

THE INDEPENDENT REGULATORY BOARD FOR AUDITORS



CONTINUING PROFESSIONAL DEVELOPMENT

**INFORMATION BOOKLET
FOR REGISTERED AUDITORS**

INDEX

Foreword	2
1. Why have a CPD policy?	3
2. Objectives of CPD	4
3. Prescription	5
4. Measurement of CPD	8
5. Reporting period	9
6. The Report	12
7. Monitoring of CPD	13
8. CPD activities accepted by the IRBA must be verifiable	14
9. Exemptions	17
10. A comparison of the IRBA's and SAICA's CPD	19
11. Frequently asked questions	20
12. Attachment A (CPD ANNUAL DECLARATION)	23
13. Attachment B (CPD FORM 1)	24
14. Attachment C (CPD FORM 11)	26

Foreword

Continuing Professional Development (CPD) is the means by which members of a profession maintain, improve and broaden their knowledge and skills and develop the personal qualities required in their professional lives to achieve excellence. The International Federation of Accountants' (IFAC) International Education Standard 7 (IES7) emphasises the profession's commitment to serving the worldwide public interest and presents CPD as a key means of meeting this commitment. IES 7 prescribes mandatory CPD for all members of the profession, including those in public practice. It also calls on IFAC member bodies to facilitate access to CPD opportunities and resources to assist professional accountants in meeting their responsibility for life long learning. Further, IES 8 prescribes competency requirements for audit professionals including those working in specific environments and industries. According to IFAC, the responsibility for the development and assessment of the required competence is shared by IFAC member bodies, audit organisations, regulatory authorities and other third parties.

Although not an IFAC member body, the Independent Regulatory Board for Auditors' (IRBA) policies are cognisant of the IFAC standards.

1. Why have a CPD Policy?

The CPD policy prescribed by the IRBA has been established in terms of the Auditing Profession Act, 2005 (Act). In terms of the Act the IRBA must “prescribe minimum qualifications, competency standards and requirements for registration of auditors” (section 6(1)(a)). From this duty to ensure competence at entry point to the profession, it follows that the IRBA has a similar duty to ensure that those persons, who are registered, continue to develop and maintain their professional competence throughout the period in which they engage in public practice. Section 7(1)(f) requires that the IRBA prescribe competency requirements and these would not only be relevant at entry point but throughout the period of registration as an auditor. The Act thus provides, in section 7(1)(c), that the IRBA “prescribe requirements for and conditions relating to the nature and extent of continued education, training and professional development”.

The reputation, relevance and value of the auditing profession depends on the ability of its RAs to continually meet the expectations of stakeholders and provide a service appropriate to the needs of the South African economy within the global context. The primary responsibility of the IRBA is to protect and promote the interest of the public. To this end, the IRBA must ensure that every RA in South Africa is

appropriately qualified and held accountable for their professional conduct and ensures adherence to ethical principles and the implementation of internationally comparable standards. To do so, the IRBA must, *inter alia*, ensure that every RA has the necessary professional competence at the point of registration to serve the public interest and the needs of the economy. Following from this obligation, the IRBA has a duty to ensure that all RAs engage in appropriate programmes of CPD designed to maintain and develop the competence demonstrated at entry point to the profession.

2. Objectives of CPD

The objectives of the CPD programme are to enable RAs to:

- 2.1 Maintain and further develop professional competence so as to meet the ever increasing and new knowledge, skill and value demands of the profession as a response to knowledge expansion, technological advancement and the requirements of specialist areas.
- 2.2 Meet stakeholder expectations by ensuring that RAs maintain and further develop the professional competence required to perform any particular engagement which is undertaken in order that clients may receive the advantage of competent professional service,

based upon up-to-date developments in practice, legislation and techniques and other requirements of the profession.

- 2.3 Meet the ethical obligations to maintain and further develop professional competence at the level appropriate to the types of engagements and levels of responsibility which RAs undertake.

SO WHAT DOES ALL OF THIS MEAN TO YOU?

3. PRESCRIPTIONS

- 3.1 You are required to undertake and maintain a record of your CPD activities.
- 3.2 It is recognised that professional competence comprises a knowledge, skill and value component and it is necessary that as part of the CPD requirement, you maintain and further develop your competence in all three areas. You are encouraged to plan your CPD activities within the three categories. However, you are not required to report your CPD activities in the three categories.
- 3.3 However, the IRBA recognises the importance of ethics CPD and, therefore, requires you to undertake at least nine (9) hours of compulsory ethics CPD per rolling three years. You are required to record the

hours of compulsory ethics CPD separately from all other CPD activities.

To assist you in planning your CPD activities brief definitions of each of the three categories have been included.

Professional knowledge

Given the pace of change in the public practice environment, you should ensure that an appropriate portion of the CPD activities which you undertake, have the objective of maintaining and further developing professional competence in the technical areas. These areas include, *inter alia* auditing, accounting, information technology, legislation including taxation, and other regulations and developments affecting the statutory environment.

Professional skills

The skills required to operate effectively in the public practice environment are not limited to the technical areas. Auditing is itself a structured process involving an analytical approach carried out by a team of persons utilising appropriate technology, adhering to acceptable standards of quality control and drawing on personal and managerial skill. CPD should include learning activities designed to maintain and develop the competence required to take decisions and actions relating to quality control policies and procedures,

professional relationships and other aspects of practice management.

Ethical values

For you as a professional, ethics as practice means basing your workplace activities on an explicit awareness of and commitment to that, which enhances the good in the world of the professional, centered upon but not limited to professional practice itself and its various stakeholders.

Ethics as a focus area for professional development should therefore focus on acquiring and embedding insights, knowledge, theories and skills in the daily professional life of a professional, based on a common set of values as set out in the relevant Codes of Conduct.

Professional development will, therefore, include all learning activities which assist you to always and consistently:

- Act with integrity towards clients, third parties, other practitioners, employees and all parties with an interest in the work performed by the RA as well as the general public.
- Be objective and not allow any prejudice or bias to influence his/her professional judgment.
- Remain independent, both in fact and appearance, when performing professional duties.
- Respect confidentiality of information at all times.
- Apply professional competence and due care in all work performed.
- Act to the highest requirements of professionalism to build the reputation of the profession as a whole.

4. Measurement of CPD

- 4.1 In any rolling three year period, you will be expected to have completed at least 90 hours of verifiable CPD, which includes at least 9 hours of compulsory ethics CPD; i.e. 81 hours of general CPD and 9 hours of ethics CPD = 90 hours
- 4.2 In any one year reporting period within the three year rolling cycle, the minimum number of CPD hours is twenty (20) including a minimum of two (2) hours of

ethics CPD. The minimum hours required in any one year reporting period will not be reduced if you reported more than the required hours in the previous year. The onus is on you to ensure that the compulsory number of hours per reporting cycle (Rolling three years) is at least ninety (90); including nine (9) hours in ethics and is not less than the minimum number of CPD hours in any given year during the rolling three year period. For example, in one year you may have completed 17 hours of general CPD and 3 hours of ethics CPD (=20 hours overall). You, therefore, meet the minimum requirements for a single reporting year within the three year reporting period.

5. Reporting Period

- 5.1 You must report on your CPD activities on a rolling three year basis (see example 5.4) below.
- 5.2 The reporting period for CPD will commence on 1 January and extend to 31 December of each calendar year, but will always be within the context of a rolling three year period.
- 5.3 In the case of members who register during a calendar year, the CPD requirements will be

proportionate for the part of the year from the date they register with the IRBA.

5.4 The following table sets out examples of CPD hours that are compliant with the IRBA's CPD policy.

	2010	2011	2012	2013	2014	2015
Verifiable CPD	28	30	23	30	35	16
Compulsory ethics	2	5	2	3	5	4
Total	30	35	25	33	40	20

Note: The 1st rolling cycle (2010-2012): 81 general + 9 ethics = 90 CPD hours

The 2nd rolling cycle (2011-2013): 83 general + 10 ethics = 93 CPD hours

The 3rd rolling cycle (2012-2014): 88 general + 10 ethics = 98 CPD hours

The 4th = rolling cycle (2013-2015): 81 general + 12 ethics = 93 CPD hours

5.5 The following are examples of CPD hours that are **not** compliant with the IRBA's CPD policy:

	2010	2011	2012	2013	2014	2015
Verifiable CPD	28	17	31	30	35	18
Compulsory ethics	2	2	5	3	1	4
Total	30	19	36	33	36	22

Note: The 1st rolling cycle (2010-2012): 84 general + 9 ethics = 95 CPD hours – However, did not obtain minimum requirements of 20 hours CPD in 2011.

The 2nd rolling cycle (2011-2013): 78 general + 10 ethics = 88 CPD hours - did not achieve at least 90 hours of verifiable CPD hours.

The 3rd rolling cycle (2012-2014): 96 general + 9 ethics = 105 CPD hours – However, did not achieve minimum of 2 ethics CPD hours in 2014.

The 4th = rolling cycle (2013-2015): 83 general + 8 ethics = 91 CPD hours – did not achieve minimum of 9 hours ethics CPD over three year rolling period.

6. The Report

- 6.1 From 01 April 2011 you must submit a signed declaration with your annual renewal for registration with the IRBA (See attachment A). Renewal of registration with the IRBA is dependent upon receipt of a declaration which states that you are fully compliant with the IRBA's CPD requirements. The declaration must state the actual number of CPD hours undertaken and identify separately the hours for ethic CPD.
- 6.2 All RAs are required to maintain a record of their CPD activities and produce the records, if required, for monitoring purposes and for inspections.
- 6.3 You are not required to submit your records or supporting documentation with the annual declaration. It is, however, your responsibility to ensure that the CPD record and supporting documentation, that substantiates the recorded number of CPD hours on the declaration, are maintained, accurate and complete.
- 6.4 You must maintain a record (including all supporting documentation) of the CPD activities undertaken and may be asked to produce such a record at the time of an inspection, or upon request by the IRBA for

monitoring purposes. These records should be retained for a period of 5 calendar years.

- 6.5 You may complete the IRBA CPD I form. (See Attachment B) [www.irba.co.za] or download your CPD records from your professional body; both recording methods are accepted

7. Monitoring of CPD

- 7.1 You must submit a signed declaration with your annual renewal for registration with the IRBA. The CPD declaration will state compliance with the CPD policy and record the number of hours gained in CPD activities in the year under review (including ethics CPD hours).
- 7.2 Should you not comply with the IRBA's CPD requirements, you will be given a maximum of six months from the date of the annual declaration or when the non-compliance is identified to obtain the required CPD hours. You may be required to complete a CPD training and development plan (CPD II)[Attachment C]. Should you continue to be non-compliant you may have your registration with the IRBA cancelled.
- 7.3 If you are subject to an Inspection, the IRBA will draw upon the processes and procedures carried out

by its Inspections Department in order to assess, based upon documentation supplied by you, the nature and relevance of CPD activities and the extent to which the maintenance and further development of competence was sought by you. Although the process is not designed to assess competence as such, it provides the IRBA with an understanding of the particular role and responsibility assumed by you. Thus, the inspections function provides an understanding of context, which is essential in order to determine the appropriateness of the particular CPD activities undertaken by you.

- 7.4 Should the monitoring process indicate that you have submitted a CPD declaration that is not an accurate reflection of the CPD activities that you have undertaken; the IRBA may institute disciplinary measures against you.

8. CPD activities accepted by the IRBA must be verifiable

8.1 What is verifiable CPD?

Verifiable CPD is any activity where you can provide evidence that the learning was relevant to your current or future career needs, and you can prove that it took place. You will need to

be able to explain why you chose the activity and how it is relevant to you, when the activity took place, what you learned and how you will apply your learning. Verifiable CPD does not have to be about attending courses – some examples of verifiable CPD activities are outlined below:

(Please Note: that in all of these examples, there must be a learning outcome, i.e. an expected result of the learning activity):

- Participating in organised discussion groups where a register or some record of the proceedings is kept. Example: discussion groups regarding technical issues or new laws and regulations.
- Writing or giving a presentation *for the first time*. This is verifiable in so far as an RA would need to prepare and research to provide the presentation. Hours for this will need to be supported by documentation.
- Attending seminars, formal in-house or external training sessions and courses.
- Teaching courses or presenting seminars (only the preparation hours and the initial delivery hours can be recorded).
- Developing course material or seminars presented by a third-party.
- Participating in technology-based activities that provide a certificate of completion or an assessment

process; for example, an online seminar or e-learning event.

- Presenting at audit committee or similar meetings – CPD hours should only be recorded where it was necessary to research or obtain knowledge and not merely for attendance.

You are not restricted to the examples above. These illustrate some of the different types of learning activities which you could consider.

8.2. What supporting documents are appropriate?

In order for you to prove that the CPD activities were undertaken, certain documentation can be retained as supporting evidence. The following are examples of documents that can be used to support the record of CPD activities and may include:

- Course/ training certificates
- Attendance registers at meetings/ workshops
- Third party attendance verification
- Minutes of a meeting
- Research papers
- Strategy documents or presentations, and
- Course material
- Course outlines or teaching materials

- Registration forms or confirmation of registration from providers together with proof of attendance
- Confirmation in writing by an instructor of participation.

8.3 How do you keep record of CPD activities?

In order to provide the IRBA with verifiable proof that the CPD activities undertaken are appropriate and structured, you are required to keep record of your CPD activities. The IRBA CPD I Form or the records of your professional body may be used. The record of CPD activities should as a minimum include:

- Date of activity
- Type of activity
- Hours
- Presenters
- Topics covered
- Course objectives
- Performance indicators (if appropriate)
- Assessment criteria (if appropriate)

9. Exemptions

The IRBA does not offer any exemption based on retirement, extended leave of absence or for any other similar reasons.

The IRBA does, however, provide for concessions under **extra-ordinary** circumstances. Such an application for a concession must be made in writing to the IRBA with full supporting evidence. The concession will apply for a specified period of time and will be granted on the minimum number of hours to be achieved in a single year (20 hours). The required 90 CPD hours in the rolling three year cycle will still need to be achieved.

10. A comparison of the IRBA's and SAICA's CPD policies

IRBA	SAICA
Compulsory	Compulsory
Input based	Input based
Reporting period: 01 January - 31December	Reporting period: 01 January – 31 December
Report due: 01 April	Report due: 31 April
Three year rolling cycle	Three year rolling cycle
90 hours verifiable- 9 hours compulsory ethics training	120 hours –minimum of 60 verifiable hours
Minimum of 20 hours per annum; including a minimum of 2 hours ethics CPD	Minimum of 20 hours per annum. These may be verifiable, non-verifiable or a combination of both.
Annual declaration	Annual declaration
Random monitoring of records and supporting documentation	Random monitoring of records and supporting documentation
No exemption policy – application only in extraordinary circumstances	May apply for exemption or reduction based on retirement, extended leave of absence or other similar reasons.

11. Frequently asked questions

1. Can I download my SAICA CPD record from the internet and submit a print out of it to the IRBA annually?

Yes, RAs may either use the form (CPD-I), provided by the IRBA, on which to complete their annual CPD record or they can download their SAICA on-line record and use it as their annual report.

2. What does a rolling three year period mean?

*A rolling three-year cycle allows more flexibility for members to earn their CPD hours: A fixed total number of CPD hours (90) has to be completed every three years **including** at least 9 hours of compulsory ethics CPD. However, a minimum of 20 CPD hours (verifiable) has to be achieved each year **including** a minimum of 2 hours of ethics training. [See example on page 10]*

3. What are relevant CPD activities?

It is the responsibility of RAs to exercise their professional judgment in deciding the type of CPD activities they undertake according to their individual needs. Such learning activities should maintain, deepen and extend their professional knowledge, skills and values, and should be relevant to the individual member's current and future work, professional responsibilities, helping them to enhance their understanding of the trends and environment in which they are working as an RA.

4. Does the IRBA offer an exemption for RAs based on retirement, extended leave of absence or other similar reasons?

*No, the IRBA does not offer any exemptions, however, the IRBA does provide for concessions under **extra-ordinary** circumstances. Such an application for a concession must be made in writing to the IRBA with full supporting evidence. The concession will only apply for a specified period of time and will be granted on the minimum number*

of hours to be achieved in a single year. The required 90 CPD hours in the rolling three years period will still need to be achieved.

5. What is verifiable e-learning?

Verifiable e-learning constitutes any course or programme conducted over the inter/intranet, which is formally planned and documented

6. What will happen in instances where RAs present courses or conduct formal research?

The principle for recognition of CPD in these circumstances will be determined, inter alia, by the level and the development time involved.

7. Does the IRBA accredit courses or service providers?

No, the IRBA does not accredit courses or service providers.

8. What if I register with the IRBA in the middle of a CPD year, how many CPD hours do I have to complete during that year?

In the case of members that register during a calendar year, the CPD requirements will be proportionate for the part of the year from the date they register with the IRBA.

9. How do I record my CDP activity?

IRBA does not prescribe a form for CPD records, but prefers to allow members the flexibility to devise a format that best meets their own needs. Normally it is a requirement to record some of the following:

- *the date on which each activity was undertaken*
- *the nature of the activity (e.g. online CPD modules, conference etc.)*
- *the number of hours attributable to each activity*

- *a record of those activities that have helped improve competence and / or effectiveness in planning work*
- *an explanation of the benefit / outcome derived from each activity undertaken*

10. If I have not submitted my CPD Declaration to the IRBA by the specified date, will my registration with the IRBA be cancelled?

Yes, if you do not submit your CPD Declaration to the IRBA by the specified due date, you will be regarded as non-compliant with the IRBA's registration requirements. As a consequence, registration with the IRBA may be cancelled.



[Attachment A]

**CONTINUING PROFESSIONAL DEVELOPMENT (CPD)
DECLARATION**

I, _____ hereby confirm that I have read and understood the IRBA's requirements for registration as a Registered Auditor. In this regard I further declare that during the period 1 January 2010 to 31 December 2010 I have fully complied with the CPD requirements as detailed in the CPD policy of the IRBA and have completed:

hours of verifiable CPD (90 hours required in a rolling 3 year period, with a minimum of 20 hours per annum)

which includes:

hours of compulsory ethics CPD (9 hours required in a rolling 3year period, with a minimum of 2 hours per annum).

I further declare that I have maintained accurate and complete records thereof; which will be retained for at least 5 years.

RA Name: _____

IRBA Registration Number: _____

RA Signature: _____

Date: _____



[Attachment B]

**CONTINUING PROFESSIONAL
DEVELOPMENT RECORD
(CPD-I FORM)**

Personal Details	
Name (s) and Surname	
IRBA Registration Number	
Professional Body	
Professional Body Registration Number	
ID Number	
Reporting period	01 January 2010 – 31 December 2010

CPD Details

You are required to complete at least 90 hours of CPD in a three year rolling period.

Please note: In any one year reporting period within the three year rolling cycle, the minimum number of CPD hours is twenty (20) including a minimum of two (2) hours of ethics CPD.

Date of CPD intervention (DD/MM/YYYY)	Title, Description and Duration of intervention	Intervention Provider	General CPD	Ethics CPD
e.g. 01/01/2010	Tax update - 4 hours	SAICA	4	
	King III Code of Governance	IOD		2



[Attachment C]

**TRAINING AND DEVELOPMENT PLAN
CPD-II**

Personal Details

First name	
Surname	
IRBA number	
Professional Body	
Professional Body registration number	
ID number	
Date of Registration with the IRBA	
Reporting period	
Start date of three year cycle	
CPD requirement for this period	General CPD
	Ethics CPD

Knowledge, skills or values to be developed	Planned training and development activity	Priority in Rank order	Estimated date of completion

