



Certified General  
Accountants  
Comptables généraux  
accrédités

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December 19, 2003

Claire Egan  
Technical Manager  
Education Committee  
International Federation of Accountants  
545 Fifth Avenue, 14th Floor  
New York, New York 10017

Dear Ms. Egan,

Re: Exposure Draft: Continuing Professional Development

Thank you for the opportunity to comment on the Draft.

1. Are the concepts of CPD as “verifiable,” “measurable” and “relevant” explained sufficiently in the Standard?

The concepts are explained sufficiently. The difficulty will lie in verifying output-based activities. It will often be difficult to find competent and independent sources with the means and expertise to verify these types of activities. In most instances accountants take training in highly specialized areas that are not readily verifiable by others. Perhaps more discussion in the Appendix on how this would be measured would be appropriate. As well, it will be extremely difficult for small organizations to fully track and measure output based CPD.

2. Should the Standard specify a period of time in which monitoring of professional accountants’ compliance should occur?

Yes, this is a comprehensive standard and as such, all parameters including reporting should be specified. We recommend that the reporting be specified as annual for a number of reasons:

- There is an annual minimum requirement in the input-based method
- The discipline process should be expedient Please note the words in paragraph 56 regarding enforcement: “a system of mandatory CPD will operate effectively and in the public interest only (*italics added*) if professional accountants who wilfully fail to comply ... are brought into compliance on a timely basis ...”
- In our personal experience, the call to report acts as a reminder to the member of their obligations
- It will spread out the administrative burden on the member body and on the member

3. Is the suggestion of including a non-financial performance measure regarding the level of compliance with this Standard appropriate?

We find the suggestion appropriate.

4. Is the Appendix helpful? What other types of examples would be helpful to you? Do the examples pose problems for your member body? Would the Appendix be better as a separate paper with more discussion?

The Appendix was helpful. Other examples could include items such as the evaluation of online learning, those with assessment, and those without, participation in not-for-profit organizations where competencies such as in the area of governance could be obtained. The Appendix should not be separate in that it might suffer from a lack of profile. More discussion which could act as guidance to member bodies would be helpful.

5. Comment on the proposed effective date of January 1, 2006.

Providing the standards come into effect shortly, January 1, 2006 should be an attainable deadline.

6. Other issues

In our response to the first Exposure Draft, we had raised a number of concerns:

### 120 Hours of CPD Activity over Three Years

The Certified General Accountants Association of Canada has had a mandatory professional development requirement for all members, with a reporting and discipline process for many years. Our current national standard is 100 credits on a three-year moving average with no yearly minimum. We experience a high compliance rate and have only minor compliance issues.

Although we will support the additional requirements, we feel that 120 hours of CPD over three years is high and recommend that it be reduced to 100 hours. This position is based on our experience with mandatory professional development. It is extremely difficult for many professionals living in rural communities to obtain quality professional education and development on an ongoing basis without considerable investment in time and money. This is particularly true as they advance in experience and skill level. Although distance education has improved, online CPD courses and programs are still not universally available with enough breadth and depth of subject matter in the core competency areas for accountants, an Assessment remains problematic, and the technology that is required to deliver quality and cost effective programs still does not exist widely.

In addition, this requirement is particularly onerous to small and medium sized practitioners, who not only fund their own professional development, but also that of their staff. The ever-increasing cost is exacerbated by the loss of billable hours and lost opportunities if they are not available to their practices. Yes, weekends are available, but many practitioners already lead overloaded lives.

### Learning Unit Measurement

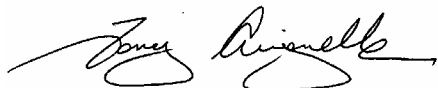
By implicitly using hours as a measurement tool the standard does not fully address the dichotomy between the quality of CPD and length of CPD. For example, should a one-hour breakfast presentation be equivalent to a one-hour examination that may take hours of preparation time? And conversely should all hours spent preparing for an exam be counted? In some cases, these amounts could be substantial but perhaps not reasonable or verifiable. As well, if I take the same course online versus in the class how do I, as a member, know what hours to claim? It is recommended that the measurement tool provide some flexibility to allow for this quality-versus-time issue. Many Associations, including ours, have adopted a system of credits or points to address this problem. We recommend that further consideration on this issue be included in the standards.

### Monitoring Process

A number of our Affiliates have made great strides in allowing members to report their CPD online. This process has greatly reduced the administrative burden for both parties. Physical verification under these circumstances will be difficult for both the member and the Association. We suggest that the section on Monitoring be amended to acknowledge that a declaration could be done electronically.

I hope these comments will prove useful in your deliberations.

Regards,



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President & COO