



# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

(Established by Act of Parliament No. 15 of 1965)

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September 18, 2017

David McPeak  
IAESB Principal  
IFAC  
529 5th Avenue  
New York, New York 10017

Dear Mr. McPeak,

COMMENTS ON IES 7- CONTINUING PROFESSIONAL DEVELOPMENT (CPD).

The Institute of Chartered Accountants of Nigeria (ICAN) is a foremost professional body in Nigeria and a founding member of International Federation of Accountants (IFAC).

We are pleased to make and submit the following comments on the proposed amendments in the International Education Standard (IES) 7.

Question 1. Is the Objective statement of the proposed IES 7 appropriate and clear?

Response  
No, not clear.

## Comment

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*

Question 2. Are the Requirements of the proposed IES 7 appropriate and clear?

## Response

- i. 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."*

- ii. 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.

**Question 3: Are there any additional explanatory paragraphs needed to better explain the requirements of the proposed IES 7?**

**Response**

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.

**Question 4. Do proposed revisions to the output-based approach requirement and related explanatory material 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?**

**Response: 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.

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

**Comment: There is no term that requires 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 ?**

**Response**

**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. 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. A10: We need to produce competency maps and learning templates and make same accessible to professional accountants;**
- iii. 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. A15(c): We may need to improve in collaborating with employers to emphasise the importance of CPD within performance management processes; and**
- v 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.**

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

**Response.**


**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**

**We thank the IAESB for the opportunity given to our Institute to contribute to the work of the Board.**

**Yours sincerely,**



**Ben Ukaegbu, PhD, ACA  
Deputy Registrar, Technical Services  
For: Registrar/Chief Executive**