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Ref: BDOI 2011.043

Dear Sir,

**Proposed redrafted International Education Standard (IES) 7, Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence**

BDO is pleased to have the opportunity to comment on the above exposure draft issued by the International Accounting Education Standards Board (IAESB). We set out below our responses to the IAESB's questions in the explanatory memorandum accompanying the exposure draft.

We support the IAESB's project to redraft all of the IES's in accordance with the clarity drafting conventions as set out in the Framework for International Education Standards for Professional Accountants.

**Responses to Specific Questions**

**1. Is the objective to be achieved by a member body, stated in the proposed redrafted IES 7, appropriate?**

Yes, we believe the objective to be achieved by a member body to be appropriate; however, to avoid any potential confusion with the objective being read as the objective of the IAESB in setting requirements for CPD we suggest the first part of paragraph 7 is amended as follows (additions are shown in bold italics and deletions in strikethrough text):

The objective *for member bodies* in ~~of~~ setting requirements for CPD is to ensure that ~~member bodies~~ *they*:

**2. Have the criteria identified by the IAESB for determining whether a requirement should be specified been applied appropriately and consistently, such that the resulting requirements promote consistency in implementation by member bodies.**

Whilst we generally agree that the criteria identified for determining requirements have been applied appropriately and consistently, we have identified the following areas where we believe improvements could be made.

***Paragraph 13 - Input based approach***

We strongly support the principle of having minimum learning units applied to an input-based approach for measurement of CPD. However, we consider that the specified minimum numbers of hours would be better placed as examples in the application guidance, rather than being included as requirements as currently proposed in paragraph 13.

We believe that leaving it to member bodies to establish the minimum hours that is best suited to their membership and the environment in which they work would be more appropriate than prescribing 'global' minimum requirements. We recognize that this would be a significant change to previous versions of the standard but consider this change to be an important one that would facilitate compliance with an input-based approach.

***Paragraph A24 - Monitoring cycle***

In order to achieve consistency in application of we believe it would be more appropriate to expand upon the guidance that states that a monitoring cycle of longer than five years would unlikely meet the objectives of the standard. We recommend that application guidance be provided on what an appropriate monitoring cycle would be, including factors to consider when establishing a monitoring cycle. Application guidance could be provided by way of additional Explanatory Material or a separate Practice Statement.

**3. Are there any terms within the proposed redrafted IES 7 which require further clarification?**

We set out below the areas where we believe further clarity is required.

***Paragraph 4 - Examples***

We believe further clarity is required in respect of whether the examples of informal learning activities such as coaching and mentoring refers to being coached/mentored by an appropriate person or providing coaching/mentoring to others or both. Paragraph A5 suggests that the focus is on receiving professional development support from a mentor or coach. We suggest paragraph 4 is amended as follows:

....., CPD also includes informal learning activities such as *being* coached and mentored, networking....

In addition, we believe it would be helpful for the examples in paragraphs A5 and A13 to relate more closely to the suggestions of 'feedback and reflection', 'networking' and 'observation' included in paragraph 4.

***Paragraph 12 and 13 - Objectively verified and verifiable***

We note that paragraph 12 uses the term 'objectively verified by a competent source' in respect of the output-based approach and paragraph 13 uses the term 'verifiable' in respect of the input-based approach. It is not clear as to whether 'verifiable' is intended to mean that the 60 hours of CPD under the input-based approach is required to be objectively verified by a competent source. We believe further clarification should be provided in this area.

***Paragraph 14 - Combination approach***

We believe further application guidance should be added to paragraph A18 to explain what is intended by following the principles of input and output systems as there is no reference to such systems in the standard. In addition for further clarity we recommend that there are specific references to paragraphs 12 and 13 rather than referring to the IES in general as follows:

....as applicable, *as in paragraphs 12 and 13* ~~set out in this IES.~~

***Paragraph A6(d) - Adoption by sectors***

We are unsure of the intended meaning of this paragraph because we are unclear as to how an organizational sector would 'adapt' the strategic or business plan of a particular organization.

***Paragraph A5, A19 and A24 - 'should'***

We recommend that 'should' is removed from the above paragraphs to avoid any risk of being interpreted as a requirement in accordance with the clarity drafting conventions.

**Comments on other matters**

We have no comments on the difficulties in applying IES 7 in a developing nation environment or in respect of potential translation issues.

Please contact me should you wish to discuss any of these comments.

Yours sincerely,

BDO International Limited

Wayne Kolins  
Global Head of Audit and Accounting