CONTINUING PROFESSIONAL DEVELOPMENT

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Chair, Continuing Professional Development (CPD)
Council for Accountancy
SEC. 32. Continuing Professional Education (CPE) Program.
All certified public accountants shall abide by the requirements, rules and regulations on continuing professional education to be promulgated by the Board, subject to the approval of the Commission, in coordination with the accredited national professional organization of certified public accountants or any duly accredited educational institutions. For this purpose, a CPE Council is hereby created to implement the CPE program.
BOA Resolution 59, s.2012

- The term *Continuing Professional Development* is used in lieu of Continuing Professional Education to conform to the provisions of the *International Education Education Standard No. 7* and the corresponding Framework for International Education Standards for Professional Accountants;

- The Continuing Professional Education Council for Accountancy referred to in the Implementing Rules and Regulations of Republic Act No. 9298 shall now be called *Continuing Professional Development Council for Accountancy*;

- The required *60 units or hours of CPD* may be earned by the individual professional *in any of the three* years preceding the year of application for accreditation for the practice of public accountancy and accounting education;
Thematic areas of CPD
(BOA Resolution No. 59, s. 2012)

1. Enabling Laws, Rules and Regulations – 6 units
2. Standards Applicable to Professional Practice – 24 units
3. Ethical, Governance and Quality Principles – 10 units
4. Environment of the Practice – 10 units
5. Development of the Person as a Professional – 10 units

Total = 60 units
Provisions of the Philippine Accountancy Act and Implementing Rules and Regulations, applicable resolutions issued by the Professional Regulation Commission and the Board of Accountancy, and other issuances pertaining to registration, licensing, and professional regulatory regimes
2. Standards Applicable to Professional Practice – 24 units

Current and recent issuances of the respective area of practice of the profession, such as those from the standard-setting bodies on financial reporting, assurance and auditing, accounting education, and the related practice statements and interpretations as well as pronouncements related to taxation, depending on the area of practice of the professional.
3. Ethical, Governance, and Quality Principles – 10 units

Topics on the professional code of ethics, governance principles, and quality standards based on issuances of bodies affecting the professional practice
4. Environment of the Practice

Issuances of government bodies like the Securities and Exchange Commission, Bangko Sentral ng Pilipinas, Insurance Commission, Cooperative Development Authority, and the like as well as frameworks, models, best practices, benchmarks, tools and techniques espoused by professional and other organizations that affect the operations and management of the clients and business entities of the professional; In the case of accounting education, the topics may include issuances of higher educational institutions and other professional bodies on the methods, styles, and approaches of teaching; test construction and measurement; research innovations; and the like.
5. Development of the Person as Professional

Professional development activities that enhance the individual competency of the CPA in the aspect of leadership, management and supervision, oral and written communication, design and conduct of research and training, negotiation and facilitation, personality and social graces, teamwork enhancement, project management, information technology, and the like.
Where is CPD headed?

• PRC CPD Council for Accountancy held a series of consultative meetings with the CPD Committees of PICPA and the sectoral organizations in August and September 2015

• The objective of the consultative meetings is to agree on how the CPD program for Accountancy can be updated to make it relevant to the CPA in his/her professional practice in commerce & industry, education, public practice or government

• CPAs should be aware of the varied activities that can earn CPD credit units
Excerpts from framework for IES for Professional Accountants and Aspiring Accountants (2015)

• #34 – CPD is the *learning and development* that develops and maintains *professional competence* to enable professional accountants to continue to perform their roles competently. CPD provides continuing development of the *learning outcomes* for (a) *technical competence*, (b) *professional skills*, and (c) *professional values, ethics, and attitudes* which were achieved during IPD*.

*IPD – Initial Professional Development (IES No. 1-6)
.. We have agreed as follows...so far...

- Increase minimum CPD units from 60 hours to **120 hours or equivalent learning units** over a 3-year period, for all CPAs regardless of area/sector of practice.

- From Thematic to **Competence Areas**, to make it consistent with International Education Standards.

- Competence areas to be categorized into **Technical Competence, Professional Skills and Professional Values, Ethics and Attitudes**.
**Transition Period**

- Transition CPD requirement from 60 units to 120 units over a 3-year period; Proposed transition and gradual implementation:

<table>
<thead>
<tr>
<th>Year</th>
<th>Required No. of Units*</th>
<th>Minimum Verifiable</th>
<th>Non–verifiable (not more than 25% of total units required)</th>
<th>Required Minimum Units earned from the Previous Years for License Renewal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>60</td>
<td>60</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2017</td>
<td>80</td>
<td>60</td>
<td>20</td>
<td>20 units from immediately preceding years</td>
</tr>
<tr>
<td>2018</td>
<td>100</td>
<td>75</td>
<td>25</td>
<td>20 units earned from each of the 2 immediately preceding years</td>
</tr>
<tr>
<td>2019</td>
<td>120</td>
<td>90</td>
<td>30</td>
<td>20 units earned from each of the 3 immediately preceding years</td>
</tr>
</tbody>
</table>
Proposed Revisions in Thematic/Competence Areas

A. TECHNICAL COMPETENCE – 30 units

1. Standards Applicable to Professional Practice (18 units), e.g., but not limited to:

- IFAC Pronouncements issued through IFAC member bodies (PICPA);
- Current & recent issuances of the respective area of practice of the profession, e.g., those from the standard-setting bodies on:
  - Financial Accounting and Reporting
  - Assurance & Auditing
  - Related practice statements & interpretations
  - Pronouncements related to Taxation, depending on area of practice of the professional
Technical Competence – cont’d

2. Laws, Rules & Regulations affecting Professional Practice (6 units), e.g., but not limited to:

- ASEAN and other international treaties affecting Filipino CPA’s practice of profession
- Issuances of government/regulating bodies, e.g., PRC & BOA
- SEC, BSP, Insurance Commission, BIR, CDA
- COA, DBM, Civil Service Commission
- CHED & DepEd
- Other laws and regulations that govern different forms of legal entities
3. Environment of the Practice (6 units)

Frameworks, models, best practices, benchmarks, information technology advances, tools & techniques espoused by professional & other organizations that affect the operations & management of clients & business entities of the professional
Proposed Revisions in Thematic/Competence Areas

B. PROFESSIONAL SKILLS (5 units) - Professional development activities that enhance the CPA’s intellectual, interpersonal, communication, personal and organizational skills, e.g., but not limited to:

- Work or process innovations; Problem solving skills
- Oral & written communication; Presentation, negotiation & facilitation skills; Teamwork enhancement; Conflict resolution;
- Decision making, leadership, management & supervision
- Cultural and language differences
- Time and resources management
- Personality & social graces
Proposed Revisions in Thematic/Competence Areas

C. PROFESSIONAL VALUES, ETHICS & ATTITUDES
(5 units)

- Professional code of ethics
- Quality standards based on issuances of bodies affecting the professional practice
- Social Responsibility Principles and interventions
- Governance principles and intervention
How to achieve 120 hours?

- Institutionalize online or web-based learning
- Encourage more Self-Directed Learning CPD
- Participate in conferences, courses, seminars
- Be a resource speaker in conferences, briefing sessions, discussion groups
- Encourage more CPD Providers
- Implement Monitor System for classroom-type CPD courses, workshops, conventions, etc.
- Formal study related to professional responsibilities – master’s degree, doctoral degree, fellowship
... how else?

- Self-directed learning (per PRC resolution 774) – e.g., short-term post-graduate program or in-service training; study tours or visits
- Write articles, papers, or books of a technical, professional or academic nature (e.g., BOA technical journal “Highest Standards”)
- Non-verifiable CPD (not covered by PRC Resolution 774) –
  - Providing (or receiving) professional development support as mentor or coach (or from a mentor or coach)
  - Research, including reading professional literature or journals for application in the professional accountants role
• Re-orient CPD to the CPA’s role as a professional in public accountancy, commerce & industry, education, government
• Develop a learning continuum based on competencies and roles of CPAs for the duration of their professional career
• Require proof of CPD compliance for PRC license renewal of CPAs.
Continuing Professional Development is the responsibility of each and every CPA.
The Rules and Regulations governing CPD serve as a guide for the CPA to improve and develop himself/herself as a professional for the entire duration of his practice in any sector.
QUESTIONS ?
Thank You!
Maraming Salamat Po!