



Continuing Professional Development Standard

Version 1

Certified General Accountants Association of Canada
100 – 4200 North Fraser Way
Burnaby, BC
Canada V5J 5K7

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TABLE OF CONTENTS

1. Definitions	2
2. Purposes and Scope	2
3. Professional Development Concepts	3
4. CPD Standard Hours Requirement	4
5. CPD Reporting Requirements	4
6. Non-Compliance	4
7. Exemptions	5
8. Relevance	5
9. Measurement	6
10. Verification	6
11. Acknowledgement	7

1. DEFINITIONS

For the purposes of this document, the following definitions apply:

Association refers to the provincial/ territorial Affiliates.

Member refers to any person who has conformed with the appropriate legislation/regulation and bylaws of the Association, and has been duly accepted into membership and has not resigned or been expelled. A person granted an honorary Certified General Accountant designation would not satisfy the definition of a Member.

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

2. PURPOSES AND SCOPE

- a) One of the cornerstones of CGA-Canada's *Code of Ethical Principles and Rules of Conduct* is that members should strive to continually upgrade and develop their knowledge and skills in the areas in which they practice as professionals. As stated in the *Code*:

Rule R301 – Competence

A member shall sustain professional competence by keeping informed of, and complying with, developments in the acknowledged standards of the profession in all areas in which the member practices or is relied upon because of the member's profession.

Rule R302 – Professional Development

A member shall undertake continuing education and professional development activities in accordance with the standards and policies established by the Association.

- b) This Standard is a supplement to the *Code of Ethical Principles and Rules of Conduct* and is designed to:
- promote the continuous improvement of competence and a commitment to lifelong learning for all members;
 - maintain public trust;
 - enhance the credibility of the professional designation, both nationally and internationally;
 - fulfill the Association's obligations as a member body of the International Federation of Accountants; and
 - facilitate the regional mobility of the membership.
- c) This Standard is designed to facilitate the harmonization of policies and procedures related to continuing professional development. However, regional legislation/regulation or other special circumstances may require that the Association deviate from the national Standard.

For example, because of regional legislation/regulation, there could be a requirement for a segment of the membership that a certain percentage of their continuing professional development be in defined subject areas.

- d) This Standard is designed to ensure fairness by establishing minimum requirements.
- e) This Standard recognizes that the knowledge and competencies required of members are continually changing. To remain competitive with other professional accountants, members must not only maintain their current knowledge and competencies, but must also actively upgrade and update them. As members perform various functions in a diversity of areas, continuing professional development encompasses a wide variety of subjects. Different types of learning tools and activities may be appropriate for continuing professional development. Thus, evaluation of the continuing professional development activities focuses on the substance of the activity, and considers the issues of both quantity and quality.
- f) The accountancy profession operates in an environment of change which makes it necessary for the Association to periodically review this Standard and its application. Therefore, this Standard should be viewed as an evolving document.
- g) The existence of a national Standard communicates to the public the continuing professional development requirements of members. A central focus of this Standard is the principle of due professional care and judgment, which in turn ensures that public trust, will be maintained.
- h) Providing high quality professional service involves more than maintaining professional competence; it involves applying the knowledge with professional judgement and an objective attitude. There cannot be assurance that every member who participates in a CPD program will obtain the full benefits of that program because of the variations in members' commitment and capacity to learn. Nevertheless, it is an underlying principle of this Standard that members who have up-to-date technical and general knowledge pertinent to their work will be able to provide competent professional services.

3. PROFESSIONAL DEVELOPMENT CONCEPTS

This Standard reflects the requirement for continuing professional development activities to be based on three primary concepts: relevance, measurement and verification.

Relevance: This refers to the content of the CPD and requires activities that are expected to develop the knowledge, skills, values, ethics, and attitudes of the professional accountant that are relevant to the accountant's current and future work environment and professional responsibilities. Section 8 provides further direction on the relevance of content.

Measurement: Members must be required to measure learning activities or outcomes to meet the CPD requirement in accordance with the "CPD Standard Hours Requirement" stated in Sections 4 and 9 of this Standard.

Verification: A certain portion of the learning activities engaged in must be verifiable. This means that the learning can be objectively confirmed or corroborated by a competent source. Members shall retain appropriate documentation and upon request, must provide sufficient evidence to demonstrate that the activity has been verified. Section 10 provides examples of evidence of verification.

4. CPD STANDARD REQUIREMENTS

- a) Every member shall accumulate a minimum of 120 hours on a moving total basis for each three-year reporting period ending December 31.
- b) It is recommended that a minimum of 20 hours should be earned annually.
- c) Of the 120 hours required, a minimum of 60 hours must be verifiable learning.
- d) A member shall retain documentation to support the hours claimed for the most recent three-year reporting period.
- e) A member transferring to another Association will carry forward hours that the member has accumulated from their former Association.

5. CPD REPORTING REQUIREMENTS

- a) Hours are to be reported annually on a calendar year basis, using the prescribed form to demonstrate a member's participation in the CPD program.
- b) In addition to reporting their CPD activities, members should be required to declare in writing that they have met their obligations to maintain the knowledge and skills necessary to perform their professional work competently.
- c) The Association will make the form available to members on an annual basis no later than January 31 of the following year.
- d) Hours earned in a reporting year are to be filed with the Association no later than March 31 of the following year.
- e) If the Association does not receive a report from the member, it will be treated as a "NIL" report and zero hours will be assigned for that reporting period.
- f) At the discretion of the Association, late-filed reports may be accepted.
- g) Members shall receive a notification of the current status of accumulated hours no later than July 31 of the year in which the report is filed.
- h) A member wishing to dispute the number of hours granted may do so in writing within 90 days of the date of notification of the current status of accumulated hours.
- i) Documentation may be subject to audit; members shall retain the appropriate documentation to support hours claimed for the most recent three-year reporting period. Examples of appropriate documentation could include a syllabus, receipt, confirmation of seminar attendance, or written description of the professional development activity.
- j) In general, documentation need not accompany the report; however, for some categories the Association may require a description of the activity or claim.

6. NON-COMPLIANCE

- a) Initial steps taken to address non-compliance shall focus on bringing the member into compliance within a reasonable period. Care needs to be taken to strike a balance between a sanction that, in substance, amounts to permitting a member to defer or avoid compliance with the CPD requirement and one that is excessively punitive.

- b) If a non-exempt member fails to achieve:
- the minimum required number of hours in a three-year moving total reporting period
 - the minimum recommended number of hours per year, or
 - the minimum required number of verifiable hours in a three-year moving total (see section 10)
- the following course of action will be taken:
- The member will be notified in writing of the apparent shortfall.
 - No further action is required with respect to a shortfall in the minimum recommended number of hours per year if the member is in overall compliance with the minimum required number of hours in the three-year moving reporting period.
 - The member will be required to submit a written response to the notice of apparent non-compliance within a specified period of time. The member must either dispute or confirm the hour shortfall. If a shortfall has occurred, an appropriate action plan to cover the shortfall should be included. If the member has not submitted a written response to the notice of apparent non-compliance within a specified period of time of the receipt of the notice of the apparent shortfall, the member will be deemed to have confirmed the hour shortfall.
 - Based on receipt and approval of an appropriate action plan to remedy the shortfall, the Association may allow an extension period of up to one year, which normally would be December 31 of the year following the shortfall.
- c) If, subsequent to the extension period, a member is still found to have accumulated fewer than the required number of hours, the member will not be in compliance with the *Code of Ethical Principles and Rules of Conduct*.

7. EXEMPTIONS

- a) Exemption from the continuing professional development requirements may be granted to:
- members who have been granted retired status;
 - members who have been granted an honorary CGA designation;
 - members who have extenuating circumstances (such as continuing ill health); or,
 - other reasons that the Association may feel appropriate.
- b) Application for exemptions must be made in writing and such application must be approved by the Association. Upon change of status, such that a member no longer qualifies for exemption, the member must resume reporting immediately.
- c) A new member must commence the program upon completion of the first full calendar year after certification. At the discretion of the Affiliate, a new member may be allowed to claim all activities undertaken since certification on their first reporting form or may commence reporting CPD activities earlier.

8. RELEVANCE

- a) Given that members practice in a wide variety of positions which require knowledge and skills in a number of different subject areas, topics qualifying as relevant CPD may include, but are not limited to the following:

Accounting, auditing, banking, bankruptcy, behavioural and social sciences, budgeting, business and management theory, business communication, business law, business valuation, capital expenditure decisions, credit management, economics, estates and trusts, ethics, financial management, human resource management, industry understanding, information systems, insurance, internal control, interpersonal skills, investment management, labour and personnel relations, marketing, personal financial planning, public practice management, risk management, statistics, taxation, and treasury management.

- b) Language development activity may be acceptable if it is relevant to a member's current employment.
- c) Activities such as attendance at courses, seminars and technical sessions qualify as relevant continuing professional development. Other activities such as participation in special interest groups and self-directed study may also qualify as continuing professional development. If the member participates in an activity that satisfies the general approach to continuing professional development outlined in this Standard but is not specifically listed in 8a), the member should forward a detailed description of the activity to the Association for consideration.

9. MEASUREMENT

Professional development activities can be measured in terms of effort or time spent, or through a valid assessment method which measures the competence achieved or developed.

10. VERIFICATION

The Standard requires a minimum of 60 hours of the 120-hour requirement to be verifiable learning (see Section 4), based on the concept that a certain portion of the CPD learning activities engaged in may be objectively confirmed or corroborated by a competent source. "Verifiable" is distinguished in the Standard from "measurable" (see Section 3). Some learning activities may be measurable (e.g., in terms of time) but not verifiable (e.g., in terms of evidence).

Examples of evidence of verification:

- course outlines, teaching materials,
- attendance records, registration forms or confirmation of registration from providers,
- confirmation by an instructor, mentor, or tutor of participation,
- confirmation by an employer of participation in an in-house program,
- independent assessment of learning outcomes and/or performance objectives achieved,
- publication of a professional article or the results of a research project,
- evaluation of written or published material by a reviewer,
- periodic re-examination,
- other qualification or certification,
- other assessments such as:
 - assessments or sign-offs by associations with appropriate documentation of demonstrated development of competence, or
 - assessments by regulators (e.g., license to perform a service.)

11. ACKNOWLEDGEMENT

It is acknowledged that this Standard takes from and is based on the International Federation of Accountants International Education Standard for Professional Accountants 7 (IES 7): *Continuing Professional Development: A Program of Lifelong Learning and Continuing Professional Development of Professional Competence* dated May 2004.