

01 September 2017

David McPeak,
IAESB Principal
davidmcpeak@iaesb.org

COMMENTS ON IES 7: PROPOSED AMENDMENTS TO CONTINUING PROFESSIONAL DEVELOPMENT

The South African Institute of Professional Accountants (SAIPA) would like to thank the International Accounting Education Standards Board for the opportunity to provide comments on Exposure draft for amendments to IES 7 Continuing Professional Development. We trust that our submission will receive your favourable consideration.

Should you require any further information or wish to discuss our comments in more detail, the writer can be contacted on:

082 0643453 or (087) 353 4065, or fngwenya@saipa.co.za

Kind regards,



Faith Ngwenya

Technical & Standards Services Executive

Question 1

Is the Objective statement (see paragraph 8) of the proposed IES 7 (see Appendix 1) appropriate and clear?

Yes the objective statement is clear and appropriate. It clarifies the responsibility of the completion of CPD to be for the Professional Accountant.

Question 2

Are the Requirements (see paragraphs 9-17) of the proposed IES 7 (see Appendix 1) appropriate and clear?

Paragraph 9. IFAC member bodies shall require all professional accountants to undertake and record CPD that develops and maintains professional competence relevant to their role and professional responsibilities.

This paragraph is clear and appropriate

Paragraph 10. IFAC member bodies shall promote the importance of, and a commitment to, CPD as well to the as development and maintenance of professional competence.

This paragraph does not read well and the grammar needs to be fixed.

Paragraph 11. IFAC member bodies shall facilitate access to CPD opportunities and resources to assist professional accountants in meeting their personal responsibility for CPD that develops and maintains professional competence.

This paragraph is clear and appropriate.



Paragraph 12. IFAC member bodies shall establish an approach to measurement of professional accountants' CPD, using the output-based approach, input-based approach, or both.

This paragraph is clear and appropriate.

Paragraph 13. IFAC member bodies using an output-based approach shall require professional accountants to demonstrate the achievement of learning outcomes relevant to their role and professional responsibilities.

The requirement 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. IFAC member bodies using an input-based approach shall require professional accountants to complete a specified amount of learning and development activity relevant to their role and professional responsibilities.

The change to remove a specified quantifiable minimum requirement of CPD for the input method is unhelpful. Our view as SAIPA is that if a PAO follows the input method this proposed amendment may make it difficult to apply uniform standards across member bodies thus making it subjective to determine compliance and non-compliance with CPD requirements. The indication of a specified expected minimum requirement by IFAC is a helpful benchmark for all bodies using the input method. Furthermore the different regulators in different countries are using a specified number of CPD points as a requirement which has in most cases been based on the IFAC pronouncements. It will now be difficult to meet such regulatory requirements.

Questions 3



Are there any additional explanatory paragraphs needed to better explain the requirements of the proposed IES 7 (see Appendix 1)?

If no minimum requirement of CPD points or hours is stated in the IES7 requirements, it is believed 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 could 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.

Question 4

Do proposed revisions to the output-based approach requirement (see paragraph 13) and related explanatory material (see paragraphs A19-A21) 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?

A19. The output-based approach focuses on whether professional accountants can demonstrate the achievement of learning outcomes. The measurement focus is on what professional accountants achieved from having undertaken learning and development activities.

SAIPA sees in a need to define Professional Accountant in the context of this IES 7.

A20. The output-based approach typically includes the establishment of clearly defined learning outcomes that are relevant to professional accountants' roles. Learning outcomes may be established by a number of sources, including: (a) IFAC member bodies; (b) Professional accountants when undertaking self-appraisal; (c) Employers; (d) Licensing regimes; and (e) Regulatory bodies.

There appears to be a confusion between outcomes and competencies.

A21. For IFAC member bodies and licensing regimes, determining achievement of learning outcomes by the professional accountant may include consideration of factors such as: (a) The nature and extent of CPD undertaken for the learning and development needs identified for the professional accountant's role; and (b) The nature and extent of reflective activity the professional accountant has documented in their CPD record demonstrating the achievement of learning outcomes.

It will be impossible to monitor compliance.

Question 5

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

SAIPA sees in a need to define Professional Accountant in the context of this IES 7.

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 the proposed IES 7?

As noted above, the proposed removal of a specified quantifiable volume of CPD under the input method will have a significant impact on a number monitoring and measuring compliance, as well



as in recognizing compliance for members that hold membership in more than one professional body.

Question 7.

What topics or subject areas should implementation guidance cover?

It may be worth including mandatory professional development areas such as ethics in the standard.

<<<<END>>>>

