



# **CPD Planning and Evaluation for Statutory Auditors**

**Guidance and sample templates**

**January 2022**

# CPD Requirements for a statutory auditor – what a statutory auditor must do

## Introduction

Continuing professional development (CPD) is the means by which a statutory auditor maintains and enhances their professional knowledge, skills and values. An effective programme of continuing education achieves the regulatory outcomes listed below.;

- The statutory auditor actively maintains and enhances the knowledge, skills and values they need to perform high quality audits and deliver a professional service to their clients.
- It contributes to the performance of high-quality audits, and thereby safeguards the public interest.
- It enhances public confidence in the auditing profession

To this end a statutory auditor, authorised by CPA Ireland, is required to:

- (i) **plan** their CPD activities by reflecting on the **knowledge, skills and values** required to competently fulfil their professional responsibilities, identifying their **learning and development needs** and deciding on the CPD activities necessary to address them.
- (ii) **complete sufficient, relevant and appropriate** CPD each year to meet their learning and development needs and thereby maintain and enhance their professional knowledge, skills and values in all of the areas of work that they undertake.
- (iii) **evaluate** the effectiveness of their CPD activities regularly and revise their approach as necessary to ensure it remains effective in achieving its objective of maintaining their professional knowledge, skills and values at a sufficiently high level.
- (iv) be able **to demonstrate their compliance** through the **retention of appropriate written records** of CPD planning, completion and evaluation. Such records should include supporting documentation which evidences that they undertook the CPD activity.
- (v) retain their CPD records for a period of **six years** to facilitate review of their compliance.

## How many hours CPD must I complete as a statutory auditor?

Practising Certificate holders are required to complete 120 hours CPD (75 structured and 45 hours unstructured) in a **three-year cycle**. 40 hours of the Structured CPD must be completed from any combination of the following six areas over the three-year CPD cycle:

- *Financial Accounting*
- *Auditing*
- *Law & Regulation*
- *Taxation*
- *Professional Ethics*
- *Practice Management*

In addition to this, a statutory auditor is required to complete 20 hours<sup>1</sup> of their 40-hour core competency requirement specifically in the following areas;

- *Financial Accounting*
- *Auditing*
- *Law & Regulation*

A minimum of 30hrs CPD must be completed annually (15hrs structured and 15hrs unstructured).

## What should I consider when setting my annual CPD plan and learning outcomes?

Annually a statutory auditor must plan their CPD activities for the forthcoming year. In doing so, they should reflect on the knowledge and skills required to competently fulfil their professional responsibilities.

There are a range of factors that a statutory auditor may need to consider, including:

- the specific needs of their client base (for example, credit unions, SMEs, public interest entities, specialised industries, new clients)
- the time period since they last completed training in a particular area
- weaknesses identified during quality assurance reviews
- developments in Irish or EU legislation including in company law and tax
- changes to the Irish financial reporting or auditing frameworks

The development and maintenance of professional competence should be demonstrated by the **achievement** of the **learning outcomes** outlined in [Table A of IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements \(Revised\)](#).

The learning outcomes to be achieved include, but are not limited to, areas such as:

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<sup>1</sup> This 20-hour requirement commences with the new 3-year CPD cycle from 1<sup>st</sup> January 2023

- **technical competence** - includes audit, financial accounting and reporting, Governance and risk management, Business environment, taxation, Information technology, Business laws and regulations and Finance and financial management;
- **professional skills** - includes Interpersonal and communication, Personal and Organisational;
- **professional values ethics and attitudes** - includes commitment to the public interest, Professional scepticism and professional judgement and Ethical principles

See appendix 2 for an outline of Table A, from IES 8

### **How should I record my CPD plan?**

Please see below a template to allow you to consider and record your own individual CPD planning and evaluation.

You can adjust the template as needed or you may also choose to use an alternate format that records all the required information.

Members should compare the outcome of their CPD activity against their plan and assess whether they have met their objectives.

Your CPD plan should include information about:

- The learning outcomes that you have identified, planned and the actions required to meet them;
- CPD activity that you have completed ; and
- Your evaluation of completed CPD and whether this achieves the learning outcomes set

### **How do I evaluate my CPD activities?**

This can be achieved as you progress through the year by keeping your learning outcomes under review. Your learning needs may change as the year progresses – for example economic conditions may change and impact a particular client sector, new legislation may commence that impacts on your audit engagements or there may be a revision made to a financial reporting standard or tax law that you need to upskill in. An annual stand back exercise should also be conducted to perform a high-level look back to assess whether the learning outcomes set at the start of the year have been met. Any findings from this evaluation should be considered in the planning of the following year's CPD activities.

### **What CPD records should I maintain and for how long?**

A statutory auditor should retain written records of CPD planning, completion, and evaluation. Such records should include supporting documentation which evidences that you have undertaken the CPD activity. The records should be kept for a period of six years.

### **Will I be requested to submit these records to CPA Ireland?**

On an annual basis you will be required to make an annual CPD return detailing the CPD activities completed by you during the year. This forms part of the renewal of your practising certificate, affiliated partner, or Responsible Individual status. This requirement will apply to all statutory auditors approved by CPA Ireland. CPD records will be reviewed as part of the quality assurance process.

### **What will be reviewed as part of the quality assurance process?**

A review of CPD conducted by all statutory auditors in the firm for the previous 24 months will be conducted.

Details provided for review should consist of the following;

- Record of CPD Planning – this should provide for a reflection on the knowledge, skills and values required to competently fulfil professional responsibilities, identifying the learning and development needs, and deciding on the CPD activities necessary to address them.
- Details of CPD completed for the previous 24 months– this should demonstrate the completion of sufficient, relevant and appropriate CPD annually to meet the learning and development needs and the maintenance and enhancement of the statutory auditors’ knowledge, skills and values in all areas of work undertaken by the auditor.
- Details of evaluation process conducted to support the maintenance of professional knowledge, skills and values at a sufficiently high level.

**A separate CPD report and grade will issue to each statutory auditor in the firm.**

### **What about statutory auditors authorised by CPA Ireland who are not CPA members?**

Affiliated partners and Responsible Individuals who are authorised by CPA Ireland as statutory auditors, but who hold membership and their practising certificate from another Recognised Accountancy Body, are also now bound by these CPD requirements for statutory auditors. This includes the requirement to meet the CPD requirements of CPA Ireland’s Bye Laws. An annual CPD return must also be made to CPA Ireland using the CPA online-portal.

### **Where can I get further information on CPD for statutory auditors?**

The following sources set out the requirements for you as a statutory auditor;

- [CPA Ireland's Bye Law 8, CPD and Bye Law 13, Practice and Audit Regulations](#)
- [Companies Act 2014](#) – see relevant sections in Appendix one of this document.
- [IAASA CPD Guidelines](#)
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### **Where can I find out about relevant CPD available to complete?**

CPA Ireland has an extensive CPD offering, covering a wide range of topics. For details, please click [here](#).

## SAMPLE CPD PLANNING AND EVALUATION TEMPLATE

Name of statutory auditor: **Sarah Bloggs**

Firm Name: **Excel Accountants and Auditors Ltd**

CPD Year: **202X**      Date:      **4<sup>th</sup> January 202X**

### CPD Plan

#### Summary of Plan

<b>Factors to consider</b>	<b>Outline of matters specific to the maintenance of the competence</b>
<b>1. Specific needs of my client base (for example, credit unions, SMEs, public interest entities, specialised industries, new clients)</b>	1. Currently have 10 audit engagements. 8 small companies and two medium sized entities. The sectors are hospitality (pubs, hotel), retail (supermarket, florist), insurance broker, auctioneer. One new engagement in pharma.
<b>2. The time period since I last completed training in a particular area</b>	2. It has been two years since I completed an update on the auctioneering industry.
<b>3. Weaknesses identified during quality assurance reviews</b>	3. Audit planning identified as an area of weakness on a recent QA visit and also some errors in financial statements identified on an external cold file review assignment
<b>4. Developments in Irish or EU legislation including in company law and tax</b>	4. Developments in tax law in particular in relation to taxation of company directors and R&D
<b>5. Changes to the Irish financial reporting or auditing frameworks</b>	5. Changes to ISA 570, Going Concern – will be important in particular for 2 clients that have been struggling in recent years. Always consider it necessary to conduct a general audit update annually to pick up changes to the standards.
<b>6. Other matters</b>	6. Expanding the audit engagement team within the firm
<b>Specific IES 8 learning outcomes focus for this year</b>	Audit, Tax, Interpersonal and Communication
<b>Other Learning Needs Identified</b>	Review of AML policies for firm to be conducted this year – supporting CPD required





## DETAILED CPD PLAN

E	IES 8 - COMPETENCE AREA	Learning outcome identified	PLANNING details	Hours completed		DATE completed	Post event consideration and review
	<i>Examples;  Audit Financial Reporting Taxation</i>	<i>Identify and plan your own learning outcomes. The learning outcomes should also reference those set out in Table A of IES 8</i>	<i>Identify activities that may help to meet identified learning outcomes</i>	<i>Structured hrs</i>	<i>Unstructured hrs</i>	<i>CPD activity (Date completed )</i>	<i>Consider whether the CPD event achieved the learning outcome identified. The learning outcome may not have been met or only partly met. Reflect on the activity and what you learned.</i>
1	<i>Audit</i>	<ul style="list-style-type: none"> <li>• <i>Lead the audit through active involvement during all phases of the audit engagement.</i></li> <li>• <i>Lead the identification and assessment of the risks of material misstatement.</i></li> <li>• <i>Develop an audit plan that responds to the risks of material misstatement identified.</i></li> </ul>	<i>Getting the Audit Plan Right</i>	<i>4hrs</i>	-	<i>13/03</i>	<i>Partly achieved, considered that a follow up CPD event on other relevant ISAs would be beneficial e.g., on risk assessment and ISA (Ireland) 315.</i>
2	<i>Tax</i>	<ul style="list-style-type: none"> <li>• <i>Evaluate procedures performed to address the risks of material misstatement in the financial statements in respect of taxation, and the effect of the results of these procedures on the overall audit strategy.</i></li> </ul>	<i>Research and Development Update</i>	<i>3hrs</i>	-	<i>14/5</i>	<i>Achieved - this event has given a good outline of the effects of taxation matters in the R&amp;D regime and will be beneficial for the understanding of the effects of taxation in the audit of a pharmaceutical client</i>
3	<i>Interpersonal and communication</i>	<ul style="list-style-type: none"> <li>• <i>Communicate effectively and appropriately with the engagement team, management, and those charged with governance of the entity.</i></li> </ul>	<i>Leading a Team</i>	<i>8hrs</i>	-	<i>27/7</i>	<i>Achieved -this course enhanced my communication and leadership skills as the engagement team grows . Considered that this is an area to be focused on in future years to further develop competency.</i>

4	<i>Audit</i>	<ul style="list-style-type: none"> <li>• <i>Keep abreast of changes in auditing standards</i></li> </ul>	<i>Audit update</i>	<i>5hrs</i>	-	<i>13/08</i>	<i>Achieved - I consider that it is necessary to do an annual update on auditing standards to keep up to date on changes to the detail of the standards</i>
5	<i>XX</i>	<i>XX</i>					

# CPD Evaluation

Date: 3<sup>rd</sup> Jan 20XX

Consider and reflect on the following	Response
Have the learning outcomes set out at the beginning of the year been achieved this year?	<i>In the main it is considered that the learning outcomes have been achieved. Some areas remain to be revisited.</i>
If not outline what learning outcomes were not met?	<p><i>Further CPD required in the following areas;</i></p> <ul style="list-style-type: none"> <li>• <i>identification and assessment of the risks of material misstatement – consider that more detailed CPD required in this area particularly for clients in the hospitality sector</i></li> <li>• <i>response to the risks of material misstatement identified – the aspect of the documentation in this area needs to be further explored to ensure that audits conducted meet the requirements of ISA 230</i></li> <li>• <i>More focus on effective communication skills to lead the audit team</i></li> </ul>
Outline any necessary action plan to remedy any learning outcomes that have not been achieved as planned?	<i>These areas will be brought forward into the next years plan to continue the learning in these areas. Unstructured CPD, reading and research also to be conducted to support structured learning.</i>
Have adequate CPD hours been completed that meet the requirements of CPA Ireland's Bye Laws?	yes
Is it considered that your theoretical knowledge, professional skills and values, including, in particular, in relation to auditing, have been maintained at a sufficiently high level?	yes
Reflect on any areas where further CPD is required	<i>To identify digital solutions to for the practice to enhance the audit process.</i>
Have there been any changes to your role or profile of clients that should be considered for the next years CPD plan?	<i>Yes – during the year the firm has been engaged as an auditor to a charitable organisation – animal charity. Upskilling required in the legal framework of charities in Ireland.</i>
Identify in the table below the IES 8 learning outcomes achieved	<i>Completed</i>
Consider the learning outcomes from Table A, IES 8 (below) that should be considered for next year's CPD plan?	<b><i>Law and Regulation</i></b> - <i>Evaluate identified or suspected non-compliance with laws and regulations to determine the effect on the overall audit strategy and audit opinion – in particular for auctioneers in Ireland.</i>



**CPD Evaluation Record– IES 8 TABLE A, LEARNING OUTCOMES ACHIEVED**

<b>Technical</b>	<b>COMPETENCE AREA</b>	<b>LEARNING OUTCOME</b>	<b>SELECT OUTCOME ACHIEVED (X)</b>	<b>*CPD RECORD REFERENCE</b>	
	<b>Audit</b>	Lead the audit through active involvement during all phases of the audit engagement.		X	1
		Lead the identification and assessment of the risks of material misstatement.		X	1
		Develop an audit plan that responds to the risks of material misstatement identified.		X	1
		Develop an appropriate audit opinion and related audit report, including a description of key audit matters as applicable.			
		Evaluate responses to the risks of material misstatement		X	1
		Conclude on the appropriateness and sufficiency of all relevant audit evidence, including contradictory evidence, to support the audit opinion.			
		Evaluate whether the audit was performed in accordance with International Standards on Auditing or other relevant auditing standards, laws, and regulations applicable to an audit of the financial statements.			
		Develop an appropriate audit opinion and related auditor’s report, including a description of key audit matters as applicable.			
	<b>Financial accounting and reporting</b>	Evaluate whether an entity has prepared, in all material respects, financial statements in accordance with the applicable financial reporting framework and regulatory requirements.			
Evaluate the recognition, measurement, presentation, and disclosure of transactions and events within the financial statements in accordance with the applicable financial reporting framework and regulatory requirement					
Evaluate accounting judgments and estimates, including fair value estimates, made by management.					
Evaluate the fair presentation of financial statements relative to the nature of the business, the operating environment, and the entity’s ability to continue as a going concern.					
<b>Governance and risk management</b>	Evaluate corporate governance structures and risk assessment processes affecting the financial statements of an entity as part of the overall audit strategy.				
<b>Business environment</b>	Analyse relevant industry, regulatory, and other external factors that are used to inform audit risk assessments including, but not limited to, market, competition, product technology, and environmental requirements.				

<b>Technical</b>	<b>Taxation</b>	Evaluate procedures performed to address the risks of material misstatement in the financial statements in respect of taxation, and the effect of the results of these procedures on the overall audit strategy.	X	2
	<b>Information and communications technologies</b>	Evaluate the information and communications technologies (ICT) environment to identify controls that relate to the financial statements to determine the impact on the overall audit strategy.		
	<b>Business laws and regulations</b>	Evaluate identified or suspected non-compliance with laws and regulations to determine the effect on the overall audit strategy and audit opinion.		
	<b>Finance and financial management</b>	Evaluate the various sources of financing available to, and financial instruments used by an entity to determine the impact on the overall audit strategy.		
		Evaluate an entity's cash flow, budgets, and forecasts, as well as working capital requirements to determine the impact on the overall audit strategy.		
<b>Professional skills</b>	<b>Interpersonal and communication</b>	Communicate effectively and appropriately with the engagement team, management, and those charged with governance of the entity.	X	3
		Evaluate the potential impact of cultural and language differences on the performance of the audit.		
		Resolve audit issues through effective consultation when necessary.		
	<b>Personal</b>	Promote lifelong learning.		
		Act as a role model to the engagement team.		
		Act in a mentoring or coaching capacity to the engagement team.		
		Promote reflective activity.		
	<b>Organisational</b>	Evaluate whether the engagement team, including auditor's experts, collectively has the appropriate objectivity and competence to perform the audit.		
		Manage audit engagements by providing leadership and project management of engagement teams.		

Signed: *Sarah Blaggs*

Date: \_10<sup>th</sup> Jan 20XX

## **Appendix One**

### **Extract from Companies Act 2014**

Section 1489(1) of the Act requires that all auditors must take part in programmes of continuing education to maintain competence:

“It shall, by virtue of this section alone, be a condition of a statutory auditor’s approval ... that he or she shall take part in appropriate programmes of continuing education in order to maintain his or her theoretical knowledge, professional skills and values, including, in particular, in relation to auditing, at a sufficiently high level.”

Section 1492(1) of the Act places a statutory obligation on the RABs to require statutory auditors to comply with this continuing education condition and to monitor and enforce compliance:

“A recognised accountancy body shall, in respect of statutory auditors and audit firms –

(a) have adequate standards requiring those auditors and audit firms to comply with the obligations specified in sections 1489 to 1491, and

(b) institute adequate arrangements for the effective monitoring and enforcement of compliance with such standards.”

Section 1489(2) provides that IAASA shall issue guidelines to the RABs regarding compliance with the continuing education condition:

“The Supervisory Authority shall, at such times as it thinks it appropriate to do so, issue guidelines to the recognised accountancy bodies with regard to what constitutes compliance with the condition referred to in subsection (1).”

## Appendix two – Table A of IES 8

Competence areas	Learning outcomes
<b>Technical competence</b>	
a. Audit	<ul style="list-style-type: none"> <li>i. Lead the audit through active involvement during all phases of the audit engagement.</li> <li>ii. Lead the identification and assessment of the risks of material misstatement.</li> <li>iii. Develop an audit plan that responds to the risks of material misstatement identified.</li> <li>iv. Evaluate responses to the risks of material misstatement.</li> <li>v. Conclude on the appropriateness and sufficiency of all relevant audit evidence, including contradictory evidence, to support the audit opinion.</li> <li>vi. Evaluate whether the audit was performed in accordance with International Standards on Auditing or other relevant auditing standards, laws, and regulations applicable to an audit of the financial statements.</li> <li>vii. Develop an appropriate audit opinion and related auditor's report, including a description of key audit matters as applicable.</li> </ul>
b. Financial accounting and reporting	<ul style="list-style-type: none"> <li>i. Evaluate whether an entity has prepared, in all material respects, financial statements in accordance with the applicable financial reporting framework and regulatory requirements.</li> <li>ii. Evaluate the recognition, measurement, presentation, and disclosure of transactions and events within the financial statements in accordance with the applicable financial reporting framework and regulatory requirements.</li> <li>iii. Evaluate accounting judgments and estimates, including fair value estimates, made by management.</li> <li>iv. Evaluate the fair presentation of financial statements relative to the nature of the business, the operating environment, and the entity's ability to continue as a going concern.</li> </ul>
c. Governance and risk management	<ul style="list-style-type: none"> <li>i. Evaluate corporate governance structures and risk assessment processes affecting the financial statements of an entity as part of the overall audit strategy.</li> </ul>



<b>Competence areas</b>	<b>Learning outcomes</b>
d. Business environment	i. Analyse relevant industry, regulatory, and other external factors that are used to inform audit risk assessments including, but not limited to, market, competition, product technology, and environmental requirements.
e. Taxation	i. Evaluate procedures performed to address the risks of material misstatement in the financial statements in respect of taxation, and the effect of the results of these procedures on the overall audit strategy.
f. Information technology	i. Evaluate the information technology (IT) environment to identify controls that relate to the financial statements to determine the impact on the overall audit strategy.
g. Business laws and regulations	i. Evaluate identified or suspected non-compliance with laws and regulations to determine the effect on the overall audit strategy and audit opinion.
h. Finance and financial management	i. Evaluate the various sources of financing available to, and financial instruments used by, an entity to determine the impact on the overall audit strategy.
	ii. Evaluate an entity's cash flow, budgets, and forecasts, as well as working capital requirements to determine the impact on the overall audit strategy.
<b>Professional skills</b>	
i. Intellectual	i. Resolve audit issues using inquiry, abstract and logical thought, and critical analysis to consider alternatives and analyse outcomes.
j. Interpersonal and communication	i. Communicate effectively and appropriately with the engagement team, management, and those charged with governance of the entity.
	ii. Resolve audit issues through effective consultation when necessary.
k. Personal	i. Promote and undertake lifelong learning.
	ii. Act as a role model to the engagement team.
	iii. Act in a mentoring or coaching capacity to the engagement team.
l. Organizational	i. Evaluate whether the engagement team, including auditor's experts, collectively has the appropriate objectivity and competence to perform the audit.
	ii. Manage audit engagements by providing leadership and project management of engagement teams.
<b>Professional values, ethics, and attitudes</b>	
m. Commitment to the public interest	i. Promote audit quality in all activities with a focus on protecting the public interest.
n. Professional scepticism and professional judgment	i. Apply a sceptical mind-set and professional judgment in planning and performing an audit and reaching conclusions on which to base an audit opinion.

Competence areas	Learning outcomes
o. Ethical principles	i. Apply the ethical principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour in the context of an audit and determine an appropriate resolution to ethical dilemmas.
	ii. Evaluate and respond to threats to objectivity and independence that can occur during an audit.
	iii. Protect the confidential information of the entity in accordance with ethical responsibilities and relevant legal requirements.