

## **CIPFA response to IAESB consultation on the IES 7 Exposure Draft**

### **Introduction**

The Chartered Institute of Public Finance and Accountancy (CIPFA) welcomes the redrafting of International Education Standard 7, Continuing Professional Development, and the associated aim of assisting the development of CPD systems and compliance mechanisms.

The CPD scheme has been mandatory for all CIPFA members since 2005, having operated on a voluntary basis since 1995. CIPFA values CPD as an essential requirement for ensuring that CIPFA members are up to date with the standards of the accountancy profession, and both maintain and continue to develop their professional skills. Details of how the CIPFA CPD scheme operates at present can be found at

[http://learning.cipfa.org.uk/category/default.asp?content\\_ref=2768&leftmenu=True&Account=Guest](http://learning.cipfa.org.uk/category/default.asp?content_ref=2768&leftmenu=True&Account=Guest).

The three overall aims of the revision to IES 7, as stated in the Explanatory Memorandum, are welcomed ie:

- Improving clarity
- Ensuring consistency with the concepts of the revised Framework document
- Clarifying issues resulting from changes in the environment of accounting education and the experience gained from implementation of the Standards by IFAC members.

These should help to ensure that the standard is user-friendly and capable of being implemented effectively by member bodies.

### **Structure**

The overall structure of the document is an improvement compared with the current standard. The division of the content into main paragraphs (Introduction, Objective, Requirements) and separate but clearly linked Explanatory materials, enhances the ease of use of the document.

The current version of the standard places some reliance on an Appendix for explanation and development of items from the main body of the standard, but this Appendix was described as 'illustrative only and does not form part of the IES', and its purpose was stated as 'to illustrate the application of the IES to assist in clarifying its meaning'. The Explanatory materials in the proposed standard would appear to serve the same purpose as the previous Appendix, but it is not clear whether these are part of the proposed standard or not. It would be helpful to have a clear statement in this regard.

## **Language and style**

It is noted that the proposed standard is more prescriptive than the current standard. This is clear from the wording of various sections, where 'shall' is used consistently instead of 'should'. This is appropriate for a document that is intended to 'prescribe good practice for member bodies' (as stated in paragraph 1), and should help to emphasise the importance of CPD as a mandatory rather than a desirable part of each member body's arrangements.

The prescriptive language does not detract from the document's usefulness in terms of providing some flexibility in the detailed implementation by each member body where appropriate. It is helpful to have lists of examples in the explanatory materials (eg examples of learning activities in paragraph A5). In some instances the list of examples is more extensive than in the current standard, which suggests that feedback on application of the standard has been taken on board (eg the addition of workplace learning and receipt of professional mentoring in paragraph A5).

## **Specific points**

### *Paragraph 13*

Addition of the phrase 'of relevant professional development activity' is a useful clarification. The current standard requires 20 hours of input each, but does not specify that this must be on relevant activities.

### *Paragraph A14 (also A18 (b), etc)*

It may be difficult for a verifier to confirm that an outcome has been 'maintained'. Many of the examples of evidence listed in paragraph A13 are relevant for confirming that an outcome has been achieved, but are not necessarily suitable for providing evidence of maintenance; eg publication of a single article resulting from a research project and achievement of a specialist qualification are each evidence of outcomes and competences, but they do would not usually be regarded as evidence of ongoing *maintenance*. Some consideration may need to be given to how the issue of maintaining competences or ongoing demonstration of outcomes should be presented in the standard. If maintenance of competences is to be given prominence, it may be necessary to identify separate means of verifying this maintenance in addition to verifying the initial development of the competence. There are certain specialist or high-risk roles in which maintenance of competences (or knowledge) are essential, and it is therefore important that the standard is clear on this issue.

## **About CIPFA:**

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work

throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed. As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world. We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients. Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.