



# Continuing Professional Education

## A New Direction

Continuing Professional Education is the maintenance of professional competence by continuous updating of knowledge and skills. It is the responsibility of the individual member to develop and maintain the professional competence necessary to provide high quality services to clients, employers and other stakeholders.

In May 2004, The International Federation of Accountants (IFAC) issued IES7 on Continuing Professional Development. This Standard requires all its member bodies, of which the CPA Institute is one, to implement mandatory CPE for members with effect from January 2006. As the Institute had already committed to mandatory CPE for all members in 1991, we were well positioned to meet its requirements.

In the Institute's case, this has resulted in only some small changes to the CPE requirements for members in business and a change in the core competency requirements for practising members. These changes can be summarised as follows:

- Members in business must now complete 60 hours Structured CPE hours in each three year cycle.
- CPE accreditation is now given to the significant development of new skills and learning that occurs when members face major changes in employment or major changes in job responsibilities.
- Practising Members to complete 40 Structured CPE hours in six core competencies over a three year cycle; financial accounting, auditing, company law, taxation, professional ethics and practice management.

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## New CPE Requirements

*Members in Practice and members working in Professional Offices* are expected to attain a total of 120 hours CPE over a 3 year period, of which 75 hours are Structured CPE and 45 hours are Unstructured

The minimum requirement is 30 hours of CPE in any one year.

*Members not in Practice and not working in Professional Offices* are expected to complete a total of 120 hours CPE over a 3 year CPE cycle of which 60 hours are Structured CPE and 60 hours Unstructured CPE.

The minimum requirement is 20 hours of CPE in any one year

## Core Competencies for Practising Certificate Holders

Forty hours of the Structured CPE requirement must be completed from any combination of the following six areas over a three year CPE cycle:

- Financial Accounting
- Auditing
- Company Law
- Taxation
- Professional Ethics
- Practice Management

Members who are authorised as Investment Intermediaries should refer to the Investment Business regulations for their CPE requirements.

## Definitions

### Structured CPE

Structured CPE includes all CPE which has learning as the primary objective and which is measurable and verifiable. **In order for Structured CPE to be accredited it must be measurable and verifiable.**

There are two forms of Structured CPE:

#### 1 *Directed study:*

This includes formal programmes designed with learning as the primary objective and requires at least one of the following;

- physical attendance at group learning activities, for example lectures, presentations, or
- participation in technology assisted learning activities (including online, CD, audio or video training courses), or

- independent assessment of learning, for example the submission of assignments, research papers or examination.

Directed Study can be measured in terms of the hours spent on the learning activity and can be verified through attendance records, examination results etc.

## 2 *Self-directed study:*

This includes independent study with learning as the primary objective, including various forms of self-directed learning such as research (with published outputs), writing of articles, lecturing and, in specific circumstances, significant on-the-job training. In all cases, this form of study must have measurable outputs which can be verified by an independent and competent source.

Self-directed study can be measured in terms of the hours spent arriving at an outcome that can be assessed and verified by an independent and competent source.

## **Unstructured CPE**

Unstructured CPE can be defined as any form of informal learning or development of day to day working skills achieved through self-study and/or informal training. Unstructured CPE can be measurable but is not verifiable.

## **Accreditation of CPE Activities**

The principal consideration in deciding whether or not a specific programme, course or activity qualifies for Structured CPE accreditation is that it should be a formal learning experience, which is measurable and verifiable and is calculated to contribute directly to the professional competence of a member.

Types of programmes which will qualify for structured CPE accreditation, provided the conditions below are satisfied, are:

- Institute Courses and Seminars
- Regional Society Courses and Seminars
- Relevant courses conducted by other recognised accountancy bodies
- Private training companies whose only or main business is professional level training
- Formal organised courses in house which have been organised by a training department
- Courses run by a University, Institute of Technology or Business School
- Courses organised by the Irish Management Institute and similar bodies
- Formal correspondence or other individual private study programmes which require registration and provide evidence of

satisfactory completion including CD, DVD, online, video and audiotape packages

Programmes involving class attendance must satisfy the following conditions:

- The presenter must have qualifications and in-depth knowledge and experience appropriate to the subject to be presented and this should be fully documented in any course publicity or handout.
- There must be prepared course notes and a course outline which participants can retain for future reference.
- The presentation must be conducted in an appropriate location, which is separate to the participants' normal working area.
- The course must be at least one-hour in duration, which can include question and answer sessions etc.
- Records of registration and attendance must be maintained and made available to the Institute for verification if required.
- The presentation should be attended by a minimum of five delegates to ensure adequate participation.

### **On-Line, CD-Rom, Video, DVD and Audio Courses**

In order to qualify for CPE accreditation, courses must meet the requirements for structured CPE as above and in addition:

- The presentation should be followed by a discussion of the key points of interest or concern with the discussion led by an acknowledged expert in the subject area.
- The learning session should be attended by a minimum of five participants to ensure adequate interaction.

Or

- Where a course is completed only by the individual member, an assignment must be completed and passed, in order to qualify as structured CPE. This should be marked by the provider of the presentation. Copies of the marked assignment must be retained by participants for future reference.

CPE accreditation will be determined by the Institute in the case of Institute CD-Rom, DVD, online, audio and video courses. Where the course provider is other than the Institute, details of the course should be forwarded to the Institute for accreditation. **Courses of this nature should form no more than 50% of the annual Structured CPE requirement.**

### **Lectures**

A member may claim a maximum of 40 hours CPE credit per three year period for lecturing at accredited courses. In the case of lecturing, the initial delivery of a

lecture aimed at qualified accountants and or final level professional accountancy students and/or students completing a Masters in Finance or Accounting count on an hour for hour basis towards the structured CPE requirement. The subject should be relevant to the lecturer's work. CPE hours cannot be claimed for any subsequent delivery of the same lecture. Lecturers should retain a copy of the notes produced for those attending the lecture and verification of his/her lecturing role. Members can claim no more than 40 hours Structured CPE for lecturing over a three year cycle.

### **Service on Technical Committees/Panels**

Service on technical panels established by the profession and/or governmental bodies may count on an hour for hour basis towards the Structured CPE requirement. It is necessary that the committee can show a definite output such as a new standard or other form of guidance and that the committee member contributed original research or other work towards the end product. In many cases, however, service on technical panels is more likely to count as Unstructured CPE. **A member can claim a maximum of 15 hours CPE Credit in a three-year period. Any potential claim in this respect for Structured CPE hours must be approved in advance by the Institute.**

### **Occupational or industry change**

A major change in type of employment (e.g., from public practice to industry) or major changes in job responsibilities that require significant development of new skills (e.g., learning about a different industry, assuming increased responsibilities, moving to a new department that is significantly different) may count towards the Structured CPE requirement. **A member can claim a maximum of 15 hours CPE Credit in a three-year period. Any potential claim in this respect for Structured CPE hours must be approved in advance by the Institute.**

### **Responsibility for major corporate changes**

Major involvement, for the first time only, in special projects such as mergers, takeovers, debt/equity issues, major financial re-organisations, research and installation of computer software systems and/or software applications may count towards the Structured CPE requirement as Self-directed study. **A member can claim a maximum of 15 hours CPE credit in a three year period. Any potential claim in this respect for Structured CPE hours must be approved in advance by the Institute.**

If a member is in any doubt as to whether a particular programme satisfies the Institute CPE requirements, an outline of the programme should be submitted to the Institute for approval.

### **The following is categorised as Unstructured CPE:**

- Lecturing on certificate, diploma and technician programmes.
- On-the-job training which consists of informal briefings carried out by other staff members.
- Technical reading.
- Attendance at Practice Network Groups.

## **Definition of a CPE 'Hour' for Accreditation Purposes**

Each completed period of 50 minutes' attendance at an accredited course will count as one hour (e.g. a total of 400 minutes = 8 hours);

- Attendance at an accredited course for less than 50 minutes will not be counted.
- Attendance at a normal one day course will be counted as eight hours.
- Attendance at a normal half-day course will be counted as four hours.

## **Recording and Reporting**

A member will be required to submit to the Institute, in a manner prescribed by Council, a signed report outlining their CPE activity for the previous year on or before 31 January.

Members are responsible for retaining appropriate records and documents so that they may provide sufficient evidence, on request, to demonstrate their compliance. If deemed appropriate by Council, a member may be called to provide such evidence to the Institute. An appropriate form for recording such evidence is available from the Institute.

## **Exemptions from CPE Requirements**

### *Retired Members*

Members who are not gainfully employed, who do not intend at any time thereafter to seek nor accept gainful employment either temporarily or permanently and who have made a written application for transfer to the retired membership category which has been accepted, are exempt from mandatory CPE requirements.

### *Career Break*

Career Break status members may opt to be exempted from the requirements for a total of two years. The application for exemption must be made in the first and/or second year of a career break period.

### *Serious Illness*

A serious illness may prevent a member from meeting the requirements of mandatory CPE. In this case, the member should submit the CPE Return form, together with a letter of explanation (and appropriate medical documentation).

### *Maternity Leave*

Members working in Practice who are on Maternity Leave are entitled to a pro-rata reduction in their Structured CPE requirements of 9 hours in the year during

which they take their maternity leave. Members working in Industry are entitled to a pro-rata reduction of 7 hours.

**All applications for exemptions must be made in writing and must be approved by the Institute. When a member's status changes from any of the above exceptions, such that he or she no longer qualifies for exemption, the member is then required to meet the full CPE requirements of the Institute.**