

## POLICY ON CONTINUING PROFESSIONAL DEVELOPMENT

### 1. INTRODUCTION

1.1 The knowledge and skills needed to function effectively as a Chartered Accountant (Malawi) or Diplomate member of ICAM (hereafter referred to as “members”) in business, education, professional practice, the public sector or any other environment, continue to change and expand at a rapid rate. Members face increased knowledge and skills expectations. Continued development of professional competence and lifelong learning are therefore critical if members are to meet these expectations.

1.2 Continued Professional Development (CPD) refers to learning activities that develop and maintain capabilities to enable members to perform competently within their professional environments.

1.3 ICAM is a member of the International Federation of Accountants (IFAC) and the Pan Africa Federation of Accountants (PAFA). As such, the Institute has the obligations to foster a commitment to lifelong learning amongst its members. It is also required to monitor and enforce the continuing development and maintenance of professional competence of its members. These obligations also flow from stakeholders’ expectations and regulatory requirements within and outside Malawi.

1.4 The Public Accountants and Auditors Act (No. 5 of 2013), S41 (e), stipulates one of the functions of the Institute as:

*“The provision of continuing professional education for its members, and monitoring compliance”.*

1.5 IFAC’s Code of Ethics for Professional Accountants par. 66 which ICAM adopted states:

*Professional Competence and Due Care*

*“A Professional Accountant should perform professional services with due care, competence and diligence and has a continuing duty to maintain professional knowledge and skill at a level required to ensure that a client or employer receives the advantage of*

*competent professional service based on up-to-date developments in practice, legislation and techniques.”*

- 1.6 IFAC’s Mandatory CPD requirement for all Professional Accountants-International Education Standards (IES) 7 (Ref: Para. A10-A13) which ICAM adopted states:

*“IFAC member bodies shall require all professional accountants to undertake CPD to contribute to the development and maintenance of professional competence that is appropriate to their work and professional responsibilities”.*

- 1.7 The objective of CPD is to assist members to develop and maintain professional competence in order to provide services of high quality in the public interest.

- 1.8 Measurement of CPD activities can be done using any of the three models:

- i. The input-based approach attempts to measure by establishing a set amount of learning activity that is considered appropriate to develop and maintain professional competence.
- ii. The output-based approach requires members to demonstrate, by way of outcomes what competences have been acquired or maintained through CPD activities.
- iii. Combination approaches-by combining elements of the input - and output-based approaches, setting the amount of required learning activity, and demonstrating the outcomes to be achieved.

- 1.9 ICAM’s CPD Committee has elected to use the input-based approach. The committee will however investigate the possibility of introducing the output-based approach in future. Members may however, use the output-based approach if they find it more convenient and appropriate to their needs.

## **2. POLICY**

### **2.1 Primary responsibility**

The primary responsibility for competence lies with the member and all members have an obligation to develop and maintain their professional competence, relevant to the nature of their work and professional responsibilities.

### **2.2 Compulsory Professional Development**

CPD is compulsory and is applicable to all members whether in public practice, industry, commerce, education, the public sector or any other field.

### 2.3 Reporting period

The first reporting period under this policy for all existing members commenced on 1 January 2006. For all new members, the reporting period will commence the calendar year after joining ICAM.

### 2.4 Measurement

From 1 January 2006 members will be required to complete:

2.4.1 Fifty (50) hours of relevant CPD activity each year of which 35 hours should be verifiable or structured, for practicing members and;

2.4.2 Forty (40) hours of relevant CPD activity each year of which 30 should be verifiable or structured, for non-practicing members.

Unverifiable or unstructured CPD hours will account for 25% of actual time spent on an activity. For example, 2 hours will be counted from an unverifiable activity that took 8 hours.

### 2.5 Promotion of CPD

The Institute shall promote the importance of, and a commitment to, CPD and maintenance of professional competence.

Examples of activities that the Institute shall carry out in the promotion of CPD and maintenance of professional competence are:

2.5.1 Communicating the value of CPD regularly to its members;

2.5.2 Identifying and organising a wide range of relevant CPD activities;

2.5.3 Promoting the variety of CPD opportunities available to members; and

2.5.4 Working with employers to emphasise the importance of CPD within performance management processes.

### 2.6 Qualifying programmes

ICAM will not prescribe specific courses, programmes, journals or other forms of learning or training material. Members are free to choose relevant CPD activities based on their identified learning and development needs and ICAM will rely on their professional judgement of members in this regard. *(See Appendix for more)*

## 2.7 Reporting and record-keeping

Members bear primary responsibility for documenting compliance with CPD activities. Members are required to keep proper records of the CPD hours being accumulated for easy retrieval when required by the Institute to verify information provided on the CPD return.

Each member is required to submit an appropriate CPD return to the Institute by 31 December of each year detailing the CPD activities undertaken and the CPD hours gained.

ICAM reserves the right to request evidence of any activity that is recorded on the CPD return.

## 2.8 Support to member on IFAC body route

The Institute recognizes that in fulfilling CPD requirements with any of IFAC body members the Institute members may opt for the IFAC body route.

The Institute shall provide, on request, a written reference to demonstrate a member's compliance to its CPD requirements. Such a member shall be:

2.8.1 In good standing with the Institute;

2.8.2 Compliant with the Institutes CPD requirements; and

2.8.3 Without arrears with the Institute.

## 2.9 Sanctions

Members who fail to achieve the required CPD hours will be dealt with as follows:

### a) First offender

A warning letter from ICAM noting the need to achieve CPD hours

### b) Second time offender

- A strong warning letter from ICAM Council noting the need to achieve required CPD hours.
- Letter written to employer advising of member's failure to achieve required CPD hours and highlight possible consequences.

### c) Perpetual offender

- Appearance before a disciplinary committee.
- Publication of name in newsletter.

## 2.10 Exceptions

Members may apply for exemption from the CPD requirements based on retirement, extended leave of absence or other similar reasons.

## 3. CONCLUSION

ICAM cannot provide assurance that all members will provide high quality professional service all the time. Doing so involves more than monitoring professional competence, it would involve the application of that knowledge with professional judgement and an objective attitude.

Similarly ICAM cannot be assured that every person who participates in a continuing professional development will reap the full benefits of that programme, because of variances in individual commitment and capacity to learn. Despite the inherent limitations however, ICAM believes a continuing professional development programme is important for an individual member to fulfil his/her professional activities and responsibilities and the maintenance of professional standards, ethics and knowledge.

## APPENDIX

### (a) STRUCTURED OR VERIFIABLE CPD ACTIVITIES

A learning activity is structured or verifiable if you can answer “yes” to the following three questions:

1. Was the learning activity relevant to your career or future career aspirations?
2. Can you explain how you will apply the learning in the workplace?
3. Can you provide evidence that learning took place?

The following are examples of structured or verifiable CPD activities:

- I. Courses presented by educational institutions, member bodies or employers.
- II. Individual study programmes (correspondence courses, audio tape or video packages, computerized learning programmes etc) that require some evidence of successful completion by the member.
- III. Participation as a speaker or attendee in conferences, briefing sessions or discussion groups. Members should be aware that attending conferences means being present

during the session and participating in the proceedings. Spending time using a cell phone or arriving late and leaving early cannot be credited as maximum CPD time.

- IV. Acting as a lecturer, instructor or discussion leader on a structured course. Repeat presentations of the course should however not to be considered.
- V. Service as a member of a technical committee or professional body or individual firm as long as a specific portion of the committee is formally designed to impart specific knowledge in preparation for committee debate or discussion, writing technical articles, papers or books within reasonable limits.

#### **(b) UNSTRUCTURED OR UNVERIFIABLE CPD HOURS**

Members need to keep abreast of a wide range of developments affecting their profession, clients and employers through regular reading of professional journals, magazines, financial and business press, discussing current developments with colleagues, accessing relevant databases on the Internet and other activities.