

# **STANDARD OF PROFESSIONAL PRACTICE FOR CONTINUING PROFESSIONAL DEVELOPMENT**

Effective from 1 January 2020

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## FOREWORD

The International Federation of Accountants (IFAC) has continued to develop and enhance worldwide standards for the accountancy profession. IFAC's International Education Standard (IES) 7 forms the basis for this Standard of Professional Practice (SoPP) for Continuing Professional Development (CPD). This SoPP comes into effect from January 2020.

CIPFA, as a member of IFAC, is committed to supporting the Federation's broad objectives and achieves this in relation to CPD by:

- a. Developing its CPD policy in response to members' feedback and also in line with recommendations from IFAC, and
- b. Producing Standards of Professional Practice (SoPPs) for the guidance of its members.

In recognition of the importance of such standards, CIPFA requires all members to comply with each SoPP that regulates an area of their work.

**This standard constitutes one of CIPFA's SoPPs and is one of the Institute's guides to conduct principles or rules with which members are required to comply. Failure to comply may be a ground for disciplinary action under the Institute's Bye-Laws.**

## 1 INTRODUCTION

- 1.1 A profession is distinguished by certain characteristics including:
  - a. Mastery of a particular intellectual skill, acquired by training and education;
  - b. Acceptance of duties to society as a whole, to employers and to clients;
  - c. Establishment of and adherence to a common code of professional ethics and technical standards;
  - d. An outlook which is essentially objective;
  - e. Provision of services to high standards of conduct and performance.
- 1.2 This SoPP sets standards of conduct for Institute members with respect to CPD, covering the fundamental principles to be observed by members in order to achieve common professional objectives.
- 1.3 The specialised knowledge and skills, the training and experience required to be proficient professional accountants, and the nature of the services they provide can make it difficult for those who depend on them to assess the quality and standards of the professional services they receive.
- 1.4 It is therefore essential in the interests of the public and of members themselves that the standards for CPD expected of members should be clearly stated and that they are understood by all concerned.

## **2 THE PUBLIC INTEREST**

- 2.1 Finance is central to many activities in business and public life. The integrity of the finance function, in its widest sense, is essential if business and government is to operate properly. That integrity is largely in the hands of the accountancy profession and the individuals who practice the profession.
- 2.2 The accountancy profession's public includes taxpayers, direct clients, employers, employees, governments, investors, debtors and creditors and those within the business and public service communities who rely on the independence and integrity of financial information for:
- a. supporting loans and capital investment;
  - b. ensuring efficient and effective use of resources;
  - c. demonstrating sound internal control within organisations;
  - d. establishing confidence and fair application within the tax system;
  - e. assisting in sound management decision making;
  - f. ensuring strategic direction and fulfilment of organisational policy; and
  - g. demonstrating accountability.

The need to maintain the collective wellbeing of the community of people and institutions served by the accountant imposes a responsibility on the accountancy profession and gives the accountant an important role and position in society.

- 2.3 Members can remain in this privileged position, of continuing to provide the public with their unique services and being held in high regard, only if they are seen to be regulated and can demonstrate that their services are provided to high levels of performance, in accordance with ethical, technical and professional standards designed to maintain public confidence that the accountancy profession will always act in the public interest and not in its own.

### **3 OVERALL OBJECTIVES**

3.1 The objectives of CIPFA's CPD scheme are to:

- a. Achieve high standards of professionalism, attain high levels of performance and generally to meet the public interest requirement set out above;
- b. Promote public confidence in the skills and abilities of CIPFA qualified accountants;
- c. Encourage the use of policies and practices that are at the leading edge of professional best practice;
- d. Increase the reputation of CIPFA as an organisation that is committed to the learning and development of its members;
- e. Acknowledge the diversity of CIPFA members' roles and for some members the movement away from technical accountancy/professional roles into wider management positions.

3.2 These objectives require members to meet three basic needs:

- a. Maintain their professional competence;
- b. Enhance existing knowledge and skills; and
- c. Develop new technical and management knowledge and skills relevant to their career.

### **4 KEY PRINCIPLES**

4.1 Mandatory participation in the CPD scheme applies to all CIPFA members who are entitled to use the designatory letters CPFA and FCPFA.

4.2 In order to achieve the objectives outlined in para 3.2 members must observe and be seen to observe the full requirements of the CPD scheme which are laid out in the CPD Guidelines.

4.3 The CPD scheme requirements are:

- a. To produce and maintain for each CPD year:
  - i. A Learning and Development Plan
  - ii. A Learning and Development Record
  - iii. A Portfolio of Evidence
- b. The completion of a minimum of 20 hours of relevant and verifiable CPD activity in any one year that can be assessed in terms of the number of hours committed to CPD and the member's own assessment of the skills and knowledge derived (i.e. the outputs) from the CPD activities.

Members may in special circumstances request a reduction in the amount of CPD they are required to undertake. Each request will be considered on its own individual merits.

- c. Members are expected to be able to provide independent verification that structured activities listed on a Learning and Development Record have been completed, and keep a record for inspection (if requested to do so).
- d. The CPD scheme emphasises the importance of ensuring development is relevant to the individual. Members are required to develop their technical as well as their management and personal knowledge and skills in whichever sector they are employed. Members are advised to take into account their immediate career needs as well as any future needs.

Members may wish to use the CIPFA Competency Model when determining their development needs. The Competency Model provides information regarding the types of knowledge and skills a member is expected to develop in the years following qualification.

Members should also choose which learning activities will be the most effective in enabling them to develop their identified skills and knowledge and to ensure they are in a position to be able to demonstrate compliance through an evidence-based approach.

- e. Each year members are required to confirm participation in the CPD scheme by completing the Annual Members' Statement (AMS) online, or by returning a printed copy.
- f. If selected, members are also required to submit their Learning and Development records and provide evidence of CPD activities or equivalent if participating in a CPD scheme that has been accredited by CIPFA.

#### 4.4 Exemption Policy

In certain circumstances members can apply to be exempt from mandatory participation in the CPD scheme e.g. members fully retired from paid employment or voluntary activities, members voluntarily providing accounting services to a charity which is not required to submit a Trustees Annual Report and accounts to the Charity Commission, members on a career break or in extenuating circumstances e.g. long term ill-health leave.

All requests for exemptions are dealt with on an individual basis. Unless an exemption has been formally approved in writing by CIPFA the member must comply with the CPD scheme requirements.

- 4.5 CPD Guidelines are available to members and provide detailed information about the CPD scheme requirements. The CPD Guidelines do not include an exhaustive list of the types of development and activities that members may undertake to fulfil the CPD scheme requirements. The absence of detailed guidance in the CPD Guidelines would not constitute a valid defence against a disciplinary charge brought by the Institute under the relevant Bye-Laws.

- 4.6 In the event that members are still uncertain as to how to resolve any issues relating to the CPD scheme, they should seek advice from CIPFA.

## **5 APPLICATION OF THE STANDARD**

- 5.1 Participation in the CPD scheme is mandatory for all members who are entitled to use the designatory letters CPFA and FCPFA.
- 5.2 Those seeking election to Ordinary or Fellow membership and who, if elected, would be entitled to use the designatory letters CPFA and FCPFA must confirm their proposed participation in the CPD scheme with their membership application.

## **6 ACCREDITATION**

- 6.1 CIPFA has developed a range of services to support members in their CPD. Participation in an accredited employer scheme means members can submit information from an employer scheme as evidence of their CPD activities allowing more time to be spent on development.
- 6.2 Members who work for a CIPFA-accredited employer are still required to confirm their participation in the CPD scheme annually by completing and submitting their Annual Members' Statement.