



Institute of Chartered Accountants of Jamaica

CONTINUING PROFESSIONAL DEVELOPMENT GUIDELINES

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1.0 Introduction

- 1.1 These Guidelines should be read in conjunction with Bye-Law number 37K which forms part of the ICAJ Bye-Laws. They are issued with the objectives of:
- i) Fostering a commitment to lifelong learning among members;
 - ii) Facilitating access to continuing professional development opportunities and resources for members;
 - iii) Establishing for members benchmarks for developing and maintaining the professional competence necessary to protect the public interest; and
 - iv) Monitoring and enforcing the continuing development and maintenance of professional competence of professional accountants.
- 1.2 In order to achieve the above objectives, the ICAJ has developed a Continuing Professional Development (CPD) programme. Compliance with the programme is an integral component of a professional accountant's continued membership in the ICAJ. Such requirements contribute to the profession's objective of providing high-quality services to meet the needs of the public (including clients and employers).
- 1.3 All members have an obligation to develop and maintain their professional competence, relevant to the nature of their work and professional responsibilities. This obligation applies to all members, irrespective of whether they are involved in traditional accounting fields or other areas.
- 1.4 The process of lifelong learning commences early, continuing with the education program to become qualified as a professional accountant, and on through an individual's career. CPD is an extension of the education process that led to qualification as a professional accountant.
- 1.5 The Guidelines draw on IFAC International Education Standards for Professional Accountants IES 7 *Continuing Professional Development: A Program of Lifelong Learning and Continued Development of Professional Competence* and IES 8 *Competence requirements for Audit Professionals*.
- 1.6 Relevant activities contribute to the competence of professional accountants and therefore acceptable CPD activities are expected to develop and refine the professional knowledge, skills, values, ethics and attitudes of the professional accountant, gained by the time of qualification, and relevant to their current and future professional activities and responsibilities. (Appendix E- Suitable Courses)

1.0 Introduction (Continued)

- 1.7 Members are encouraged to consult with employers, colleagues, member bodies and others to help them identify competency or learning gaps and then specify learning opportunities to meet these needs in accordance with the concepts of CPD as relevant, verifiable and measurable learning activities. (Appendix E- Suitable Topics)
- 1.8 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. Professional accountants face increased knowledge and skill expectations. They and their professional associations also face unprecedented scrutiny about the quality of internal control, governance, financial statements and independent audits. These pressures apply to professional accountants in both the private and public sectors. In addition, the need to be competitive in a worldwide economy has prompted a more intense focus on the role and responsibilities of professional accountants in entities of all types. Professional accountants in all sectors have important contributions to make. Continued development of professional competence and lifelong learning are critical if the professional accountant is to meet these expectations.
- 1.9 On its own, CPD 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 program will obtain the full benefits of that program, because of variances in individual commitment and capacity to learn. Nevertheless, it is certain that members who are not up to-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 program, a CPD requirement is important to maintaining public confidence.

2.0 Access to CPD

- 2.1 The ICAJ will facilitate access to CPD opportunities and resources to assist members in meeting their responsibility for lifelong learning. To this end the ICAJ will continue to provide verifiable hours through regular seminars. In addition the ICAJ reviews and provides CPD credit for any seminar/course, which on the facilitators making application to the ICAJ, is approved for the appropriate CPD credits. (Appendix A).

2.0 Access to CPD (Continued)

- 2.2 The ICAJ also provides additional guidance on non-verifiable CPD hours that apply (Appendix B), and also on activities considered neither verifiable nor non-verifiable (Appendix C).

3.0 Mandatory CPD for all Professional Accountants

- 3.1 CPD is applicable for all members, regardless of sector or size of business in which they operate, because:
- a. All members have an ethical obligation of due care to their clients, employers and relevant stakeholders and need to demonstrate their ability to discharge this responsibility in a competent manner.
 - b. Members in all sectors hold positions of importance involving financial reporting, public accountability and maintaining the public trust.
 - c. The public is likely to rely on the designation or professional standing of the professional accountant. Moreover, all members carry the professional designation, and any lack of competence or ethical behavior has the same consequences to the reputation and standing of the profession, irrespective of the sector or role in which they operate.
 - d. All sectors are affected by the rapidly changing environment and the consequential need to adapt the strategic or business plans of those organizations relying on the professional accountant's professional competence.
 - e. Employers hiring professional accountants in any sector rely, at least to some extent, on the professional designation as proof of professional competence.
- 3.2 All members are required to complete at least 40 hours of CPD each year. Any surplus of verifiable hours (Appendix A) in each year can be utilized against non-verifiable requirements (Appendix B) for the same year.
- 3.3 Members working directly in accounting or auditing must complete at least 21 verifiable hours, the other 19 can be non-verifiable. Other members must complete at least 10 verifiable hours, the other 30 can be non-verifiable. Any shortfall in each year in the total 40 hours and any shortfall in the required verifiable hours should be made good in the subsequent year, or, at latest, in the year following the subsequent year. Such making up of the shortfall in subsequent years will be in addition to complying with the requirements of those years.

3.0 Mandatory CPD for all Professional Accountants (Continued)

- 3.4 In setting the requirement for CPD, the ICAJ (through the CPD committee) considers what is relevant and appropriate for professional accountants. Special consideration will be given to individuals based on their work environment or circumstances such as unemployment, retirement, studies, disability, and employment in remote areas or any other acceptable reason upon application to the CPD Committee.
- 3.5 A member who has been placed on the register of members in retirement, in accordance with Bye-Law 69(2)(a and b), having relinquished any practicing certificate held from the Public Accountancy Board and the Institute, need not comply with the continuing professional development requirements specified above.

4.0 Members' CPD Verification Responsibilities

- 4.1 These Guidelines are based on the principle that a certain portion of the learning activities members engage in are verifiable (Appendix A). This means that the learning is able to be objectively verified by a competent source. Some learning activities may be measured but not verified (Appendix B).
- 4.2 Members are responsible for retaining appropriate records and documents related to their CPD, both verifiable and non-verifiable hours, for a period of three years to support the prescribed reporting requirements, and, upon request by the ICAJ, provide sufficient appropriate evidence to demonstrate their compliance with the CPD requirements including:
- a) a letter, certificate, or other written independent attestation of course completion, as practicable, confirming:
 - date(s) attended, name and address of the course sponsor,
 - title of programme and/or description of the activity, location of course/programme
 - contact hours of credit as recommended by the course sponsor
 - b) documentation supporting publications, oral presentations and committee or other participation.

5.0 ICAJ's CPD Approach

- 5.1 The objective of CPD is to assist professional accountants to develop professional competence to provide services of high quality in the public interest. Measurement of completion of CPD is achieved by establishing a set amount of learning activity that is considered appropriate to develop and maintain competence.
- 5.2 The activity is monitored by a review of a sample of members' returns and other monitoring processes (Guidelines section 6).

6.0 Members' Returns and ICAJ Monitoring

- 6.1 The ICAJ has established a systematic process to monitor whether members meet the CPD requirement and provide for appropriate sanctions for failure to meet the requirement, including failure to report or failure to develop and maintain competence.
- 6.2 The monitoring process requires members, by January 31 after the related year-end using prescribed forms, to:
 - a. Submit a declaration as to whether they meet their obligation to maintain knowledge and skill to perform competently;
 - b. Submit a declaration as to compliance with any specific CPD requirements imposed by ICAJ and/or
 - c. Provide, when requested, evidence of learning activities or verification of competence developed and maintained.
- 6.3 Returns for new members are due in relation to activities for the calendar year following admission to membership.
- 6.4 Other monitoring processes include:
 - a. Reviewing a sample of members to check compliance with CPD requirements;
 - b. Reviewing and assessing the learning plans or CPD documents in practice inspection programs; and/or
 - c. Requiring public practice employers to include CPD programs and effective monitoring systems in their quality assurance programs.

7.0 Sanctions

- 7.1 A system of mandatory CPD will operate effectively and in the public interest only if members who fail to comply with the requirement are brought into compliance on a timely basis or, if they persist in willful noncompliance, are appropriately sanctioned.
- The initial steps taken to address non-compliance will focus on bringing the member into compliance within a reasonable period.
 - Expulsion or denial of the right to practice may be reserved for members who have made it clear, through a pattern of non-compliance or through their response to the ICAJ's inquiries, that they are likely to continue to disregard the importance of complying with the CPD requirements.
- 7.2 Annual CPD returns are due by January 31 after the related year-end (Guidelines section 6.2). The following actions will be taken in respect of CPD return non-compliance by members:
- Six weeks outstanding - Letter advising that return is outstanding
 - Three months outstanding - second reminder letter
 - Six months outstanding - Warning letter advising of violation of the rules and outlining possible sanctions
 - Nine months outstanding - refer to Disciplinary or Investigations Committee
- 7.3 A report to the Disciplinary or Investigations Committee will trigger sanctions in accordance with the Bye-laws.

EXAMPLES OF VERIFIABLE CPD ACTIVITIES (Guidelines sections 2, 3, 6)

1. Courses run by ICAJ, under the auspices of member bodies of ICAC or ACCA, ICAEW, IFAC, AICPA within their continuing professional development programme.
2. Studies undertaken for the purpose of preparing the student for a post-qualification, e.g., a specialist qualification in taxation.
3. Studies undertaken after qualification with a view to preparing the candidate for a post-graduate degree.
4. Suitable courses run by a university or other appropriate institution.(Appendix E)
5. Relevant courses run by a member firm in public practice, by an industrial or commercial company or other business organization.
6. Courses run by a private educational establishment of a standard comparable to that described in above.
7. Correspondence courses, audiotape or videotape packages, courses of programmed texts or other individual study programmes where the course is assessed and/or leads to a further qualification and which require participation by the licensee.
8. Writing of technical articles, papers or books.
9. Working as a lecturer, instructor or discussion leader on a verifiable course (repeat presentations of the course should not be considered for this purpose). (Appendix D).
10. Participation in conferences, briefing sessions or discussion groups (where technical material is prepared by the member).
11. Service as a member of a Board of Directors or a technical committee of a professional association, major companies, charities or non-profit organizations (to the extent that technical material is prepared or reviewed by the member).
12. Service as a member of the examining Board of ICAJ/ICAC/ACCA (to the extent that technical material is prepared or reviewed by the member).
13. Major changes in job environment, e.g., working in a different industry, different department or career advancement.
14. Responsibility for a major involvement in effecting mergers, major take-overs, public share issues, development and implementation of major financial or management information systems.
15. ICAJ Council and certain technical committees (1 hour) and other committees (½ hour) for attending meetings.

APPENDIX B

Examples of Non-verifiable CPD Activities (Guidelines sections 2, 3, 4)

1. Reading of technical, professional or business literature, or of financial literature which is restricted to 25% of non-verifiable CPD hours in any one year (Appendix C.1). (Guidelines section 4.2 gives documentation requested).
2. Use of audiotapes, videotapes, correspondence courses, etc., (where no participation is required).
3. Participation in meetings, briefing sessions or discussion groups (where no technical material is prepared by the member).
4. Service as a member of a Board of Directors or a technical committee of a professional accounting body or individual firm (where no technical material is prepared or reviewed by the member).

ACTIVITIES CONSIDERED NEITHER VERIFIABLE NOR NON-VERIFIABLE

Examples

- | | | |
|---|---|---|
| 1. General reading of the financial press | - | In excess of 25 per cent of non-verifiable CPD in any one year. (Appendix B.1) |
| 2. Social activities | - | E.g., quarterly luncheons, annual dinners (even if they have prominent Institute members or office holders as guest speakers). |
| 3. Internal meetings | - | Held specifically for partners, directors, managers and staff, i.e., where the purpose is to acquaint participants with the mechanics and administration of the organisation. |
| 4. Discussions | - | Board/Partners' meetings, AGMs EGMs and similar (where the subject matter is not technical). |
| | - | Career development discussions. |
| | - | Discussions with the Institute Secretariat or anybody selling products - even if the product is of a technical nature. |
| | - | Discussions of a promotional nature for the business, practice or service concerned. |
| | - | Discussions of audit closing meetings. |
| 5. Activities carried on outside office | - | Preparation of club and charity accounts, work hours which are accountancy related and therefore similar to daily work. |
| | - | Providing accountancy or taxation work services, etc. |
| | - | Client services. |

CHARACTERISTICS OF FORMAL PRESENTATIONS GIVEN (Appendix A.9)

To be acceptable, presentations must demonstrate all of the following attributes:

- The presenter must have qualifications and in-depth knowledge and experience appropriate to the subject to be presented acceptable to the Institute. This should be fully documented in any course publicity or hand-out;
- There must be a course outlined, pre-course prepared course notes which participants can retain for future reference (and verification by the Institute);
- The presentation must be conducted in appropriately laid out accommodation which is quite separate from the participant's normal working area and where no interruptions will occur.

In addition, the following attributes should normally apply:

- The presentation should last for a minimum of one and a half hours, which may include question/answer sessions, discussion sessions, use of videos or use of role play;
- The presentation should be attended by a minimum of five participants;
- The presentation should be interactive, allowing participants to ask questions and to discuss points of interest or concern.

SUITABLE COURSES (Guidelines Section 1 and Appendix A.4)

1. Neither individual courses nor providers are presently accredited in advance.
2. Courses offered with course content relating to accountancy, auditing, taxation, financial, business, economic, management, practice management and/or information technology matters are likely to be appropriate.
3. Seminars offered by ICAJ.
4. This list is not considered exhaustive and members will be relied on to select subject areas from the body of knowledge for accountants, which are appropriate for them. The ICAJ recognizes the changing nature of the environment and does not seek to inhibit participation in courses simply because they do not bear immediately upon the member's daily work, e.g., programs dealing with social, economic, and environment trends likely to have a future impact upon the work environment of the accountancy profession.
5. Advice on the likely acceptability of any particular course may be obtained from the ICAJ.

SUITABLE TOPICS (Guidelines Section 1)

The topics of study listed below provide a general guideline only and it is for the individual and their firms/companies to decide what subject matter is useful and relevant to their needs.

1. Accountancy
2. Auditing
3. Bankruptcy, Receiverships and Liquidations
4. Economics
5. Financial Management
6. Human Resource Management
7. Information Technology
8. Management Development
9. Organizational Behaviour
10. Regulation of financial Institutions
11. Taxation
12. Practice Management
13. Business or business advice
14. Internal audit
15. Public sector accounting