFA member bodies that detailed guidance will be required to assist IFAC member bodies to establish what a sufficient amount of input CPD is.

The revised IES 7 seems to be weak on having a strong link to the CPD being relevant to the professional accountant's role. The explanatory material could emphasize this further.

Paragraph A9 would be improved by illustrating the CPD Framework as a diagram showing the continual feedback cycle.

Paragraph A11 could be expanded to make greater reference to gathering feedback from a wider range of stakeholder groups in relation to the CPD required.

Paragraph A12 could be expanded to refer to IFAC member bodies introducing mandatory requirements for CPD e.g., ethics.

PWC The explanatory memorandum indicates that further guidance and clarification is needed for IFAC member bodies and other stakeholders about “how to move from an input-based to an output-based measurement approach.” Although the proposed revisions to IES 7 describe how each of the measurement approaches could operate, we believe that additional implementation guidance should be provided to address how to move from one measurement approach to the other. More details of what we believe should be included in the implementation guidance are discussed in our response to Question 7. See response of Question 7 of this section

The explanatory memorandum indicates that further clarification and guidance is needed for IFAC member bodies and other stakeholders about “how to improve consistent implementation of measurement requirements when both input and output measures are used”. We believe that additional implementation guidance should be provided in this regard as we do not believe such guidance is reflected in the proposed explanatory material paragraphs. More details of what we believe should be included in the implementation guidance are discussed in our response to Question 7.

SAIPA If no minimum requirement of CPD points or hours is stated in the IES7 requirements, it is believed that detailed guidance will be required to assist IFAC member bodies to establish what a sufficient amount of input CPD is.

The revised IES7 seems to be weak on having a strong link to the CPD being relevant to the professional accountant's role. The explanatory material could emphasise this further.

Paragraph A9 could be improved by illustrating the CPD Framework as a diagram showing the continual feedback cycle.

Paragraph A11 could be expanded to make greater reference to gathering feedback from a wider range of stakeholder groups in relation to the CPD required.

Paragraph A12 could be expanded to refer to IFAC member bodies introducing mandatory requirements for CPD e.g., ethics.

TURMOB

No

WPK

We do not think that any additional explanatory paragraphs are needed.

Question 4. Do proposed revisions to the output-based approach requirement (see paragraph 13) and related explanatory material (see paragraphs A19-A21) improve understanding and your ability to apply an output-based measurement approach? If not, what suggestions do you have to improve clarity of the output-based approach?

AAT

AAT has operated an output-based approach for some time and is therefore comfortable with the proposed revisions detailed in the exposure draft. AAT welcomes the developments in that they seek to further strengthen the scope for IFAC member bodies to understand and implement an output-based approach.

ACCA

ACCA suggests that guidance on identifying and setting learning outcomes could be included at this point. The reference to 'learning outcomes' assists clarity and has the advantage of being consistent with the revised IES 8 however, IES 8 is considerably more prescriptive in terms of the required learning outcomes which leads to more certainty for both professional accountants and IFAC member bodies.

IES 7 (Revised) would benefit from clear guidance or examples of the learning outcomes that might be appropriate for typical roles that a professional accountant may undertake.

AICPA

The Association does not believe the ED provides a sufficient understanding of how to

- achieve an output-based measurement approach,
- move from an input-based to an output-based measurement approach, or
- combine both the input and output measurement approaches.

We have also identified certain changes within the ED that we believe may have unintended consequences at odds with the IAESB's intent and objective in the revision to IES 7 and have noted those within these Responses to Questions for Commenters.

Measurement of CPD: Output-Based Approach.

As discussed in Question 2, we are concerned about changes to requirement paragraph 13 which states, "IFAC member bodies using an output-based approach shall require professional accountants to demonstrate the achievement of learning outcomes relevant to their role and professional responsibilities." Prior to the changes within this ED, demonstration of the development and maintenance of appropriate professional competence was required. We understand from the Explanatory Memorandum included in this ED, IAESB was striving to clarify by focusing on the demonstration of learning outcomes, which are outputs of CPD learning and development activities; however, because learning outcomes are synonymous with structured learning activities this may not appropriately recognize the value of unstructured learning activities such as on-the-job training, peer-to-peer learning, and mentoring and coaching that play a critical role in competence development. We recommend IAESB clarify that learning outcomes may arise from both structured and unstructured learning experiences. We recommend learning outcomes be redefined as the measurable result that learners achieve upon completion of structured or unstructured learning activities. Absent such clarification, the inclusion of "learning outcomes" could actually be a hindrance to moving to an output-based measurement approach instead of an aid.

This concern extends to explanatory paragraphs A19-A21 as they also reference learning outcomes.

- BDO The revisions to the requirement and the explanatory materials do improve our understanding of the output-based approach. However, even with the revisions made to the requirement and related explanatory material it is still unclear how the output-based approach would look and operate in practice, given how IFAC member bodies have different approaches based on local regulations and other factors.
- Having example-based implementation guidance could provide: (a) further clarity and (b) support to IFAC member bodies as they seek to modify their existing approaches to measurement. This may also encourage professional accountants to make a more direct linkage between the CPD they undertake and the practical application or demonstration of the learning in a work-based context, thereby increasing the perceived relevance and value of the activities in the eyes of the individual and their employer.
- Bouzas Sañudo Because of the results-based approach focuses on whether professional accountants can demonstrate achievement of learning outcomes. The measurement approach in some cases is subjective and not measurable in terms of an evaluation since the experience of these can't always be measured in a test, there are many areas of expertise that would not be practical to assess with written assessments and could not adequately determine compliance with CPD, the practical experienced is a perfect example that can't be expressed in a test and gives de professional accountant a huge asset.
- CPA Australia CPA Australia believes the output-based approach is educationally sound. CPA Australia, in principle, supports a move towards output-based approaches for measuring CPD, however the monitoring and enforcement of the output-based approach to CPD may not be successful. The current implementation guidance does not cover this in a practicable and executable manner, particularly at scale.
- CPA Canada CPA Canada recognizes that an output-based approach to CPD focusing on learning outcomes would support a more holistic view to the development and maintenance of professional competency when compared to input-based measure such as hours of structured learning. Additional guidance as to how a member would demonstrate learning outcomes may provide additional support to member organizations interested in moving to an output-based system. In the absence of guidance, the Board may also consider

developing best practices based on the experiences of those jurisdictions who have already moved to an output-based model.

- DTT We support the specific linkage of the output-based approach to the demonstration of achievement of learning outcomes. This is consistent with the approach taken in the IPD standards, and removes some of the possible ambiguity created by the broader concept of demonstration of appropriate professional competence set out in extant IES 7. Please see section above on *General Statements of Concern and Related Matters for Consideration*
- Please also refer to our comments relating to the removal of the 120-hour yardstick for measuring CPD under “Impact of proposed revisions on consistency of CPD practice and measurement across jurisdictions” under “Key Comments” above.
- Regarding the proposed guidance on the measurement of an output-based approach, examples relating to the structure of self-developed individual learning plans and self-assessment of those plans, including the review and/or approval of those assessments by senior learning management within an audit firm, would be helpful.
- EFAA The proposed revisions improve understanding and the ability of EFAA member organisations to apply an output-based measurement approach.
- EYG No. As indicated in our overall comments, we struggle whether enough guidance has been provided in the revised IES 7 for professional accountants to be able to measure CPD undertaken through an output-based approach. As a result, we suggest that the Board provide additional explanatory guidance and examples regarding the output-based approach.
- Paragraph A21 describes the factors that should be considered in determining whether the achievement of learning outcomes has occurred under an output-based approach. However, A21(a) describes an input-based approach to determine whether learning outcomes have been achieved. Our interpretation is that an individual would assess whether they have met a learning need by reviewing the CPD activities they have completed. However, reviewing CPD activities does not necessarily assess whether the learning outcomes

have been achieved. Although well designed formal learning will include some form of assessment of achievement of learning outcomes, other forms of CPD (such as unstructured reading) will not. Therefore, we believe that in order for completion of a learning program to be used as an output measure, IES 7 needs to address the importance of including properly designed learning which incorporates suitable assessment processes. In addition, this section does not address how a professional accountant determines the sufficiency of learning outcomes achieved (i.e., how many learning outcomes need to be met to comply with the CPD requirements).

- FACPCE Yes, they improve understanding. We have no suggestions to make.
- FRC(UK) Yes, we consider that the revisions are helpful and improve understanding. We suggest that it may also be helpful to cross-reference paragraphs A19 and A22 about the demonstration and measurement of CPD to paragraphs A27 and A28 which include examples of types of verifiable evidence available to professional accountants.
- GAO We appreciate the IAESB's efforts to revise the requirement and explanatory material related to the output-based approach; however, we believe that it may continue to be difficult to consistently measure, monitor, and enforce CPD using such an approach. It may be difficult for member bodies to specify the nature and extent of verifiable evidence that professional accountants are required to maintain given the differing learning outcomes that may be used in this approach resulting from professional accountants' differing learning and development needs. We believe that the proposed standard would benefit from additional guidance and specific examples of clearly defined learning outcomes, along with the nature and extent of appropriate verifiable evidence that would demonstrate that learning outcomes were achieved.
- IAA In the explanation material at point A20 says "Learning outcomes can be established by several sources including: a) IFAC member organizations, employers etc. We believe it should say:
- "The learning outcomes can be established by several instances including: a) IFAC body members, etc.

- IBRACON We believe that the revision in paragraph 13, which presents output-based approach requirements can help to improve our understanding and our ability to apply an output-based measurement approach.
- However, considering the subjectivisms of this approach we suggest to you to include more examples touching real situations in the related explanatory material.
- ICAEW Yes, to a degree. The proposed revisions may in fact prove more helpful in guiding PAOs that have yet to introduce an output-based approach or are in the early stage of implementation of their CPD policy. Specifically, the introduction of frameworks, such as the learning cycle described in A9 (a) – (d), is important as these provide a clear structure for promoting the effectiveness of CPD activity.
- IAESB could usefully provide more guidance on the challenges of the output-based approach. For instance, that professional accountants need to judge for themselves the amount and type of CPD that they need and the factors they should weigh; they cannot declare compliance by dedicating a certain amount of time to learning and development each year. Under the output approach, PAOs must invest significant resources in qualified staff to review CPD records as the focus is on evidencing relevant outcomes from learning.
- ICAN YES,
- Comment
- It has improved the understanding and ability to apply an output-based measurement approach. However, since some PAOs are yet to adopt output based approach, such PAOs should be encouraged and assisted to implement output based measurement approach.
- PAOs should also embrace a combined output- and input-based approach in the near future especially as it relates to specialist areas, specialist roles and high-risk area.
- ICAS The proposed revisions to the objective of this IES does provide a greater level of clarity however this does not fully translate to the paragraph 13 and associated explanatory materials at this time. In the event that the comments we have made to the learning outcomes and how the learning that has been gained can be verified

and/or assessed as having been applied, such that professional competence has maintained and developed, then whilst it may not significantly improve our understanding of an output-based approach, it would improve our ability to apply a learning outcome driven approach.

- ICAZ The proposed changes to the output based approach requirement and related explanatory material do improve our understanding and ability to apply an output based measurement requirement. The focus on learning outcomes allows for a better and more practical measurement basis.
- ICPAU CPAU is likely to continue to using a combination of the output and input-based approaches.
- IDW We understand and would be able to apply an output-based measurement approach as described in the relevant requirements and related explanatory material.
- IRBA No. Please refer to the comments given above. It would be helpful if more guidance is provided on how to ‘demonstrate the achievement of learning outcomes’.
- ISCA We noted and agree with IAESB’s inclusion on the examples of verifiable evidence of output-based approach towards continuing professional development under the section on “Monitoring and Enforcement of CPD”.

In Paragraph A21, it is noted that:

Paragraph A21: For IFAC member bodies and licensing regimes, determining achievement of learning outcomes by the professional accountant may include consideration of factors such as:

(b) The nature and extent of reflective activity the professional accountant has documented in their CPD record demonstrating the achievement of learning outcomes.

In view that reflective activities are commonly used in CPD courses, we would suggest for IAESB to provide further clarification and guidance in IES 7 on:

- The documentation required;
- How it could be used and assessed to close identified competency gaps.

As the focus of the output-based approach is on whether professional accountants can demonstrate the achievement of learning outcomes, IFAC could provide guidance on the level of professional competence for various job roles, in a format similar to that of Table A: Learning Outcomes in IES 2, IES 3 and IES 4.

Given that the learning outcome can be established by ‘professional accountants when undertaking self-appraisal’ (Paragraph A20), the assessment of achievement of learning outcome (Paragraph A27) can also be determined by themselves. The question is always what is considered sufficient, i.e. the nature and extent of CPD is highly subjective and may not be easy to be adopted by IFAC member bodies in varying stages of development.

There is a need to elaborate and provide examples on the factors to be considered in determining whether achievement of learning outcomes has occurred (Paragraph A21).

It is unclear if the Guiding Principles stated in the “Guidance to Support the Implementation of a Learning Outcomes Approach” as previously issued by IAESB in January 2016 can be used to meet the requirements of the proposed IES 7. The Guiding Principles emphasise the clear links between specifying clear learning outcomes and the assessment of these learning outcomes, specifying the qualitative characteristics which such learning outcomes and assessments should meet. It would be helpful to illustrate some of these qualitative characteristics after Paragraphs A21 or A28 to guide IFAC member bodies in determining the verifiable evidence to be obtained to assess the learning outcome achieved.

JICPA We propose that “clients” be newly added as paragraph A20 (f).

Knowledge
Equity Yes, the current requirements and application guidance are clear but the output-based approach is effectively limited to demonstrating the achievement of learning outcomes.
Suggestion: Consideration should be given to how these learning objectives should be crafted, to ensure they are not just relevant to professional accountants’ roles, but directly meet the competence required for the relevant roles.

We also recommend that paragraph A20 be expanded to include ‘educational organisations’ or ‘providers of CPD’ as a possible source of establishing learning outcomes, as these entities are heavily involved in the

industry (across business and public practice), are typically run by subject matter experts in the field, and have a vested interest in the ongoing development of professional accountants and the accounting profession itself.

KPMG

We believe it would be useful to have an illustrative example on the measurement of the output-based approach. The example in A25 is useful but we would like to see more clarification on the meaning of output based and how it can be measured to help ensure consistency across the profession. If measurement of the output approach is not clear for a variety of learning activities then adoption of an output based approach could discourage these learning activities.

Our interpretation of A19 is that a test result is not sufficient for the measurement of achievement of learning outcomes. A definition of a learning outcome would help our understanding. An example of output based approach measurement activities would also be useful. The establishment of learning outcomes outlined in A19-A21 is very wide and therefore does not assist our understanding.

We did not find A21 clear after repeated reading and reflection. This should be reworded to be clear on the two factors to be considered.

NASBA

Paragraphs A19-A21 discuss the determination of achievement of learning outcomes in an output-based approach. In our opinion, these paragraphs would be improved by direct reference to paragraph A27 which provides appropriate examples of verifiable evidence that could be used to demonstrate that learning outcomes have been achieved in an output-based approach. The examples provided in A27 are essential to understanding how professional accountants can demonstrate the achievement of learning outcomes. We are concerned that all too often professional accountants may read only part of a standard, and the content of paragraph A27 is essential to understanding an output-based approach.

PAFA

The view of PAFA member bodies is that they will continue to use the input and combination methods and would not move to a purely output-based approach.

PWC With regards to paragraph A20, we expect that the identification of “clearly-defined learning outcomes” to cover the wide range of possible professional competencies that will be relevant to individual professional accountants in different roles, will be challenging for the types of organizations identified. We believe that including implementation guidance to illustrate clearly-defined learning outcomes, will increase the likelihood that IFAC member bodies will encourage adoption of the output-based measurement approach rather than preferring an input-based measurement approach where a “specified amount of learning and development activity relevant to their role” may be perceived as easier to measure.

Explanatory materials relating to verifiable evidence (paragraphs A26-A28) are currently categorised within “Monitoring and Enforcement of CPD”. We believe these paragraphs would be better categorised within “Measurement of CPD” as they relate to demonstrating “achievement of the learning outcomes” (as noted in paragraph 13) and completing “a specified amount of learning and development activity” (as noted in paragraph 14), both of which are included within “Measurement of CPD” in Requirements.

SAIPA Paragraph A19. The output-based approach focuses on whether professional accountants can demonstrate the achievement of learning outcomes. The measurement focus is on what professional accountants achieved from having undertaken learning and development activities.

SAIPA sees in a need to define Professional Accountant in the context of this IES 7.

Paragraph 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.

There appears to be a confusion between outcomes and competencies.

Paragraph A21. For IFAC member bodies and licensing regimes, determining achievement of learning outcomes by the professional 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 professional accountant’s

role; and (b) The nature and extent of reflective activity the professional accountant has documented in their CPD record demonstrating the achievement of learning outcomes.

It will be impossible to monitor compliance.

TURMOB

Yes

WPK

The proposed revisions help to better understand an output-based measurement approach.

Question 5. Are there any terms within the proposed IES 7 (see Appendix 1) which require further clarification? If so, please explain the nature of the deficiencies?

AAT

Aside from the points raised in response to questions 2 and 3 above, AAT considers that the terminology as set out appears sufficient.

ACCA

The definition of “professional competence” used in paragraph A1 seems to imply that it is only in relation to learning outcomes which were achieved during IPD when surely it will also apply to new learning outcomes achieved via CPD. Clarification on this would be welcomed from ACCA.

It is unclear why the explanation of what CPD is does not align precisely with the definition of lifelong learning. The definition of lifelong learning includes the terms “voluntary and self-motivated pursuit” and this seems at odds with the mandatory nature of CPD as specified in paragraph 9.

AICPA

Within the section, Response to Questions for Commenters, we have commented on several necessary clarifications in the context of answering Questions 1-4.

See Response to Questions 1-4

BDO

We do not believe that there are any additional terms that require further clarification however, in order to further support access and application of this revised IES, we encourage IFAC to consider the need for translation of the IESs (and implementation guidance materials) in order to:

- support IFAC member bodies; and
- prevent misapplication of requests in such a critical area for the profession.

Bouzas
Sañudo

Some of the penalties explained in the paragraph paragraphs may violate or lead to non-compliance with the rules derived from the way in which this is raised, of course that should be encouraged to comply with the rules but not in a coercive manner.

CPA
Australia
CPA Canada

No
CPA Canada is satisfied with the terms as presented.

DTT

Please refer to our comment regarding the use of the term “CPD Framework” in the “Specific drafting points” section below.

Please see section below on *Comments on Other Matters*

EFAA

As outlined above the only term that might demand further clarification is “specified amount” in relation to the input-based approach (Paragraph 14).

Please see section above on *General Statements of Concern and Related Matters for Consideration*

EYG

Yes. The term professional responsibilities should be defined within the revised IES 7.

FACPCE

No. They are intelligible.

FRC(UK)

In the IAESB Glossary of Terms:

CPD Framework: we suggest that the definition includes a reference to monitoring and enforcement so that it states: “In support of Continuing Professional Development, increased structure, further guidance or

explanation of concepts to support the learning and development of professional accountants and the monitoring and enforcement of those who do not comply.”

Lifelong Learning: we suggest that the definition is expanded to make clear that this activity continues throughout a professional accountant’s career: “The ongoing, voluntary and self-motivated pursuit of technical competence, professional skills and professional values, ethics and attitudes throughout a professional accountant’s working life.”

In the Explanatory Material:

At paragraph A28 item (c): it would be helpful if there was further discussion of the meaning of “independent confirmation” in the context of verification of CPD activity. For example, is a declaration of compliance provided by a professional accountant’s work colleague or line manager a sufficiently independent confirmation?

GAO	We did not identify any terms that require further clarification.	
IAA	There are no terms in the appendix that require further clarification, however, it would be advisable to consider the possibility of switching the term from professional paper to professional <u>performance</u> .	
IBRACON	We do not identify any term that could need further clarification.	
ICAEW	Yes, as noted above, paragraph 13 (‘achievement of learning outcomes’) and paragraph 14 (‘a specified amount of learning and development’) could be strengthened by referring to professional competence and by expanding upon meaning in the explanatory material section.	See response to Question 5 in this section
ICAN	There is no term that requires further clarification.	
ICAS	The term ‘professional accountant’ may require further clarification and we have included our comments within the General Comments section.	

ICAZ	None that we have identified.
ICPAU	No terms require further clarification.
IDW	We do not believe there are any terms within the proposed IES 7 that require further clarification.
IRBA	Although the meaning of the term ‘Relevant’ comes out in the body of the standard, it may be helpful to define ‘Relevant CPD Activities’. This definition would further strengthen the ‘role specific’ nature of CPD.
ISCA	With the revisions made to IES 7 and our suggested amendments outlined in our responses to Questions 3 and 4, we are of the view that the Requirements have been adequately clarified.
JICPA	Yes, there are. It is possible for “other measures” in paragraph A23 to be confused with input-based approach. What “other” means should be specified.
Knowledge Equity	Explanatory paragraph A2 describes lifelong learning. However, there is a disconnect between lifelong learning being ‘critical’ to the profession and its public interest expectations, and also being a ‘voluntary’ and ‘self-motivated’ pursuit. We appreciate that this description of lifelong learning is aspirational, but on the continuum of attitudes towards CPD by professional accountants, only a small percentage share this vision or belief of lifelong learning. Suggestion: Consideration needs to be made as to whether an item of such critical nature should not necessarily be voluntary and self-motivated, but an expectation or requirement of attaining and maintaining professional accountant accreditation. IES 7, para. 10 contains a minor grammatical error. It currently states: ‘...a commitment to, CPD as well to the as development...’.

Suggestion: This should be changed as follows: ‘...a commitment to, CPD as well as to the development...’.

KPMG A glossary of terms at the beginning of the proposed standard would be helpful, e.g. self-appraisal, reflective activity, licensing regime, units allocated and units prescribed.

NASBA In the discussion of an input-based approach, paragraph A22 introduces the concept of measuring CPD in terms of “hours” or “equivalent learning units.” We could not find a definition of “equivalent learning units” in Glossary of Terms (2015) referred to in the exposure draft. The glossary should be updated to define “equivalent learning units”. It may also be helpful to provide illustrative examples, along with other key terms such as “regular basis,” or “enforcement.” In addition, paragraph A25 references “learning hours” and that term is not defined nor equated to learning units.

PAFA No terms require further clarification.

PWC We refer you to our third point in response to Question 2 regarding the possible addition of the term “responsibilities” to the Glossary if this term is retained.

Use of the words “voluntary” and “self-motivated” in the definition of “Lifelong Learning” (Glossary and paragraph A2) seem to be more applicable to optional activities, rather than a core element of the pursuit of professional competence that is “critical” to meet public interest expectations. We recommend removing the words “voluntary” and “self-motivated.” We offer as an alternative definition the following:

“Lifelong Learning represents the ongoing 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”.

Use of the word “increased” in the context of expectations to display professional competence (paragraph A3) implies a change in expectations over what was expected prior to the proposed revisions to IES 7. As an alternative we recommend replacing “face increased expectations” with “continue to be expected”. We also

recommend replacing "display" with "develop and maintain" to align more closely with the objective of Revised IES 7. In summary, we offer as an alternative the following:

"Professional accountants continue to be expected to develop and maintain professional competence as they anticipate and adapt to changes in processes, technology, professional standards, regulatory requirements, employer demands, and other areas".

SAIPA SAIPA sees in a need to define Professional Accountant in the context of this IES 7.

TURMOB No

WPK We do not see any terms which require further clarification.

Question 6. Do you anticipate any impact or implications for your organization, or organizations with which you are familiar, in implementing the requirements included in this proposed IES 7 (see Appendix 1)?

AAT As mentioned above, AAT is in the process of reviewing its CPD policy and reporting procedures, as such consideration as to the requirement for IFAC member bodies to specify the nature and extent of verifiable evidence required as part of its monitoring procedures will be at the forefront of this review.

Similarly, examples referenced at A10, A14 and A15 will provide a useful steer for AAT to consider whether the measures it has in place can be further developed accordingly.

As highlighted in AAT's response to question 2 above, if there are specific minimum requirements expected and/or required by IFAC then this may cause additional administrative costs and compliance burdens for IFAC membership organisations.

ACCA

ACCA has three routes members can follow in order to meet their CPD requirement. One of these routes is the “other IFAC body” route where ACCA members that are also a member of another IFAC body, may follow their route in order to also satisfy ACCA’s CPD requirement. ACCA is currently secure in the knowledge that any member following this route would either be following an output-based approach or if input or combination they would have achieved at least 120 hours over three years. However, if bodies able to set their own input amount this assurance of an equivalent policy is removed. We would either need to remove the other IFAC body route or accept that members in different jurisdictions may be required to achieve less CPD.

Certain regulated work that practitioners undertake has requirements to specify an amount of CPD in relation to that work. These requirements will be at odds with the adoption of an output-based approach.

For example:

- Practitioners in Ireland who provide advice to consumers on retail financial products or arrange, or offer to arrange, retail financial products for consumers are required to achieve at least 15 formal hours of CPD each year relevant to the functions in respect of which they are a qualified or grandfathered person.
- Practitioners in South Africa undertaking tax work, and those who intend to do so in future, should register on the South African Revenue Service (SARS) e-filing system. Registered members must ensure that they comply with SARS’ CPD requirements. SARS states that registered tax practitioners must undertake at least 15 hours of tax related CPD each year, of which at least nine hours must be verifiable.

Members often find planning the most difficult part of the CPD cycle preferring to do “just-in-time” learning or to book onto relevant courses as and when they come up. Planning is a key stage in output-based CPD so it will take time and resources to educate members.

Members and other stakeholders may be resistant to moving to output-based CPD as there can be a perception that it can be less rigorous. Good communication and marketing will be essential to get the right messages over - some bodies may not have the resources to do this.

ACCA anticipate that many bodies will find it difficult to provide the competency framework and planning tools required to move to an output-based approach due to resource and technical constraints. Bodies which

currently have an input-based approach may need support to move to a mixed or fully output-based approach. This might be particularly problematic for bodies wanting to become members of IFAC who may currently only have an informal CPD policy.

AICPA

While we have noted several areas where there are potential opportunities for confusion among IFAC member bodies within this section, Response to Questions for Commenters, the most significant concern is that we do not believe IES 7 provides sufficient guidance yet to facilitate movement to an output-based measurement approach. The implementation guidance clarifies some issues of concern, but does not provide sufficient detail to assist IFAC member bodies in addressing the challenges of an output-based approach despite the understanding that it is a preferable approach over input-based. The Association asks IAESB to consider additional guidance regarding how IFAC member bodies can effectively and efficiently monitor under an output-based approach especially when volumes of professional accountants are high and roles held diverse. We believe there is significant desire among many IFAC member bodies to move to an output-based approach; however, the challenges with monitoring and enforcement are significant and IFAC member bodies could benefit from additional guidance or insight on what has worked or not in other areas.

BDO

As we noted earlier, we are highly supportive of the expansion of what is considered to be CPD activity as it is more reflective of how learning and development within a role actually occurs. However, for those organizations with employees who are members of IFAC member bodies that continue to use the input-based approach we foresee possible difficulties with tracking certain activities, for example on-the-job training, as it is unclear when the activity starts and ends or what it constitutes. We believe that the expanded CPD activities are valuable and that a large number of professional accountants have the potential to be positively affected by this change. As a result we would propose that implementation guidance on this matter would be of great value to stakeholders and suggest that it also illustrates how these issues do not only arise under the output-based approach.

Bouzas
Sañudo

The fact that some IFAC member bodies may have the legal authority to expel non-compliant professional accountants or deny them the right to practice can be an extreme measure. The expulsion or denial of the right to practice may lead to the departure or aversion of some accountants to compliance with the rules and we believe that IFAC members should be given the freedom to establish corresponding penalties in a gradual

manner and depending on the corresponding fault publication of names can act as a general deterrent to professional accountants and give a clear signal to the public of the profession's commitment to maintaining competition on high standards.

CPA
Australia

CPA Australia believes that auditing output-based CPD will have large resource impacts for IFAC member bodies and their professional members. Additionally, professional members of IFAC member bodies will have limited ability to meet the verifiable requirements in terms of their own resources and understanding of competency based education.

CPA Canada

Given the revised standard maintains the ability for a member body to select an input or output-based model, there appears to be no significant impact or implications to the Canadian CPA Profession as reporting could continue with the status quo. However, as stated above, the removal of the requirement for the 120 hours under the input-based method could lead to members challenging any hour requirement implemented by a member body resulting to an overall lowering of the current requirements.

DTT

Please refer to our comments “Impact of proposed revisions on consistency of CPD practice and measurement across jurisdictions” under “Key Comments” above.

Please see section above on *General Statements of Concern and Related Matters for Consideration*

EFAA

We anticipate some of our member organizations being impacted. IAESB is reminded that not all our members are IFAC member organizations. Those EFAA members that are IFAC members include some small less well-resourced PAOs that will need time to fully implement the requirements. We welcome the ED’s clarity and principles-based nature that allows for flexibility in its application. This will help mitigate the impact and ensure the benefits of its adoption and implementation will exceed the costs.

EYG

No, we do not anticipate implications to our Firm since the revised IES 7 continues to allow the use of the input-based or output-based approach or a combination of the two.

FACPCE With respect to this question, it should be noted that the Argentine laws form a legal and organizational system of initial professional development as well as education and continuous professional development, so in this respect professional bodies make their best efforts to divulge and strengthen the knowledge of IFAC regulations.

Among these efforts is the design and management of the SFAP, Federal System of Professional Update, voluntary for the enrolled and conferences, workshops and other actions of dissemination and dissemination of standards such as collaborative work with educational institutions (universities) Which are those who have the power to grant the qualifying certificates for the professional exercise and before which professional bodies should only proceed to their registration in the corresponding register.

FRC(UK) We anticipate no major impact on the RSBs in implementing the requirements of the proposed IES 7. The FRC will reflect any changes arising from the revision of IES 7 in the Delegation Agreements with the RSBs.

GAO We do not anticipate any impact or implications for our organization.

IAA Within any organization there are professionals who do not always agree to be updated and trained, however, the School of Public Accountants of Bolivia, motivates its partners to update themselves and train continuously, receiving positive feedback in this regard, however the implementation of a CPD Program that allows to measured, monitored and evaluated is needed.

IBRACON We understand that there are no major changes in the IES 7, the revision comprises mainly a reorganization of this IES and clarification of requirements including more explanatory material.

Our jurisdiction is following this IES without having more difficulties for such period, however, one of the requirements mention in this ED can cause some implications.

Related to the item A 36, A 37 and A 38, we have effective monitoring and enforcement process of CPD, however we do not have the legal authority to expel non-compliant professional accountants or to deny them

the right to practice and nor the legal rights to publish the names of professional accountants who willfully fail to comply.

ICAEW

Yes, some. We do not anticipate any direct impact on ICAEW's own approach to CPD as the Exposure Draft makes refinements to the outputs-based approach with which we can work.

Where we do see some challenges arising is from IAESB removing the minimum hours (or other input) requirement for PAOs using this approach to CPD. There could be some unintended consequences here.

It could make it much more difficult for stakeholders (whether they be other PAOs, employers, regulators or clients) to compare and contrast professional development requirements in force at individual bodies.

Currently, if a PAO declares that its CPD policy is "inputs-based and compliant with IES 7" it is clear how much learning and development individual members of that body will be undertaking. There is a shared benchmark.

Under the proposals here, there would be a lack of transparency over the CPD requirements parties have been subject to. Stakeholders could in future struggle to make CPD assessments and could struggle to agree equivalence. The consequences of this could be quite far-reaching. Professional bodies, ICAEW included, could find it harder to agree and apply international partnership and credit agreements.

There is the associated risk of significant transitional problems as the threshold at individual bodies changes from 120 hours over three years to something potentially very different, whether much higher or lower. This could be particularly challenging where an inter-PAO agreement has been signed on the basis of one approach to CPD being in force which is now being revised. And individual professional accountants could reduce, perhaps significantly, the amount of CPD they complete each year without this being detected or questioned.

ICAN

Yes

Comment:

The proposed removal of a specified volume of CPD under the input method will have a significant impact as we adopt input-based method for assessment of CPDs. This may pose some challenges in implementing the revised IES., for example, in the following areas:

- i. Paragraph A9: We need to build a mechanism for identifying the specific CPD needs of professional accountants rather than recommend general CPD for all professional accountants;
- ii. Paragraph A10: We need to produce competency maps and learning templates and make same accessible to professional accountants;
- iii. Paragraph A14: Include individuals who serve in executive capacity in the public sector. This is recommended because of their high-profile position and the need for them to show the profession in the best light;
- iv. Paragraph A15(c): We may need to improve in collaborating with employers to emphasise the importance of CPD within performance management processes; and
- v Paragraph A16 (a) – (i): we may need to review the development of activities that are undertaken as part of a planned program of CPD, as a instance.

ICAS	In this format, the proposed IES7 could result in a perceived lowering of standards of competence by our members and require us to consider our implementation of a higher standard for our members, with the associated creation of additional explanation and guidance for our members.	
ICAZ	As an IFAC member body there may be need for us to train our members and CPD service providers on the clarifications around appropriate learning and development activities as identified in Paragraph 5.	
ICPAU	As noted at response 2 above, the proposed removal of a specified volume of CPD under the input method will have a significant impact on a number of IFAC member bodies and may lead to difficulties in implementing this revised IES.	See response to Questions 2 of this section
IDW	We do not expect significant impacts or implications for the IDW or for other organizations, such as the WPK in Germany, in implementing the requirements included in this proposed IES 7.	

IRBA Yes, there will be additional costs that IFAC member bodies migrating from an input-based approach to an output-based approach would incur. Some of these costs may include: research that would need to be performed to implement an output-based system; recording and monitoring relevant CPD activities; appointing and/or training suitably qualified staff to conduct the monitoring; and raising awareness to the profession of the change to the output-based approach.

ISCA ISCA currently adopts the input-based measurement approach using a required minimum of CPD hours as the criteria. The benefits of the input-based measurement approach are that it is easily measurable, easily defined and that ISCA members are able to understand the requirements. In assessing the compliance of ISCA members, such clearly defined thresholds facilitate an efficient way of assessing compliance. In an input-based approach, the judgment applied by ISCA is largely in assessing the relevance of the CPD activity.

We have received feedback from ISCA members who have moved on from a professional accountant role to becoming business owners in non-accounting industries and for ISCA members who hold senior positions, that there is value for them to be assessed based on how they have applied knowledge and skill sets acquired in their professional roles instead of merely being assessed based on inputs such as CPD hours. In this regard, we see the output-based approach as being able to compensate for the limitations of the input-based model as it allows ISCA members to demonstrate how they have been able to develop their professional competence and translate knowledge and skills to benefit their internal and external stakeholders, which aligns with the objective of CPD.

We foresee certain challenges arising from an output-based measurement approach. As the output-based approach gives the professional accountant greater flexibility in demonstrating compliance with CPD requirements, it is more difficult to assess as it would call for a greater level of judgment and discretion. The criteria-setting will also become more challenging as criteria that are too narrowly-set would go against the concept of output-based measurement approach in allowing professional accountants greater room to demonstrate learning outcomes.

- JICPA Yes.
Under the current Japanese laws and ordinances, the JICPA members are required to carry out at least 40 training units in one fiscal year (from April 1 to March 31 in the following year). Practically, they abide by the numerical criteria of Input-Based Approach provided in paragraph 15 of IES 7. If the provision on specific number of hours concerning measurement of CPD's input-based approach is rescinded, there is a possibility that professional accountants in Japan will be subject to numerical criteria in the Japanese laws and ordinances.
- We propose that this numerical standard also be stated in the revised version as a requirement.
- Knowledge Equity No, in respect of the current state of the exposure draft, we do not anticipate a material impact for Knowledge Equity or for the member bodies in Australia. While this sounds positive, it is more likely a negative in the sense that member bodies will continue to use their current measurement models and in so doing, the opportunity and influence that this exposure draft should have on promoting the importance of CPD and lifelong learning may be lost.
- KPMG The removal of a specified number of hours could lead to more inconsistency around the globe from IFAC member bodies. KPMG's policies will change as needed to align with the revised IES 7 and to ensure that there is no conflict with IFAC member bodies at a local level.
- Where there is more than one member body in one jurisdiction and each adopts a different approach, this could result in members and employers having to cater to two different criteria.
- Where an input approach is taken we recommend benchmark hours to promote global consistency.
- NASBA At this time we do not anticipate any direct impact for NASBA. There is interest in the concept of output-based learning, as the regulators of the U.S. Certified Public Accountant profession are discussing how to measure, verify and consistently apply output-based learning for their licensees. Currently, there is only one out of 55 U.S. Boards of Accountancy that accepts output-based learning in satisfaction of continuing

professional education requirements. We welcome better explanatory guidance on the implementation of output-based approaches.

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|--------|--|---|
| PAFA | As noted at response 2 above, the proposed removal of a specified volume of CPD under the input method will have a significant impact on a number of PAFA member bodies and may lead to difficulties in implementing this revised IES. | See response of question 2 of this section. |
| PWC | We would anticipate that the change will help clarify expectations within our organization, with the exception of the proposed revision to remove the prescribed minimum number of hours when using the input-based measurement approach. As described in our response to Question 2, we believe a prescribed minimum number of hours should be retained. | |
| SAICA | As noted above, the proposed removal of a specified quantifiable volume of CPD under the input method will have a significant impact on a number monitoring and measuring compliance, as well as in recognizing compliance for members that hold membership in more than one professional body. | |
| TURMOB | TURMOB: There are significant impacts and implications for TURMOB in implementing the requirements included in this proposed IES 7 Exposure Draft. | |
| | As a IFAC member body, TURMOB have regulated all education standards in line with the framework of IFAC standards. Now, we are studying on one of TURMOB education standard related in continuing professional education, and probably, in parallel with IES 7 (revised) will be implemented in 2019. On this way, IES 7 Exposure Draft was taken care for new necessary rules and some of issues are going to be updated. | |
| WPK | The CPD approach in Germany already being on an appropriate level with a focus on adequacy and relevance of each professional accountant's CPD, we do not expect any significant impact or implications for IFAC member bodies in Germany in implementing the requirements included in this Exposure Draft. | |

Question 7. What topics or subject areas should implementation guidance cover?

AAT	<p>In general AAT is of the view that the implementation guidance is sufficient in terms of encompassing the relevant topics and subject areas to support the successful operation of CPD frameworks by IFAC member bodies.</p> <p>As referenced above, where there are examples provided (in this instance in relation to verifiable evidence) it is difficult to provide a definitive list, and mindful in particular of advances in technology which will provide new ways for bodies to engage with their professional accountant members, there is a need to provide for flexibility. It may therefore be useful to reinforce the benefits of the IFAC membership community in facilitating the sharing of practices implemented by IFAC member bodies to further ensure the consistency and rigour of the enforcement of IES7.</p>	See response to Question 3 of this section
ACCA	<p>It would be helpful if the implementation guide also covered the following:</p> <ul style="list-style-type: none"> • Guidance on how to move from an input-based to an output-based approach with practical help on the issues a body may need to address and the solutions they could employ. • Practical examples of how to measure of a combined approach • An explanation of why a focus on outputs is essential but also an explanation of why a combined approach might be necessary in some respects. Extensive examples of what such an approach might look like would be useful. 	
AICPA	<p>We have commented on several areas within this section, Response to Questions for Commenters, where the Association believes additional clarifications or modifications are needed within the implementation guidance of IES 7.</p>	See responses to Questions 1-6
BDO	<p>Based on our review of the proposed IES 7, we believe the following areas require implementation guidance: CPD framework</p> <p>As we have noted previously, we are very supportive of the inclusion of a CPD framework. As this is will likely be new to many IFAC member bodies we believe that implementation guidance on this topic would be very helpful. We would support the provision of:</p>	

- a) various examples of such CPD frameworks currently in place, both in the accountancy profession and in other professions (as relevant), and
- b) a diagram and additional thought leadership pieces to support IFAC member body consideration of a CPD framework approach to supporting their membership.

c)

Quantifiable measurement of different activities under the input-based approach

We welcome the emphasis the IAESB has placed on the potential recognition of both formal and informal learning under the CPD term. We believe that this broadening of potential CPD content and approaches is important as it reflects how people learn through on-the-job training, practical experience and coaching. This does however give rise to some challenging questions about how these types of learning activities could be measured under the input-based approach. For example how would on-the-job learning be measured under an input-based approach? Would an hour of on-the-job learning be equivalent to an hour of reading a journal or attendance at a live technical webinar? We recognize that this is an area in which IFAC member bodies are likely to need more support. We also believe that it is important that outside of IES 7 the IAESB use thought leadership or the recently launched Personal Perspectives to help broaden the debate about acceptable types of CPD – perhaps providing an opportunity for the IAESB to share viewpoints from professional accountants operating in commerce, the public sector, accounting firms and other parts of the profession.

Determination of appropriate de minimis CPD by IFAC member bodies

We note that both the output-based approach and the input-based approach have no learning outcomes or learning and development activity specified in the Exposure Draft, however paragraph 9 requires that the CPD be sufficient to develop and maintain the professional accountant's professional competence and as such this statement implies a minimum CPD requirement that IFAC member bodies will need to communicate to their members and with which they will need to comply. While it is clear that 1 hour of CPD a year is likely to be insufficient it is not clear (a) what amount would be, (b) how an IFAC member body would begin to determine that, or (c) how IFAC would evaluate whether they believe the IFAC member body has complied with the requirement.

We understand that a principles-based approach to standards-setting may require IFAC member bodies to consider what is appropriate for their jurisdiction and this may vary between countries, roles and so on, however this does raise an interesting challenge as it means that IFAC member bodies have no point of reference, other than prior metrics, with which to determine what an appropriate amount of CPD is. We believe implementation guidance on this matter will be very helpful as would encouraging IFAC member bodies to move towards the output-based CPD approach, perhaps by the use of a CPD framework, to ensure that what is being learnt is sufficient and relevant to the each professional accountant's role.

Verifiable evidence

While the explanatory materials include examples of verifiable evidence, it would be useful for IFAC member bodies and other stakeholders to see good practice examples of verifiable evidence. For example, as noted previously, paragraph A28 notes that course outlines and teaching materials may be used to verify the input method, however it is not clear if that is to verify relevance of content or is acceptable on its own as evidence of undertaking CPD and whether that would be better evidence than a record of attendance.

Moving from input-based approach to output-based approach

As we noted in question 3, the Significant Issues section of the Exposure Draft discussed understanding how to move from an input-based approach to an output-based approach as a key issue. We believe that this is a critical area for the IAESB to consider as it provides an opportunity for CPD to establish a more relevant link to each professional accountant's role (i.e. the demonstration of the achievement of learning outcomes ideally in a practical context). We recognize that encouraging IFAC member bodies to move towards an output-based approach, particularly when many of them do not have sole authority over CPD or accounting regulations in their jurisdictions, is a longer-term aspiration. To help achieve this change we believe that implementation guidance on how IFAC member bodies can start to implement alternative approaches to CPD measurement will be very important.

Combination of input-based and output-based approaches

We note that the proposed IES continues to allow the use of a measurement approach that combines the input-based and output-based methods of measurement, of which we are supportive as it:

- a) allows IFAC member bodies to begin the transition from a purely input-based approach toward an output-based approach, and
- b) encourages each professional accountant to draw a direct correlation between the CPD activities they undertake and their day to day work as a professional accountant.

We believe that stakeholders would find it helpful to see different examples of what is and is not acceptable in this regard and how they fall along the spectrum with pure input and output-based approaches at either end.

Bouzas
Sañudo

Within the implementation guide should be covering topics referring to the IFAC member bodies should establish the way of evaluating on an output basis the experience as part of the CPD, as well as a transition mechanism in order to be gradually helping professional accountants who are not complying with CPD in base to results.

CPA
Australia

CPA Australia has an Accounting and Finance Capability Framework, as do some other IFAC member bodies. We recommend inclusion of best practice examples of how capability (or competency) frameworks can be used to measure, monitor and enforce CPD requirements.

Implementation guidance should also cover best practice case studies of IFAC member bodies using output-based approaches to measure, monitor (including verification) and enforce CPD. In particular, the case studies should address implementation guidance at scale by using best practice case studies of IFAC member bodies who have memberships of greater than 100,000 professionals.

CPA Canada

It would be helpful if the Board were to provide additional guidance as to how verifiable and nonverifiable learning outcomes would be measured in output-based reporting and how a member body or regulator could monitor an output-based system.

DTT

As indicated in our response to Question 4 above, guidance on the implementation of self-developed learning plans and their assessment would be helpful.

See Response of
Question 4 of this
section

EFAA Additional implementation guidance beyond that in the proposed explanatory material is not needed at this time. We would, however, encourage the IAESB to leverage the IFAC Global Knowledge Gateway and populate it with news and articles showcasing how PAOs apply IESs. This might demand the Gateway has an Education and Training topic area.

EYG To facilitate the implementation of proposed IES 7, we believe the Board should issue implementation guidance simultaneously with the issuance of proposed IES 7 as a standard. Any implementation guidance should be concise, faithful to the issued standard and limited to the requirements described therein.

We believe that the issuance of examples would be helpful in the implementation of proposed IES 7. Implementation guidance on proposed IES 7 should include examples of how a member body can apply a learning outcomes approach while using either an input-based or output-based approach to measuring CPD.

Examples the Board may consider include:

- Examples of individual learning plan templates which identify the skills an individual needs to develop through CPD, plans necessary learning programs to achieve them and demonstrates the competence has been obtained.
- Examples of how to use input from program facilitators on how well participants demonstrated performance at the level expected by the end of the program.
- Examples on how to measure the effectiveness of a program by using output-based measures (e.g., post event surveys measuring application and business impact), to validate the effective design of the program combined with using input-based measures (e.g., attendance of the program) to conclude that an individual gained the relevant competencies.

We also believe that the Board should consider addressing in IES 7 implementation guidance assessment during CPD via experiential learning. As a learner progresses through their career, learning becomes increasingly skills focused (as opposed to knowledge focused), and therefore more difficult to assess within a learning program. Assessment of performance on the job therefore becomes more relevant.

We also believe that IES 7 implementation guidance should provide guidance on the types of evidence that could be used for verification purposes in an output-based measurement approach. Similarly, we suggest that examples of non-verifiable activities that could be used to qualify for CPD would be useful.

FACPCE	The issues outlined in the implementation guide are sufficient	
FRC(UK)	Further guidance on the relationship between IES 7 and IES 8 would be helpful in our view. Please also see our response to question 3 above in respect of paragraph A13.	See Response of Question 3 of this section
GAO	We believe that implementation guidance should cover the measurement approaches and provide additional guidance to member bodies on appropriately measuring, monitoring, and enforcing CPD.	
IAA	<p>The implementation guide should include the following topics:</p> <ul style="list-style-type: none"> • Initial measurement of knowledge and skills, throughout a self-assessment. • Analysis of training needs • Design of competency maps. <p>It should also wide regarding which knowledge and skills are required of professional accountants, such as adding:</p> <ol style="list-style-type: none"> a) Guidelines for identifying elements to be studied b) Points for the correct evaluation of the described above. c) Learning techniques that maintain the professional competence necessary to provide a high quality professional service. 	
IBRACON	<p>We believe that a implementation guidance should cover the following areas:</p> <ul style="list-style-type: none"> • Measurement of CPD: Mainly related to output-based approach. • Monitoring CPD: Emphasizing example of verifiable evidences • Supplementary monitoring process: Mainly to the topic related to audit a sample of professional accountants to check compliance with CPD requirements 	

- Enforcement: Including examples of steps that address the balance between the permission to a professional accountant to defer or avoid compliance with CPD requirements and necessary punitive sanctions

ICAEW Implementation guidance could usefully cover: how a PAO should explain CPD requirements to professional accountants to promote compliance; how IT can assist in the administration of CPD systems; and how a PAO running an inputs-based approach can set meaningful and transparent CPD benchmarks for its members.

As IAESB's approach to IES 8 showed, webinars can be a very useful way of providing implementation guidance and may be preferable on efficiency and cost grounds to guidance booklets.

ICAN There is need for implementation guidance to PAOs that the proposed removal of a specified volume of CPD under the input method will affect. This is to reduce the difficulties that adoption and implementation of this revised IES will cause.

Specifically, there is need for implementation guidelines in the following areas.

- a) Promotion and Access to CPDs
- b) Measurement of CPDs
- c) Monitoring and Enforcement of CPDs

ICAS As noted within our direct response to paragraph 13, general responses to this consultation and under point 6, implementation guidance should cover how the maintaining and developing of professional competence has been achieved through the gaining and application of learning from planned and unstructured learning activities, such that a level of assurance can be gained that professional competence of professional accountants is being developed.

ICAZ Implementation guidance may be needed on the areas around developing appropriate CPD material and activities and the evidence that would need to be generated and retained when using an outcome based measurement approach.

ICPAU	As noted at response 2 and 6 above, the proposed removal of a specified volume of CPD under the input method will have a significant impact on a number of IFAC member bodies and may lead to difficulties in implementing this revised IES. If the proposal is adopted, then detailed implementation guidance will be required to assist IFAC member bodies to implement this change in approach.	See responses of Questions 2 and 6 of this section
IDW	We believe that additional implementation guidance beyond that in the proposed explanatory material is not needed.	
IRBA	<p>Expanding on significant issues identified during the consultation process is discussed at the beginning of the paper with examples. As mentioned above, there should be more guidance on:</p> <ul style="list-style-type: none">• Input-based approach – for IFAC member bodies already on the input-based approach and those that do not desire to move towards an output-based approach, what are the improvements that can be made to this approach by incorporating elements from an output-based approach;• Output-based approach - additional guidance with practical examples can be provided to explain how adoption of an output based approach may be implemented by IFAC members. The implementation guidance in this regard must focus on the application of the framework as detailed in paragraph A9;• Guidance and practical examples on how monitoring and enforcement can be effectively performed where an output-based approach or both approaches are used.	
ISCA	<p>Based on the proposed IES 7, it is noted that professional accountants are required “to undertake and record CPD that develops and maintains professional competence relevant to their role and professional responsibilities.” We commend IAESB’s approach adopted in the proposed IES 7 towards flexibility given to IFAC member bodies in providing guidance based on the job roles during the careers of the professional accountants.</p> <p>The implementation guidance should cover detailed guidance on the following:</p> <ul style="list-style-type: none">• An input-based approach is much easier to define as measurable thresholds such as CPD hours/units can be set. As such, from the perspective of the professional accountant, we expect that the criteria are	

easier to understand. It is also easier to assess the compliance of CPD requirements based on such predefined inputs.

- We suggest IFAC to provide guidance on the recommended hours for input-based approach. This increases clarity and provides a benchmark for professional accountants to assess the adequacy of CPD undertaken.
- While we embrace the move towards an output-based measurement approach, we are of the view that an output-based approach cannot fully replace an input-based approach, but rather an output-based approach can be used to complement the input-based approach and compensate certain restrictions of the input-based approach where not enough emphasis is accorded to learning outcomes and its application to the professional accountant's work. Guidance on how output-based measurement approach can be used together with input-based approach to ensure a holistic assessment of CPD that is also easily measurable can be provided.

JICPA We do not have any particular topic or subject area to comment on.

Knowledge Equity
KPMG None identified.

Equity
KPMG

Learners now have many options for learning – both formal and informal. We were hoping for more examples of how a learner can demonstrate learning outcomes (using either or both approaches) e.g. through reading, watching or researching pertinent on-demand learning assets (including assets which take a short time to complete).

Guidance would be useful on transition where a member body moves to a new approach. This could have significant systems implications for members and other stakeholders.

NASBA We believe that our comments above have addressed our concerns about the proposed standard.

See responses to questions 1-6 of this section

PAFA	As noted at response 2 and 6 above, the proposed removal of a specified volume of CPD under the input method will have a significant impact on a number of PAFA member bodies and may lead to difficulties in implementing this revised IES. If this is the case detailed implementation guidance will be required to assist PAFA member bodies to implement this change in approach.	See responses to questions 2 and 6 of this section
PWC	<p>Given one of the objectives of the proposed revisions to IES 7 is to assist IFAC member bodies and other stakeholders to understand how to move from an input-based to an output-based measurement approach, we believe relevant implementation guidance will be helpful. We recommend that this implementation guidance include the following:</p> <ul style="list-style-type: none"> • The expected benefits of moving from an input-based to an output-based measurement approach; • How to identify “clearly defined learning outcomes” that cover the wide range of possible professional competences that are relevant to individual professional accountants that perform different roles; • Examples of learning outcomes and illustrations of how they can be measured through input and output-based measures; • How to implement consistent implementation of measurement requirements when both input and output-based measures are used; • Illustrative examples/good practices relating to the recording of CPD, including some of the more intangible outputs e.g., reflection. 	
SAIPA	It may be worth including mandatory professional development areas such as ethics in the standard.	
TURMOB	<p>As far as we have reviewed, the proposed IES 7 do not include a paragraph as follows:</p> <p>Input-Based Approach (Ref: Para. A16–A20)</p> <p>15. IFAC member bodies implementing an input-based approach shall require each professional accountant to:</p> <p>(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;</p> <p>(b) Complete at least 20 hours (or equivalent learning units) of relevant professional development activity in each year; and</p> <p>(c) Measure learning activities to meet the above requirements.</p>	

Per us, to achieve a specific standard around the world, the minimum and maximum training hours for the input and output based approaches can be specified in the Implementation Guide.

WPK We believe that, at least for the time being, additional implementation guidance beyond that in the proposed explanatory material is not needed.

IV. Comments on Other Matters

BDO How can the IAESB align the requirements of IES 7, Continuing Professional Development (2014) to support the learning outcomes approach for the other IESs, including IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised)?

As noted in previous responses to the IAESB, we remain supportive of a revision of IES 7. In addition, subject to our comments outlined above, we support the main changes that have been proposed by the IAESB in relation to this particular IES.

The IAESB correctly identified the importance of professional competence as being core to the success of learning and development at the IPD stage of an aspiring professional accountant's career as evidenced by the demonstration of learning outcomes. Our view remains that the input-based approach, which is still a permitted measurement approach for CPD in this proposed IES 7, increasingly appears to be a less effective measurement of learning and is not well aligned to the requirements approach adopted by the Initial Professional Development content-based IESs⁴.

One of the limitations of the input-based approach is that it does not directly measure the learning outcomes or professional competence developed through CPD, instead focusing on the number of hours a professional accountant has spent undertaking CPD as a proxy for learning and therefore we would ask that the IAESB continue to emphasize this approach to demonstrating the achievement of learning outcomes as part of the CPD phase of an individual's career and lifelong learning. In order to support the learning outcomes approach of the other IESs, we believe that IES 7 implementation guidance should

emphasize the importance of moving from a pure input-based approach to CPD through use of a CPD framework or other examples of how IFAC member bodies have achieved this. In that regard, we see the benefits of the IAESB highlighting through ongoing implementation guidance and thought leadership pieces how an output-based approach or a combination of input-based and output-based has the potential to provide more relevant and applicable CPD learning to boost the professional competence of professional accountants.

DTT

Specific drafting points

In addition to our responses to the specific questions in the Explanatory Memorandum, we would like to provide comments on the proposed wording of the exposure draft, including suggestions for changes aimed at enhancing the clarity of the final standard.

Paragraph	Topic of the paragraph	Comments/Suggestions for change
Paragraph A1	<i>Scope of this Standard</i>	This paragraph provides further detail on the notion of professional competence beyond the definition in the IAESB Glossary. The end of the paragraph refers to “...which were achieved during IPD.” This makes it sound like achievement of the outcomes is an end point, rather than conveying the need for ongoing and progressive development based on different roles and responsibilities. We therefore recommend that this wording be removed.
Paragraphs A2, A18, A32 and A33	<i>Scope of this Standard</i>	The Board may wish to consider whether the reference to the public interest in paragraph A2 ought to be changed to “stakeholder expectations”, and whether the reference to the public interest in A18 is superfluous given the reference to “public expectations”. The same applies to paragraphs A32 and A33.

Paragraph A6	<i>Objective</i>	<p>The opening of this paragraph states: <i>“Ensuring that professional accountants develop and maintain the professional competence...”</i>. We do not believe it is appropriate to use the word “ensuring”.</p> <p>Please also refer to our comments above regarding the focus of the Objective paragraph which A6 supports. We recommend redrafting A6 in line with any changes made to the Objective.</p>
Paragraph A10	<i>CPD for All Professional Accountants</i>	<p>The opening of this paragraph states: <i>“In addition to CPD frameworks,…”</i> and then presents examples of other tools that IFAC member bodies may provide.</p> <p>Given that the definition of CPD Framework makes reference to “in support of CPD” and to the structure, guidance and concepts to support the learning and development, our view is that competency maps and learning plan templates would form part of the overall CPD framework, rather than be positioned as additional tools.</p> <p>We therefore recommend that reference to “In addition to CPD frameworks” is either removed or replaced with “As part of the CPD framework” instead.</p>

Paragraphs A11 and A12	<i>CPD for All Professional Accountants</i>	<p>We believe that the nature of paragraphs A11 and A12 is more akin to implementation guidance than to explanatory material, i.e. the material highlights, but does not require, further actions an IFAC member body could undertake to support professional accountants and implement CPD, and does not provide further explanation of the requirements set out in paragraph 9.</p> <p>Accordingly, we would suggest that these paragraphs be removed and incorporated into any implementation guidance the Board may develop subsequent to the finalization of the revised standard.</p>
Paragraph A15	<i>Promotion of and Access to CPD</i>	<p>We believe it may be relevant to add a 4th bullet point (“d”) that recognizes the value of close cooperation and communication between IFAC member bodies and local regulators who may have established specific national CPD requirements based on local and/or regional regulatory requirements which need to be taken into consideration in addition to the requirements of the IESs.</p>
Paragraph A17	<i>Promotion of and Access to CPD</i>	<p>This paragraph provides examples of learning and development activities, which do not specifically relate to the promotion of and access to CPD.</p> <p>We believe the paragraph should be maintained but would be better placed as supporting the requirement in paragraph 9.</p>

Paragraph A22	<i>Measurement of CPD</i>	<p>The end of bullet point (a) refers to “<i>of which a portion could be verifiable</i>”. This does not seem to connect with the rest of this paragraph and there is nothing further in the Measurement of CPD section relating to this. We assume this is intended to link to the <i>Monitoring and Enforcement of CPD</i> section, however question whether it is needed here.</p> <p>The end of bullet point (c) refers to “<i>to meet such requirements</i>”. This can be misconstrued based on the lead in sentence of this paragraph. We would recommend removing this wording.</p>
Paragraph A28	<i>Monitoring and Enforcement of CPD</i>	Bullet point (c) relating to examples of evidence use for verification purposes makes specific reference to “ <i>independent confirmation</i> ”. We note however that bullet point (b) could also be from an independent source and thus question whether overlap exists between these bullet points or whether they are intended to be mutually exclusive.
Paragraph A29	<i>Monitoring and Enforcement of CPD</i>	We recommend that the wording of bullet point (a) be slightly modified to read as follows: “ <i>Submitting a declaration as to whether they meet their professional obligation to maintain the necessary knowledge and skills to competently perform their role</i> ”.

IAESB Glossary of Terms	<i>CPD framework</i>	<p>The current definition of “CPD Framework” stands as follows: <i>“In support of Continuing Professional Development, increased structure, further guidance, or explanation of concepts to support the learning and development of professional accountants.”</i></p> <p>We recommend simplifying by removing the qualifiers “increased structure” and “further guidance” so that that definition reads:</p> <p><i>“In support of Continuing Professional Development, structure, guidance, or explanation of concepts to support the learning and development of professional accountants.”</i></p> <p>Furthermore, we question why a term that is not used in the requirements of the standard (“CPD Framework” appears only in the Explanatory Material), is included in the Glossary. Specifically, certain jurisdictions do not transpose the Explanatory Material, as its application is not mandatory / it does not form an integral part of the standard, into local law or regulations. As a result, national requirements will not include any reference to concepts addressed exclusively in the Explanatory Material. Given the importance of the concept of a “CPD Framework”, the Board may wish to consider incorporating this term directly in the requirements of the revised standard.</p>
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ICPAS

1. *Introduction: Scope of Standard*

Paragraph 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, (d) mentoring and coaching, (e) networking and sharing of knowledge and experiences, (f) observation, feedback, and reflective activity, (g) planned self-development activities, and (h) unstructured acquiring of knowledge.

We suggest changing (e) networking to (e) collaboration to support the concept of acquiring specific skills rather than simply the act interacting with others which is now commonly associated with the overused term of networking.

2. *Measurement of CPD* (Ref: Para.12)

In general, we encourage meaningful measurements that are not hours-based or related to hours-based measurements. It is critical to allow flexibility for member bodies to set appropriate parameters without losing focus of the intent to promote lifelong learning of the professional accountant. Learning that is ongoing, voluntary, and self-motivated pursuit of technical competence; professional skills; and professional values, ethics, and attitudes is inherently difficult to confine to narrow definitions and measurements.

3. *Explanatory Material*

Scope of this Standard (Ref: Para. 1–6) Page 16

Paragraph A1. Professional competence is the ability to perform a role to a defined standard. Professional competence goes beyond knowledge of principles, standards, concepts, facts, and procedures; it is the integration and application of learning outcomes for: (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes which were achieved during IPD.

There is concern that the defined standard may not fully meet the concept of professional competence.

4. *CPD for All Professional Accountants* (Ref: Para.9) A9-A11 Page 17

We support the premises outlined in A9-A11, however we caution that the CPD requirements, maps and frameworks developed and used by member bodies not be too restrictive so as to prevent professional accountants the flexibility and adaptability to achieve competence.

5. *Promotion of and access to CPD* (Ref: Para. 10-11) A17 Page 18

It should be noted that this list (a-i) is not a comprehensive list, but is representative of examples ...

6. *Measurement of CPD* (Ref: Para. 12) A20 Page 19

We support the inclusion of: (b) professional accountants when undertaking self-appraisal; and (c) employers.

7. Monitoring and Enforcement of CPD (Ref: Para.15-17) Page 20

We believe the verifiable evidence under monitoring and enforcement of CPD needs to more closely align with Introduction Scope of Standard (Ref: Para. A 5) on page 14. Providing examples of verifiable evidence related to output based outcomes such as mentoring and coaching or practical experiences and unstructured acquiring of knowledge.

JICPA

- (1) We propose that “This International Educational Standard (IES)” be changed to “This International Education Standard (IES).”
- (2) What is meant by “professional accountants” in paragraphs 8 and A6, whereas “all” is added to the words in paragraphs 9 and A7?
- (3) We propose that two unnecessary words in Paragraph 10 be deleted, as shown below.
Paragraph 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.
- (4) Paragraph 14 requires “professional accountants to complete a specified amount of learning and development activity” concerning learning units, but does not specify any numerical criteria. We propose that those of paragraph 15 of the current IES 7 remain as requirements in the revised version.
- (5) If not stated in the requirements, they should be in the explanatory material. If not included in either of them, we consider that its rationale should be explained in the Background of the conclusion. Unless one of the above is implemented, the pertinence of numerical criteria of the current 7 becomes arguable. As we indicated in “Comments on Consultation Paper concerning Strategies and Priorities of International Accounting Education Standards Board (IAESB) Going Forward” that we submitted on March 8, 2016, requirements of specific number of hours of input-based approach are codification of good practice of CPD already firmly established in many countries.

This is the base regulation that forms the core of CPD. Even If the requirements are deleted in the revised IES 7, in countries where their own comparable rules have already been rooted, they will not abolish the criteria on the number of hours. Irrespective of principle-based rules or minutely articulated rules, we request the following regulations on specific number of hours not be deleted:

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

Resa
Monroy

I only have two minor comments:

Paragraph 1 Mentions “This International Educational Standard”, instead of “This International Education Standard”

All the reference to the profession should be to the accountancy profession therefore is convenient to add this adjective to:

- Paragraph A7. (c)
- Paragraph A10. (a)

ACRONYM	FULL NAME OF ORGANIZATION
AAT	Association of Accounting Technicians, United Kingdom
ACCA	The Association of Chartered Certified Accountants, United Kingdom
AICPA	The Association of International Certified Professional Accountants
BDO International	BDO Global Coordination B.V.
Bouzas Sañudo	C.P.C. Miguel Ángel Bouzas Sañudo
CAI	Chartered Accountants Ireland
Castro Espinosa	M.A. and C.P.C. Raul Castro Espinosa
CPA Australia	Certified Practising Accountants of Australia
CPA Canada	Chartered Professional Association of Canada
DTT	Deloitte Touche Tohmatsu
Dumisani Msipa	Dumisani Msipa
EFAA	The European Federation of Accountants and Auditors for SMEs
EYG	Ernst & Young Global
FACPCE	Federación Argentina de Consejos Profesionales de Ciencias Económicas
Fonseca Vivas	Alvaro Fonseca Vivas, Universidad, Columbia
FRC(UK)	Financial Reporting Council of the United Kingdom
GAO	Government Accountability Office (USA)
IAA	Interamerican Accounting Association
IBRACON	Instituto dos Auditores Independentes do Brasil
ICAEW	The Institute of Chartered Accountants in England and Wales
ICAN	Institute of Chartered Accountants of Nigeria
ICAS	The Institute of Chartered Accountants of Scotland

ICAZ	The Institute of Chartered Accountants of Zimbabwe
ICPAS	Indiana CPA Society
ICPAU	Institute of Certified Public Accountants of Uganda
IDW	Institut der Wirtschaftsprüfer
IRBA	Independent Regulatory Board for Auditors of South Africa
ISCA	Institute of Singapore Chartered Accountants
JICPA	The Japanese Institute of Certified Public Accountants
Knowledge Equity	Knowledge Equity
KPMG International	KPMG International
MIA	The Malaysian Institute of Accountants
NASBA	National Association of State Boards of Accountancy
NBA	NBA - Koninklijk Nederlands Instituut van Registeraccountants (Royal NIVRA)
PAFA	Pan African Federation of Accountants
Paisey & Paisey	Professor Catriona Paisey and Professor Nicholas Paisey
PWC	PricewaterhouseCoopers
Resa Monroy	C.P.C. Jorge Resa Monroy
Rodríguez Espínola	C.P.C. Juan Antonio Rodríguez Espínola
SAIPA	South African Institute of Professional Accountants
TÜRMOB	Union of Chambers of Certified Public Accountants of Turkey
WPK	Wirtschaftsprüferkammer