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PAFA Response to IES7: CPD

The Pan African Federation of Accountants/ Fédération Pan Africaine des Experts Comptables (PAFA) was established to build a bridge between African Professional Accountancy Organisations to share experiences in professional matters and be a positive influence and contribute in building a better global society for all.

PAFA's main objective is to accelerate the development of the accountancy profession in Africa and strengthen the voice of the accountancy profession within Africa and worldwide. PAFA represents 49 Professional Accountancy Organisations from 41 countries and is very pleased to provide its comments to the IAESB in respect of the IES7 Exposure Draft.

1. Is the Objective statement appropriate and clear?

Yes, the Objective statement is appropriate and clear as the completion of CPD is the responsibility of the Professional Accountant.

2. Are the Requirements appropriate and clear?

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.

3. Are there additional explanatory paragraphs required?

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 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.

A9 would 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 eg ethics.

4. Do proposed revisions to the output-based approach requirement and related explanatory materials improve your understanding and ability to apply an output-based measurement approach? If not what suggestions do you have to improve the clarity?

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.

5. Are there any terms which require further clarification? If so, please explain the nature of the deficiencies?

No terms require further clarification.

6. Do you anticipate any impact or implications for your organization, or organizations with which you are familiar, in implementing the requirements included in the proposed IES 7

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.

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

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.

A handwritten signature in black ink, appearing to be 'Vickson Ncube', written over a circular stamp or mark.

Vickson Ncube
CHIEF EXECUTIVE OFFICER