Continuing Professional Development (CPD) **Directive**

A Program of Continuing Development of Professional Competence and Lifelong Learning

CPD Committee
The Institute of Chartered Accountants of Pakistan

CONTINUING PROFESSIONAL DEVELOPMENT (CPD) DIRECTIVE:

A PROGRAM OF CONTINUING DEVELOPMENT OF PROFESSIONAL COMPETENCE AND LIFELONG LEARNING

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Introduction

1. The International Federation of Accountants (IFAC) has made it mandatory for its member bodies to design and implement a Continuing Professional Development (CPD) mechanism in such a way that it becomes a component of continued membership for the professional accountants. In order to facilitate the CPD implementation, IFAC has issued International Educational Standard for Professional Accountants (IES-7) which is in effect from January 01, 2006.

2. Continuing professional development refers to learning activities that develop and maintain capabilities to enable professional accountants to perform competently within their professional environments.

3. It is to be appreciated that the knowledge needed to function effectively as a professional accountant in public practice, industry, commerce, education and the public sector continues to expand and change at a rapid rate with the changes in regulatory environment, international standards and technology.

4. CPD, on its own, does not provide assurance that all members will provide high quality professional service all the time. Doing so involves more than maintaining professional competence; it involves applying knowledge with professional judgment and an objective attitude. Also, there cannot be assurance that every person who participates in a CPD programme will obtain the full benefits of that programme, because of variances in individual commitment and capacity to learn. Nevertheless, it is certain that members who are not upto-date on current technical and general knowledge pertinent to their work will not be able to provide professional services competently. Therefore, despite the inherent limitations of any CPD programme, a CPD requirement is important in preserving the standard of the profession and also in maintaining public confidence.

5. It is the responsibility of the individual member to develop and maintain professional competence necessary to provide high quality services to clients, employers and other stakeholders. Members are free to choose from the opportunities both locally and internationally available, as approved by the CPD Committee, to fulfill their relevant CPD needs.

6. This Directive prescribes that members:
   a. foster a commitment to lifelong learning
   b. establish benchmarks for developing and maintaining the professional competence necessary to protect the public interest; and
   c. monitor and enforce the continuing development and maintenance of professional competence.

Effective date:

7. This directive is effective from July 01, 2007.

CPD Approach

8. The IES-7 states that CPD can be achieved by at least three different approaches:

   (a) In-put based approaches – by establishing a set amount of learning activity that is considered appropriate to develop and maintain competence.

   (b) Out-put based approaches – by requiring professional accountants to demonstrate, by way of outcomes, that they develop and maintain professional competence.

   (c) Combination approaches – by effectively and efficiently combining elements of the input and output based approaches, setting the amount of learning activity required and measuring the outcomes achieved.

9. The Institute has adopted a combination approach before moving towards a comprehensive output-based system.

Organization

10. The CPD Committee of the Institute has the responsibility for the establishment of directive and overall coordination of CPD activities for its members in Pakistan & abroad.

11. Regional Committees would coordinate with the CPD Committee in constitution of the City CPD Sub-Committees and execution of CPD activities.

CPD Requirements

12. Every member is required to complete 40 hours in one year or 120 hours in every 3 years period with a minimum of 20 hours in a year.

Measurement of CPD Credit Hours

13. The CPD credit hours are to be measured as follows:

S. No.	Activity	Evidence to be attached	CPD Credit Hours
a	Participation in short courses, seminars, conferences, lectures and trainings.	Copies of certificates of attendance/course contents in case it is a non-ICAP course.	Actual classroom time. For a full day session a credit of 8 hours and for a half-day session 4 hours.
b	Completing degree courses and studying relevant professional certifications.	Copy of degree/certification	As accredited by the HEC approved Institute/ University. For example 3 credit hours course will be measured 3 hours long.
c	Relevant research paper published in a peer reviewed journal	Original copy of the journal	8 hours
d	Contributing article/review or any other relevant material including material in ICAP's, or other, local or international publications	Original copy of the publication	4 hours
e	Registered and evidence-based E-learning courses from recognized content providers.	Copy of the certification	Actual time consumed by the course/ training.
f	Presenter or Session Chairman in short courses, seminars, conferences and trainings.	To be declared on the Reporting Form	Twice the actual time of the presentation.
g	Teaching relevant professional or degree courses	To be declared on the Reporting Form	One and half the actual time of the session subject to maximum of 20 hours per annum.
h	Participation in council, committees, working groups of ICAP and other regulatory bodies	To be declared on the Reporting Form	Actual time of the meeting
I	Writing of books on professional interest, technical and reference manuals including study pack	Copy of the publication	1 hour per page of technical content. Maximum 20 hours per release.
J	Watching videos/CDs of the ICAP CPD programmes of the Institute by a particular geographical area(s) where there is no CPD Committee of the Institute. However, CPD hours in respect of the above activity are restricted to a maximum of 20 hours in a year. Further, places where there are established CPD Committees, CPD hours in respect of the above activity are restricted to a maximum of 10 hours in a year	Members are encouraged to obtain prior approval from the CPD Committee. Attendance/topic(s) to be communicated to the CPD Committee within 2 weeks of watching such programme.	Half of the actual duration

13.1 As a result of comments received from various stakeholders, the Institute has instituted an interim arrangement with regards to the submission of self-certified readings which will count towards the required number of CPD hours. For the first three year reporting cycle, members are permitted to submit

a maximum of 30 hours of self-certified readings over the three years, with a maximum of 10 hours in any one year. Self certified readings include, inter alia, relevant journal articles, newspaper reports and subscriptions.

In order to self-certify, a member must maintain a schedule of all such reading material, specifying the following:

- date,
- title of the publication,
- the title of the specific article and
- the number of CPD hours in respect of the reading.

The schedule must be self-certified on an annual basis and retained as part of their CPD records. It is also recommended that the member make a copy of the relevant reading and certify that they have read it by signing it off and retaining it with the annual reading schedule.

This interim arrangement will be reviewed at the end of the first three year cycle (2010).

Exemption to CPD

14. This directive does not apply to the members who fall in following categories.

a) ill or incapacitated so that he/she cannot perform normal work.

b) retired from whole time business.

c) career breaks.

d) members holding public offices such as Federal Ministers, Provincial Ministers, Advisors to Ministers, Senators, MNAs, MPAs etc, during the currency of their offices.

Verification

15. The measurement of learning activities prescribed be verifiable by documentary support duly concurred by the CPD Committee.

Non-compliance

16. For all members, non-compliance of this Directive will be reviewed by the CPD Committee and if deemed appropriate the matter may be referred to the Executive Committee.

Recording and Monitoring

17. CPD records are to be maintained by the CPD committee of the Institute as follows:

a) Where CPD activities are organized by the Institute / CPD Sub-committees
   i. The CPD Sub-committee will maintain a register of attendance at Institute organized activities

   ii. Within two weeks of holding the activity, the register details will be sent to the CPD Committee

b) Where a member participates in other CPD credit programmes

i. On an annual basis the member will complete a CPD declaration form (annexure) summarizing the details of the CPD activities in which they participated based on the credit hours measurement prescribed in para 13

ii. The declaration should be sent to the attention of the CPD Committee.

iii. The above declaration along with supporting evidence must be received by the CPD Committee annually by July 31

iv. The member will maintain evidence of the CPD activity e.g. attendance confirmation / copy of article published

v. The evidence of the CPD activity will be attached to the declaration form

vi. The CPD Committee will summarize the declarations and send a summary to the CPD Directorate for updating of records

c) The CPD Directorate will be responsible for maintaining record in respect of members participating in CPD activities and uploading latest CPD data on the website for member's to review.

190th Council meeting, held on July 26, 2007

Annexure

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

CPD REPORTING FORM

Name of Member:_____

Membership Number: _____

Reporting Year: _____

Date: _____

Serial No.	Description of Programme att	Date	Organized by	Credit Hours

Signature of the Member

Approved by:

CPD Directorate

Date: