A FRAMEWORK OF BEST PRACTICE OF CONTINUING PROFESSIONAL DEVELOPMENT FOR THE ACCOUNTING PROFESSION

Final Report 2012

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Acknowledgements

Executive Summary

The aim of this study will be to develop a framework of CPD that focuses on the CPD needs of individuals within specific professional accounting roles including audit team roles. In doing so the project will identify how CPD should differ across roles and levels of organisational responsibility for accounting professionals.

To more fully understand if there are specific CPD needs of the profession, this study examines CPD requirements in a broad range of countries including Singapore, South Africa, Australia, Europe and the USA. The use of a global research team ensures that recommendations made to IFAC incorporate the nuances that may become evident in different regions of the world. In this way, this study will make recommendations more widely applicable in a global environment.

The deliverables from this study includes a review of CPD within other professions which are stratified or layered by specific roles within their profession (e.g. engineering, education and para medical professions). From this review the researchers will draw parallels from these approaches to CPD learning activities, with particular emphasis on the lessons applicable to the accounting profession. Evidence of 'best practice' would provide the basis for the development of a 'framework' for possible adoption by IFAC member bodies. This appreciation of the literature will be tested in an accounting setting via a series of in-depth interviews with providers of CPD and individual participants in CPD activities, across a range of countries. The interviews will be supplemented with survey data collected from the countries under investigation. Both qualitative and quantitative data will be used to underpin the development of a framework of CPD that informs the IAESB and IFAC in relation to the multi-tiered CPD requirements to ensure the global community is adequately serviced by high quality accounting professionals with up to date relevant skills.

Since formal signing of contracts (April 2011) with the IAAER to commence the project the research team is able to report on the achievement of a number of project milestones which include:

- The completion of the first deliverable in George, South Africa (SA). During this presentation to IAAER the approach adopted by the research team was endorsed and refined in order to better address the needs of stakeholders and achieve project deliverables.

- Project modification to take into account the feedback given to the research team during the first deliverable in SA.

- An ongoing literature review.

- Granting of ethics approval, thereby formalising the interview process.

- Data Collection - Conducting (8) Interviews from CPD providers in the USA, UK, SA, Singapore and Australia (see Section Data Collection and analysis).

- Data Collection through survey administration in a range of countries.

- Thematic analysis of the interview data.

- Data analysis of quantitative data to triangulate the main findings.

- Recommendations and refining the theoretical framework.

The report that follows outlines the detail of the progress made on the project and is structured in accordance with the points identified above.

The main recommendations that are also detailed in the later sections of this report (see Chapter 5) are underpinned by the literature review, as well as the analysis of quantitative and qualitative analysis of data from a number of stakeholders from five countries. The dot points below provide our recommendations and the observations that led to the formulation of each recommendation.

- Our findings suggest that professional accounting bodies (IFAC members) are not a homogenous group with differing levels of resources. This leads us to recommend that IFAC review its membership compliance structures to ensure effective greater member compliance to rules and regulations.

- We collected data from professional accountants in five very different countries. Data reported reveals diversity in the data set in terms of age, years of experience, job specialisation and career development. It suggests that to use the term 'accountant' has multiple meanings as a result of this diversity and maybe problematic for a profession trying to promote itself in the minds of broader society. This leads us to recommend that IFAC consider promoting one 'label' that describes financial service professional in a diverse industry.

- The literature review and data supports the view that most professional accountants view the primary needs of CPD is guide technical development. We recommend that the basic message of the role of CPD be reinforced across a broad range of forums so the profession does not see the role of CPD relegated to the position of compliance rather than ongoing competence development in the form of lifelong learning.

- To add some support to the need for CPD some respondents also reported that most models do not align CPD to promotion and salary review. To consolidate this relationship we recommend that if one conceptual schema for CPD be developed it should include a review stage that aligns CPD to business growth and salary review. The effect of this association would be to align the business case to CPD which would position CPD at the core of business.

- While many favour the output approach to assessment of CPD for practitioners, this view is not universally shared in that those at the 'front line' are not as concerned with theoretical conceptualisations of CPD assessment. For practitioners the business case for the justification of CPD is paramount. Notably, CPD is of value if it adds to the skill set of the practitioner which in turn leads to greater added value for clients. In line with this observation from practitioners, we recommend that learning assessment be either via the input or output method, depending what is the most suitable in the circumstance.

- Finally the majority of the CPD conceptual schemas or frameworks articulated in the literature and professional bodies tend to be shown as cyclical. To our way of thinking these schemas have an inherent limitation to the extent where if one looks at the schemas it suggests life moves in a circle and as such ignores aspirations of the career hopeful. In response to this observation we recommend that those developing conceptual schemas for CPD consider what we term a 'career path escalator'. This conceptualisation has at its core an appreciation that individuals increase their experience and responsibility over time and in doing so move along / up their career path.

Chapter 1 – Overview of the Study

1.1   Introduction

The position of the International Federation of Accountants' (IFAC) as articulated in International Education Standard 7 (IES 7) leaves no doubt that professional accountants are to show commitment to Continuing Professional Development (CPD) through a program of Life Long Learning (LLL) (Berg, 2007; IFAC, 2008). One important role of IFAC member bodies is to facilitate CPD opportunities and resources for their membership thus assisting professional accountants to meet their responsibility for lifelong learning. In today's dynamic and demanding economic environment, a professional accountant needs to maintain competence and knowledge of current developments thus enabling them to act with due skill and care. Hence CPD has become a mandatory activity for continued membership of the profession, as outlined in IES 7. A number of researchers have recognised the need for greater research into CPD in accounting (e.g. Paisey & Paisey, 2007; IFAC, 2008). Wessels (2007) argued that there has been little academic research from which policy makers can make informed decisions on the effectiveness and delivery of CPD by accountants. Furthermore, the limited prior research on CPD in the accounting discipline has tended to focus CPD offerings in a generic or overview sense rather than addressing specific needs within the various layers of accounting specialisations, e.g. the various levels within audit. There is some feeling that accounting is experiencing what Birrell and Healy (2008) have labelled a state of 'deepening professionalism' where by professions seek to elevate themselves in the eyes of the public and in doing so create greater segmentation within a profession. This increased segmentation has produced layers of diversified needs for the CPD required by accountants. Unfortunately, researchers have not investigated these needs and as a consequence there has been little development of any frameworks which provide practical guidance to inform member bodies of IFAC with regards to how to best strengthen their members' skills through carefully designed CPD programs.

1.2   Significance of Study

The roles performed by professional accountants have evolved out of practical necessity to 'best' suit the diverse needs of business in a global economy. This diversity has meant that professional accountants are seen in highly specialised roles requiring a diverse skill sets. In order to enhance the contribution of the accountant as a knowledge professional for business, it follows that CPD that leverages off an individual's experience should be designed to meet the needs of professionals across the different specialised roles within the profession. In accordance with the IAAER/ACCA's 'call for research funding' the aim of this study will be to develop a framework of CPD that focuses on the CPD needs of individuals within specific professional accounting roles including audit team roles. In doing so the project will identify how CPD should differ across roles and levels of organisational responsibility for accounting professionals.

To more fully understand if there are specific CPD needs of the profession the study will examine these requirements in a broad range of countries including Singapore, South Africa, Australia, Europe and the USA. The investigation uses a 'global research team' that leverages off the knowledge gained by three of the team members who have worked within the parameters of IAAER structures in the area of CPD of accounting professionals on a former IAAER/ACCA project. The use of a global research team further ensures that recommendations made to IFAC incorporate the nuances that maybe become evident in different regions of the world. In this way this study will make recommendations more widely palatable in a global environment.

The deliverables from this study will include a review of CPD within other professions which are stratified or layered by specific roles within their profession (e.g. engineering and the medical profession). From this review the researchers will draw parallels from their approaches to CPD learning activities, with particular emphasis on the lessons applicable to the accounting profession. Evidence of 'best practice' would provide the basis for the development of a 'framework' for possible adoption by IFAC member bodies. This appreciation of the literature will be tested in an accounting setting series of in-depth interviews, across a variety of countries, designed to underpin the development of a framework of CPD that informs the IAESB of the multi-tiered CPD requirements to ensure the global community is adequately serviced by high quality accounting professionals with up to date relevant skills.

The project team recognizes the significant leadership role of IFAC in providing guidance for its member bodies (167 at the time of writing), to ensure that ongoing high-quality performance amongst professional accountants is maintained and promoted. The project will draw data from a broad range of sources, including the IFAC (2008) information paper on CPD measurement, taking into consideration the diversity of cultures, professions, legislative frameworks and be practically oriented, thereby enhancing the quality of guidance for CPD.

The deliverables from the project will assist in the assessment of the suitability of different CPD needs for IFAC member bodies and a broad range of stakeholders (e.g. professional bodies, accounting educators, employers, and policy makers). In this sense, the framework incorporating best practice will act as a conduit for IFAC members to assist in the ongoing development of Audit professionals in particular and more generally professional accountants. It is further intended that the framework will provide a reference point for the on-going debate and development of CPD for accounting professionals.

1.3 Aims and Research Questions

Informed by prior research conducted in other jurisdictions, the central focus of this project is to identify, assess and analyse current CPD activities when CPD is mandated as part of professional membership.

The following research questions were developed:

1) Are there differences in perceptions of the value added by CPD for accounting professionals with different organisational roles within the accounting profession?

2) Are there differences in perceptions of the effectiveness of CPD associated with different experience levels of accountants within organisations?

3) What are the perceptions of accountants regarding ways of improving the CPD and that assists individuals to develop their skill base as life-long learners?

The specific research questions above fit within the broader research objective which is to develop a framework of CPD that focuses on the CPD needs of individuals within specific professional accounting roles including audit team roles. In doing so the project will identify how CPD should differ across roles and levels of organisational responsibility for accounting professionals. These needs will be infused with the

literature to address the central focus of IFAC in embedding a commitment to IES 7 (CPD and LLL) to the broader population of professional accountants. The main deliverables will be to provide IAESB with a framework incorporating best practice for the development of CPD programs for the various roles and organisational levels of accountants in the profession.

Chapter 2 – Literature Review

2.1 Mission of International Federation of Accountants (IFAC)

The mission and objectives of the International Federation of Accountants (IFAC) is to 'serve the public interest, strengthen the accountancy profession worldwide and contribute to the development of international economies' (IFAC, 2006). This mission is achieved through the establishment and promotion of high quality professional standards worldwide. The International Accounting Education Standards Board (IAESB) was established to function as an independent standard setting body for the accounting profession (IFAC, 2006).

2.1.1 Role of the International Accounting Education Standards Board (IAESB)

The IAESB develops guidance to improve the standards of accountancy education around the world and focuses on two key areas: The essential elements of accreditation and the nature and extent of continuing professional education needed by accountants (IFAC website).

In doing so the IAESB helps revise education standards so as to keep abreast of the latest developments in the industry and reflect best practice for its members. In 2012 IES 7 was revised and at the time of writing was still in draft form.

The objectives of the IAESB are (Berg 2007; IAESB 2008):

- Establish standards and statements to reflect good practice in the education, development and assessment of professional accountants
- Develop education benchmarks for measuring IFAC compliance activities
- Stimulate debate on emerging issues in relation to the education, development and assessment of professional accountants

The International education standards 'address the principles of learning and development for professional accountants' by prescribing what 'should be incorporated into the educational requirements for IFAC member bodies' (IAESB 2008).

2.1.2 International Education Standard (IES) 7

IES 7 became effective in January, 2006 making it a mandatory requirement that 'member bodies should require all professional accountants to develop and maintain competence relevant and appropriate to their work and professional responsibilities' (IFAC 2010). In July 2012 a draft of the revised IES7 was released for public comment. It is envisaged that the redrafted IES7 will become effective on January 1, 2014. Clause 9, IES 7, 2012 states, "The objective of an IFAC member body is to have professional accountants develop and maintain their competence subsequent to IPD through the undertaking of CPD that is necessary, in the public interest, to provide high quality services to meet the needs of clients, employers, and other stakeholders."

Some commentators suggest that the development of IES 7 by IFAC is a sensible market response to promote the long term sustainability of the accounting profession. It gains further legitimacy as the basic tenants of IES 7 are reinforced by the provisions of the IFAC code of ethics 2005 para. 100.4 which states (Berg 2007: 319):

> A professional accountant has a continuing duty to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques.

At one level the ideas enshrined in IES 7 and the IFAC code of ethics ought to be applauded as they serve to enhance the accounting profession in the broader community. International education standard 7 (IES 7) requires IFAC member bodies (Berg 2007: 321) to:

- foster a commitment of life-long learning among professional accountants
- facilitate access to CPD opportunities
- ensure CPD activities are relevant, measurable and verifiable
- monitor and enforce continuing development and maintenance of professional competence of professional accountants

Under IES 7, member bodies of IFAC using the input-based approach to CPD should require their members to (IES 7 2006: 75):

- complete a minimum of 120 hours of CPD activities over a three year period and of which 60 hours should be verifiable
- complete a minimum of 20 hours of CPD each year
- track and measure learning activities to meet the above requirements

Member bodies of IFAC using an output-based approach to CPD should require their members to demonstrate the maintenance and development of relevant competence by periodically providing evidence that has been (IES 7 2006: 75):

- objectively verified by a competent source
- measured using a valid competence assessment method

The assessment of CPD needs to identify the outcome or competence achieved. This may be the result of a particular learning activity or an extended development programme that involves numerous learning activities' (Berg 2007: 325).

2.2   Models of Continuing Professional Development (CPD)

Reflective Practice as Pedagogy

Reflective practice has become the framework for many Continuing Professional Development (CPD) regimes in a range of sectors. The technique has perhaps gained its current high standing as a mechanism used in re-certification processes partly because of its ready applicability to professionals who are, after all, practicing. However reflective practice is an old pedagogical concept which has gone through a long process of historical development.

According to Kinsella (2010), Donald Schon (1983, 1987) noted the contexts of practice are messy, complex and laden with value conflicts. Kinsella uses the metaphor of a swamp to depict professional life and argues that many of us have witnessed practitioners with stellar technical knowledge who are unable to negotiate the swamp of the professions in today's increasingly complex world. A swamp, she notes, that seems to be getting murkier. Additionally, Schon (1985, 1987) and Brenner (2001) argue that

capacity to reflect on practice distinguishes expert practitioners from those barely proficient.

Dewey's (1933, p. 9) seminal work on reflection described the process as 'active, persistent and careful consideration of any belief or supposed form of knowledge in light of the grounds that support it and further conclusion to which it tends'. Through reflection, individuals are able to convert action that is merely appetitive, blind and impulsive into intelligent action. In this conception reflection involves intentional rational thought (Kinsella, 2010).

Reflective practice then is not only the application of existing theory to practice but also the conscious use of practice, and the rigours of the real world as a key component in knowledge formation itself, that is, to advance theory. Indeed, in the series of 11 focus groups conducted during the Ontario College of Pharmacists Quality Assurance and Peer Review process, participants identified the most frequent reason for updating knowledge and skills (or undertaking new learning) was when their job necessitated they do so to solve a specific clinical problem (Austin et al., 2005).

In summary reflective practice is:

1. A way to effectively apply existing theoretical knowledge to professional practice.
2. A necessary skill in dealing with difficult situations confronting the professional not fully anticipated in formal theoretical training.
3. Necessary to enrich existing theory with the experience gained in practice.
4. A method of organic (built in) ongoing professional development when it is embraced by professionals in day to day work.
5. A concrete mechanism for bridging the perennial theory practice gap and applying theoretical research to messy practice. (Kinsella, 2010, p. 567)

Technical Rationality and the context for today's CPD models

Schön (1987) defined technical rationality as holding that practitioners are instrumental problem solvers, who select technical means best suited to particular purposes. In this conception, rigorous professional practitioners solve well-formed instrumental problems by applying theory and technique derived from systematic scientific knowledge. According to Schon this way of thinking was inadequate and what is needed is an "epistemology of practice" which draws attention to knowledge generated through practice itself (Kinsella, 2010).

Traditionally, specialisation among health professions indicated a limitation to the applicability of CPD models developed for other professions such as accounting, especially if accounting employers are not requiring accountants to technically specialise to the same degree. Recently however, this belief has changed. The increasing speed of technical innovation and change as well as information production and distribution in all fields, including accounting, only enhances the need for a critical reflective approach to practice.

A review of established CPD models

With the shift towards knowledge-based economies, the role of optimising human capital becomes important. Increasingly, knowledge industries are implementing continuing professional development (CPD) as a means of optimization of human capital. The term CPD refers to the means by which members of professional associations maintain, improve and broaden their professional knowledge and skills (competencies) throughout their working life (Chartered Institute of Personnel and Development [CIPD], 2000).

Becoming a skilled professional therefore, involves progressively accumulating a set of knowledge and skills principally acquired and developed through practical experience in the workplace, as well as through formal and informal training. Accordingly, a body of knowledge and skills has been identified for such knowledge-based professions such as teaching, medicine, engineering, accounting, architecture, policing, and social work (Freidson, 2001).

To ensure effective delivery of such a system, the aforementioned professional industries require an approach that could facilitate a continual improvement in a set of attributes (knowledge, skills, and attitudes). According to Dall'Alba and Sandberg (2006), an approach was identified where such attributes were described in a decontextualised manner, separate from the practice to which they refer (i.e. a container view of practice). For example, attributes of selected successful leaders were described and taken to purport competence in leadership.

Dreyfus and Dreyfus (1986) argued that this approach led to a common skill acquisition criterion, where each new area typically proceeds through five skill levels: novice, advanced beginner, competent, proficient, and expert. This approach is still

used today by professions. The five skill levels outlined below are taken from Dall'Alba and Sandberg (2006, p. 387).

Novice Level

Given the complete unfamiliarity of the participants with the particular attribute, this level requires that they follow explicit rules that they have been instructed to apply when recognising certain objective facts and features of a situation in their skill domain.

Advanced Beginner Level

Advanced beginners can be distinguished from novices in that they apply not only explicit but also context-specific rules when approaching a situation. They have acquired context related rules through practical experience, not formal instruction.

Competent Level

The main characteristic of competent professionals is that they choose a plan, goals, and strategies for when and how to apply rules and procedures.

Proficient Level

In contrast to novices, advanced beginners, and competent professionals who approach each new situation in a detached and deliberate way, proficient level professionals intuitively assess each new situation against the background of previous experience.

Expert Level

Expert skill is based on deep situational experience acquired through involvement in a specific skill domain for extended periods. Professionals who have reached this stage do not rely on explicit rules; the novice's rule-following has been transformed into skillful know-how.

Although different skilled professions require different skill sets, it would seem that approaches toward CPD have much in common. This commonality may go some way to informing a best practice CPD model for the accounting profession.

Consequently, a brief review of CPD within other professions such as health, education and engineering professionals will be undertaken.

Health Professionals

At the initial stages of the review of CPD models in other discipline areas, and more specifically among health professionals, the study has investigated issues of CPD for pharmacists. A literature search on other health professionals will be undertaken, however pharmacists was considered a useful starting point as it is a relatively contained area of health with some synergies with the issues that relate to CPD of accountants.

International Pharmacists' Federation (FIP)

The provision of quality health care to patients requires pharmacists maintain their professional competence by keeping abreast of new developments and changes in practice. The International Pharmacists' Federation (FIP) has defined CPD as "…the responsibility of individual pharmacists for systematic maintenance, development, and broadening of knowledge, skills, and attitudes to ensure continuing competence as a professional throughout their careers (Austin et al., 2005, p. 26)."

The commitment pharmacists make to life-long learning is an active cyclical process of critically evaluating personal professional practice deficits and addressing them. The five cycle CPD model adapted from the FIP aims to provide a more complete description of the process of maintaining competency within the health professions. The model is illustrated below. Briefly, the five steps encompassed by the CPD model are: (i) Objective self-appraisal to identify areas of personal professional practice that require improvement; (ii) Planning methods to address these areas; (iii) Actioning the plan; (iv) Documenting the plan; and (v) Evaluating what was learnt and its impact on practice.
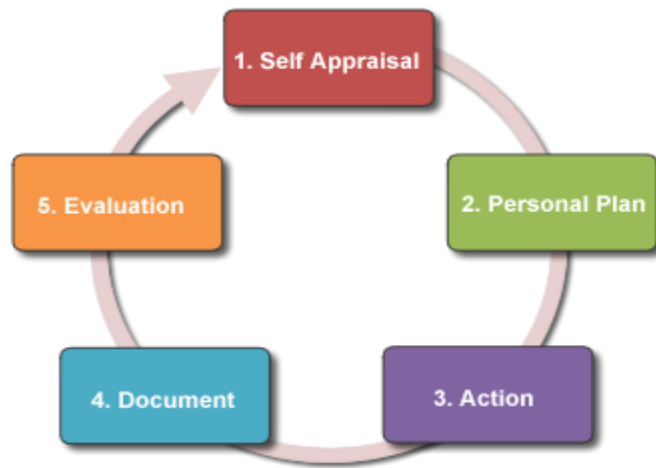
Figure 1. Five-Stage Continuous Professional Development Cycle. Adapted from FIP, 2002.

This particular CPD model has four specific features which make it quite distinctive from a continuing education approach (Austin et al., 2005):

- The learning needs are identified by the practitioner as opposed to being identified or imposed externally;

- The self-directed nature of the CPD program requires the practitioner to demonstrate motivation and responsibility for his/her learning;

- CPD is linked to needs within the practice itself (i.e. capable to address the unique features of the individual's professional practice);

- The CPD program is *outcomes* based (e.g. maintenance of competence and the meeting of individual or organisational goals).

A study by Austin et al. (2005) regarding the suitability of the CPD model in pharmacy practice showed that a number of participants expressed their concern that the CPD approach was too easily manipulated. This was due to the less structured format. Specifically, concerns centered on the fact that the principles of CPD such as self-appraisal, identifying personal learning goals, and evaluation were vague concepts without clear processes in place to assist individuals in accurately self-assessing. It was noted however, that this could be partly addressed through peer interaction (learning portfolio sharing sessions) to help identify learning gaps.

Another important finding of the Austin et al. (2005) study was the potential disconnect between pharmacy educators and regulators, and pharmacists. The results showed that the former two groups believe in and support the value of a CPD model, while the latter group may not be as engaged in the process and who seemed to prefer the more recognisable elements of compulsory continuing education. Thus, it would seem that to facilitate self-assessment requirements, other tools (apart from the learning portfolio sharing sessions) need to be developed.

As outlined by Fenwick (2009), the challenge for many professional associations, including pharmacy, is how the assessment measure of a professional's relative level of competency can be reliably maintained for certification?   Additionally, how can the professional's actual learning in CPD activity be measured?

In accordance with the guidance provide to the research team in SA the focus of the literature moved to incorporate the initiatives taken by the pharmacy council of New Zealand (PCNZ) and their adoption of reflective practice. This is now incorporated in the section on Health Professionals in the literature review.

Pharmacy Council of New Zealand (PCNZ)

The Pharmacy Council of New Zealand (PCNZ) has adopted a system that measures the application of learning to practice (Harries, 2006) or at least requires pharmacists to state how they will do this i.e. to reflect, in theory, how their learning could be applied in practice. The recertification mechanism measures this theoretical reflection of pharmacists own practice needs – not their actual, practical application of new knowledge learned. Therefore, it doesn't assess reflective practice as such but rather reflection about practice which the model assumes will help pharmacists to incorporate new knowledge into practice.

Harries (2006) explains that by using a reflective and continuing cycle, pharmacists identify their specific learning needs, plan and carry out appropriate learning and then evaluate the outcomes of that learning on a pro-forma provided by the PCNZ.

The PCNZ developed an outcome credits system in which pharmacists allocate credits for a CPD activity based on the outcome (applicability) for their practice. Accordingly, 3 scales were developed together with guidelines to assist pharmacists in allocating the appropriate number of credits to their CPD activities. Upon request,

evidence to support the outcomes of their CPD has to be submitted. Apart from the CPD requirements, pharmacists also have to complete a self-assessment on competencies every 5 years, unless they change their area of practice, in which case, another self-assessment against the competence standards[1] must be taken (Driesen et al., 2007). The recertification requirements must be met irrespective of hours worked or breaks in practice.

Meeting recertification requirements

The Council accredited recertification programme requires a practising pharmacist to achieve the recertification requirements by actively participating in the programme. This includes:

a. Clearly identifying the competence standards that form part of their practice.
b. Assessing their competence in the above standards.
c. Addressing any lack of evidence for elements and activities within these standards by undertaking appropriate CPD.
d. Undertaking CPD to accumulate a minimum of 12 Outcome Credits in a three year period (including a minimum of four in the first year of participation in the programme, or five in the first year of participation in the programme if it is more than one year since they last practiced).
e. Re-assessing their practice every five years, or if a change in practice area occurs, and identifying any additional standards relevant to the new role and addressing any lack of evidence for elements and activities by undertaking appropriate CPD.

The process is self-directed and self-assessed, but audited. Practitioners are asked to clearly articulate the skills they are learning, the relevance of each and how it was applied. The criteria for which is contained in the "outcome credit scale" (see http://www.psnz.org.nz/public/enhance/what_is_enhance/documents/PCNZOutcomesAssessScale.pdf).

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[1] Access to the Recertification for Practising Pharmacists is available at:

http://www.pharmacycouncil.org.nz/cms_show_download.php?id=164

Individual practitioner initiative in CPD encouraged by the PCNZ structure relies on provision of CPD opportunities (courses, modules, resources etc.) for practitioners to access. These are provided, for example, by the Pharmaceutical Society of NZ (PSNZ) (see http://www.psnz.org.nz/public/cop/index.aspx and
 http://www.psnz.org.nz/public/press_and_library/library/index.aspx).

Each participant will monitor their CPD goals by determining how you applied what you learned in your practice. The outcome credit scale is a simple scale for doing this. Measuring the practice outcomes from your learning is a better measure of maintenance of competence than measuring how many conferences you attended or how many hours of learning you do.

The ENHANCE computer programme was first piloted in 2001 by the PSNZ, and by 2004 had been trialled by 900 pharmacists. Results from the early trials found that over 95% of pharmacists found the system useful in identifying their competence and their gaps for on-going learning. In 2004, the council undertook consultation to determine what mechanisms pharmacists wanted to be set for recertification, with 87.9% of respondents agreeing that a CPD programme such as ENHANCE was a suitable programme for the future.

The council then developed a framework for recertification with a more meaningful way of "measuring" the outcomes of CPD, and set the outcome credit scale for pharmacists to use. The PSNZ refined ENHANCE to meet this. Consequently, practitioners needed to identify their learning needs by: (i) assessing themselves against the competence standards; and (ii) undertaking the suggested learning in the areas that are relevant for them. The ENHANCE program demonstrated to individuals how to assess their competence, and how to document the steps of their learning in the CPD cycle.

The ENHANCE program proved to be an enormous help for many pharmacists who did not know where they needed to concentrate their learning. The recertification process was all about helping pharmacists identify their strengths and weaknesses so that they can keep up to date and continue to practice competently.

According to Austin et al. (2005), the NZ model is basically similar to the 5 stage cycle adapted by the International Pharmacy Federation (FIP) in 2002 which consists of Self-Appraisal, Personal Plan, Action, Documentation and Evaluation. The move

towards these types of CPD models is in response to the hectic pace of pharmaceutical practice, which also adds barriers to the implementation of new knowledge learned in a more theoretical framework as part of a traditional continuing education model.

Education Professionals

With respect to CPD activities for the education industry, the CPD framework employed by the Queensland College of Teachers (QCT) is indicative of CPD programs in the education industry. The CPD framework embeds the following principles (QCT, 2008, p. 4):

- CPD involves critical reflection, development and strengthening of practice

- CPD is flexible, relevant and integral to an individual teacher's professional practice.

- CPD acknowledges the importance of teacher scholarship and professionalism.

Given that the CPD is required to meet the *Professional Standards for Queensland Teachers*, participants will undertake CPD so long as it can demonstrate a balance across the following identified areas (QCT, 2008, p. 5): (i) employer directed and supported CPD; (ii) school supported CPD; (iii) individually identified CPD; (iv) a range of types of CPD activities; and (v) completion of at least the minimum amount required (at least 30 hours per year for full-time teachers).

The CPD framework developed by the QCT ensures the entire CPD process meets the requirements of the teaching profession. Particularly, it requires that:

- Teachers identify development goals and needs, career aspirations, and CPD focus by reflecting on their work in comparison to the set professional standards. This reflection results in the development/update of their annual CPD plan (consistent with their employer's processes where applicable).

- The CPD should be flexible while focusing on strengthening their professional practice and achieving their development goals. Here, records are kept to focus the application for practice.

- Teachers engage in ongoing critical reflection and enhancement and monitoring of their development.

Another educational CPD framework is that of the Association of University Administrators (AUA), who are responsible for professional development in higher education management in the UK. Like other professions, CPD is an ongoing, planned learning and development process that enables individuals to maximise their potential and contribute to individuals' work-based and personal development. It does this by updating employee skills, knowledge and understanding and thereby enhancing their individual and organisational performance

Table 1 below shows an example of an effective CPD cycle (adapted from Skills for Care, 2006) by providing some of the resources and CPD activities which comprise all 8 stage levels. When 'unplanned' learning occurs, which can be quite often, participants commence the cycle at stage 5.

Table 1: An effective CPD cycle

CPD process	CPD resources/actions	Examples of CPD activities
Stage 1 Assess organisational need	Job Description Organisational strategy/values Student feedback Quality assessments AUA or HEI-specific behavioural/ capability framework Changes to systems, processes, working methods	Review requirements of the role within the broader team, departmental and organisational context Role profile captures comprehensive picture of skills, experience, knowledge and behaviours required Skills audit
Stage 2 Identify individual CPD needs	Assessment of development needs against role profile	Self-assessment Discussion with line manager Appraisal 360° feedback Personal development plan
Stage 3 Identify learning objectives and opportunities	Identify learning objectives Identify support required Learning styles	Identify development methods to meet objectives bearing in mind learning style and resources Selection of mentor
Stage 4 Plan development activities	Select most appropriate development method and identify desired outcomes	Identify any blocks that may hinder learning and put mechanisms in place to minimise these Include time for reflection and implementation
Stage 5 Undertake development activities	Experience different types of learning: planned and ad hoc, formal and informal	Keep a learning log to reflect on planned learning and development activities, and to capture unplanned learning
Stage 6 Record development outcomes	Reflect upon and record development	Record of achievement or record of learning outcomes Gaining qualifications CPD portfolio/record of CPD activity
Stage 7 Review and evaluate learning	Review development activities Evaluate learning gained Accreditation for CPD if appropriate	Review in discussion with line manager CPD summary record Update PDP
Stage 8 Apply learning	Apply in the workplace Share learning with others	Seek ongoing feedback Return to stage 1 for continuous cycle

The development phase of the AUA CPD may hold some insights for this project re: developing a best practice CPD framework for accounting professionals. For instance, the AUA reports that it undertook a best practice policy of adopting a relevant CPD framework. Specifically, the framework was developed in consultation with all higher education institutions and professional bodies within the UK higher education

sector. It also involved consultative workshops from the target audience of higher education professionals. In addition, it recognises that different individuals have differing needs at different levels within the organisation. This is particularly evident at stage 2 and it was followed by an extensive desk research which assessed a sample of CPD frameworks used within the sector (and out) together with relevant industry journal articles. Once a framework was adopted, it was tested out via focus groups, and all institutional bodies were invited to comment on the framework.

Engineering Professionals

As part of the efforts of the engineering professionals to remain technically up-to-date, well rounded, capable and internationally competitive, Engineering Ireland adopted a CPD Accredited Employer Standard. This standard recognises the individual needs of businesses in a range of technologies and markets. In keeping with the main objectives of CPD, it also addresses the core development needs of professional engineers and technicians.

The formal CPD centres on planned, structured activities that contribute to the rounded, professional development of an engineering professional. When deciding on a CPD criteria, the engineering professional should ensure it matches the needs and requirements of their employer as well as enhancing their 'skills for life'. Consequently, it is important to plan and agree the expected outcome, as well as recording the training/CPD input.

In all, there are 12 criteria which make up the process of being considered for CPD Accredited Employer status. However, only the first 8 of these are mandatory for all organisations, small and large. Criteria 9 and 10 are suitable for employers of more than 100 engineering professionals, while criteria 11 and 12 target larger organisations which experience rapid rates of change. The criteria are set out below (Engineers Ireland, 2011):

Criteria 1-8: Mandatory for Accreditation

1. Internal CPD Committee
• Brings together department heads from Engineering, HR, Training and Quality
• Ensures CPD policies/procedures implemented & responsibilities defined
• Maintains high profile of CPD in the organisation

• Reports to top management on CPD

2. Continuing Professional Development (CPD) Policy

• Covering all aspects of CPD

• Approved by senior management

• Published and well-communicated to all relevant staff

3. Performance Management & Development System

• Organisational strategy clearly communicated at departmental and individual level

• Each engineer and technician has a formal review (annually at least) with their supervisor

• A Training Needs Analysis is conducted

• Individual CPD plans produced

• Individual CPD Plans "rolled up" into an overall Organisational Training Plan

4. Formal CPD, minimum 5 days average per annum recorded

• Targeted CPD carried out in accordance with individual CPD plan

• Individual CPD records maintained and updated

• Minimum average of 5 days CPD per engineer/technician annually

5. Mentoring for Professional Development

• A clear and well-communicated Mentoring policy

• The need for formal mentoring is assessed at all levels

• Mentoring is linked to Performance Management

• Trained mentors work with more junior colleagues, aiding career progression and the achievement of a Professional Title e.g. Chartered Engineer

6. Linkages with Professional Institutions/Learned Bodies

• Active participation with relevant, learned bodies

• Staff encouraged to obtain Professional Titles e.g. Chartered Engineer

• Organisations link with Third-Level institutions

7. Knowledge Sharing Activities

• Knowledge sharing activities such as Lunch 'n' Learns

• Project Close-Out reports and Lessons Learned database capture important knowledge and experiences

• Staff returning from CPD events disseminate key learnings to colleagues

• Access to internet-based critical information systems e.g. IHS

8. Evaluation of impact of CPD

• Evaluation criteria are set out for planned CPD activities

• Managers are involved in the evaluation of learning outcomes

Criteria 9-12: Advisory Best Practices

9. Postgraduate Educational activity

• Published Further Education policy, signed off by Senior Management

• Effectively communicated to all relevant staff

10. Competency Frameworks/Talent Management

• Competency Frameworks available for all key engineering roles/grades

• Recruitment, development, engagement and deployment linked to achievement of these competencies

11. Advanced Knowledge practices

• Identification and mapping of important knowledge competencies, linked to key markets and overall Business Strategy

• Link competencies to advanced training programmes for CPD

• Process to acquire knowledge to bridge identified 'knowledge gaps'

• A senior director/manager responsible for Knowledge Management

• Effective use of IT to improve the quality of Knowledge Management

• Metrics and outcomes agreed for Knowledge Management activities

12. Fostering Creativity/Innovation

• Goal-orientated practices for new idea generation and problem solving

• Tools for Innovation are utilized: with good ideas welcomed, supported and rewarded

• Training in Creative-Thinking is provided

• Resources, practices and deployment of staff focus on innovation

• CPD and Innovation are linked to measurable business benefits

• Organisation structure facilitates Innovation and personal initiative

      The CPD processes for Engineers Ireland is quite comprehensive. This approach is mirrored with other national engineering bodies such as the Council of Engineers Australia which, in 2009, approved the CPD policy for the entire industry (see: CPD – Types and Conditions in Appendix 1).

      The following section will review a broad based European CPD framework which seeks to act as a best practice guideline that can be utilized by those wanting to manage and construct CPD.

European CPD Framework

      The European CPD framework is a broad-based approach designed to act as a best practice model for CPD implementation. The framework seeks to encourage designers of CPD systems to move away from those based on inputs (e.g. time spent) towards outcomes. In keeping with the three industry-based CPD approaches reviewed previously, this framework also encourages a planned and reflective approach to CPD. This can provide the basis from which individuals and organisations may wish to develop their own CPD practices and policies.

      The intended purpose of the European CPD framework is to provide a flexible and comprehensive specification for CPD within any sector of industry. It serves as a useful checklist for both practitioners and those producing CPD guidance or requirements by offering a 'best practice' guideline.

      To maximise the effectiveness of a CPD system, an agreed framework of standards of competence needs to be adopted. These standards will provide individuals with the necessary clear and objective reference against which to build their development. Adopting an established industry specific standard will reduce resource requirements. The CPD framework below is meant for use by either the individual or an organisation keen on developing a CPD model for their employees. It is also used to illustrate the relationship of all the components of a CPD system.
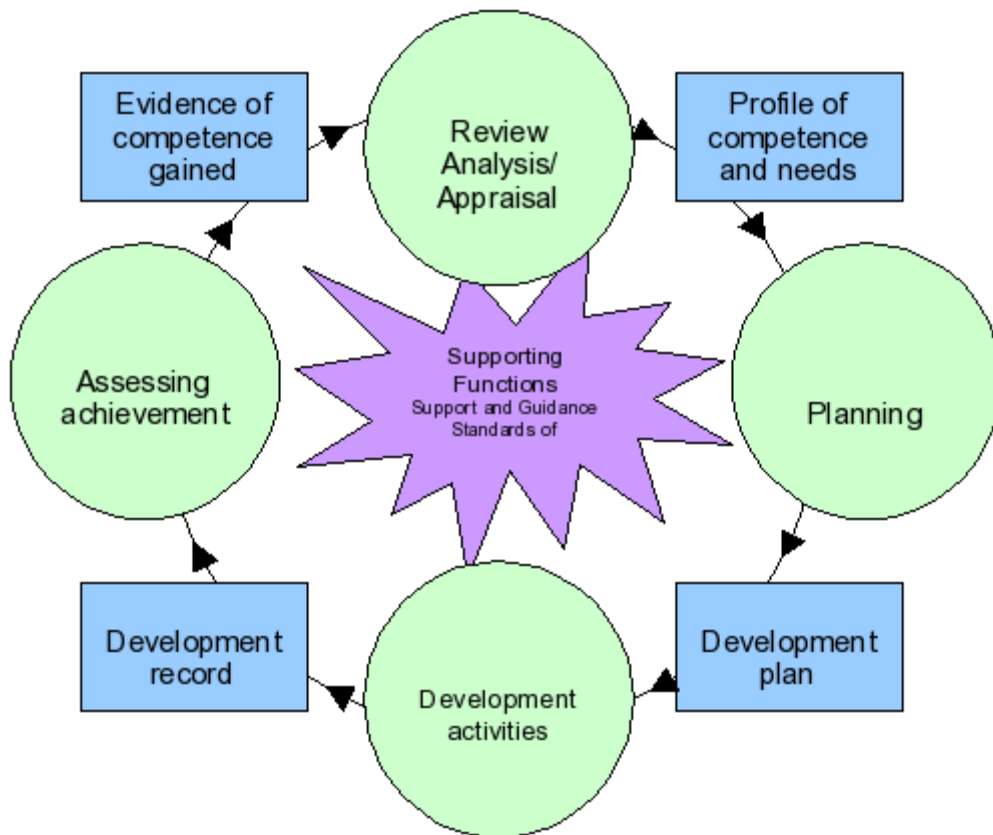
Figure 2 The European CPD (CIC, 2010, p. 6).

The framework is divided into four essential processes: review: planning; development activities; and assessing achievement. These are the processes that the individual goes through when undertaking CPD. All the processes are inter-related, where the written outputs (which record individuals' intentions and demonstrate their achievements) are fed into the next process, comprising profiles, plans, records, and evidence. These written records provide evidence of carrying out the processes and can be used to monitor and improve quality. The final part of the CPD framework consists of three supporting functions which are: support and guidance; standards of competence; and quality. These supporting functions underpin and facilitate the processes.

The four processes of the European CPD framework are the key to developing an appropriate CPD activity. The four processes below are taken from CIC (2010, p. 7).

Review - Analysis and Appraisal

Individuals review their personal and professional experiences in a structured way. This appraisal enables them to identify their interests and competences, taking into

account their current and future job and career requirements. From this, a profile of the individuals' personal and professional competences is created which identifies the priority areas for their CPD development. This is recorded as their profile of needs.

Planning

In collaboration with their organisation or mentor, individuals identify the most appropriate learning and development activities to meet their profile of needs. Targets are then set which are of high priority, practical, achievable and challenging. This is then recorded as their personal development plan which specifies objectives, responsibilities, resource requirements, time-scale and indicators of successful achievement.

Development Activities

Successful development usually requires that learning activities are matched by practical applications. During this stage, the individual needs to keep a detailed record of the activities undertaken. The record shows intended objectives, what activities have actually occurred and the consequences. The development process is given adequate time to include personal reflection.

Assessing Achievements

To gain full benefit, individuals need to undertake an assessment of their development activities. This assessment is done against their development plan and measured in terms of new and improved levels of competence. Individuals provide evidence of their achievements and the activities that lead to development. This provides an excellent opportunity for review by employers, organisations and professional bodies, as well as employment and career development.

With respect to supporting functions, the organisation and individual select and agree a suitable set of standards of competence, typically the main industry based competences. The standards should be shared and tested with others where possible. This is in keeping with one of the outcomes from the CPD model used by Engineers Ireland.

A proposed framework for analysis

The review has shown that although CPD frameworks for various disciplines may need to be structured and organised in different ways, a number of shared characteristics do exist. Firstly, almost all CPD experiences are perceived as a means of introducing or enhancing knowledge, skills and attitudes. Secondly, the notion of self-appraisal is becoming increasingly common. This seems to ensure a more flexible CPD approach which is valued by many practitioners who are time poor. Thirdly, an adherence to industry accredited standards or competencies. Fourthly, there is a need to record or document the activities undertaken. Finally, the CPD frameworks require – to varying degrees - critical reflection of the entire CPD process. This feedback mechanism has arguably become the central theme which runs through all of the CPD frameworks reviewed. This constant monitoring of participants' understanding of, and in, practice, acts an input to the design and continual revision of programs and courses.

The identification of these shared characteristics of mainstream approaches to CPD allow for the creation of a framework through which CPD policies and practices can be analysed and compared. This, of course, is not to suggest that this is the only way in which to develop a framework for CPD.

In summary, the literature review suggests that many CPD frameworks share a number of common elements which include: needs analysis, action/activities, evaluation, and reflection which in turn move the professional into the next cycle of CPD planning. Further, our review suggests from an individual's perspective Critical reflection of CPD is very important in constructing a high quality CPD framework. With the attributes of CPD in mind, the research approach should address the individual's understanding of the role of CPD for professional accountants. Key themes should incorporate attitudes towards CPD, actual behaviours and preferences for CPD activities, including the efficiency and effectiveness of activities.

From the CPD providers perspective, the literature review indicates that an adherence to professional standards, greater autonomy (self-appraisal, reflection), audit of compliance as well as provision of appropriate development activities are key considerations for CPD.

Chapter 3 – Research Methods

3.1 Overall Design

GRANTING OF ETHICS APPROVAL

Ethics approval was formally granted by Victoria University Human Ethics Research Committee (VUHREC) in August 2011. This effectively allowed the interview process to commence in the research locations around the world.

DATA COLLECTION AND ANALYSIS

Data was collected in three stages. In stage 1, focus groups were conducted with practitioners and this process was aimed at scoping the issues around the research questions with the aim of revising the research instruments. Based on the feedback and learning from stage 1, stage 2 interviews were conducted with CPD providers i.e. professional accounting bodies, practitioners and large accounting firms. Data were collected from all locations where team members were located. All interviews were recorded, transcribed and subsequently analysed. Table 2, 3 and 4 shows the details of interview participants. The interview questions are contained in Appendix 1, 2 and 3 – (questions CPD Providers and Practitioners) and included toward the end of this report.

The final stage (3) involved a survey distribution which included practitioners in Australia, Singapore, the United Kingdom and the United States of America. The questionnaire for the main study was developed from the literature review and the findings from the interviews in stages 1 and 2 above. A copy of the questionnaire is contained in Appendix 4.

Table 2 Interviews with Professional Accounting Bodies

Name of Accounting Body	Location	Number of members	Position/s of person/s interviewed
CPA Australia	Melbourne, Aust.	130 000	Executive General Manager, Member Knowledge Career Guidance System Advisor, Member Knowledge
Institute of Public Accountants	Melbourne, Aust.	24 000	Member Knowledge Advisor, Victorian Divisional General Manager
South African Institute of Chartered Accountants (SAICA)	Johannesburg, S. Africa	30 000 (11 000 trainees)	Senior Executive, Professional Development
South African Institute of Professional Accountants (SAIPA)	Johannesburg, S. Africa	7000 (2 000 trainees)	Executive in charge of CPD
Institute of Certified Public Accountants of Singapore (ICPAS)	Singapore	24 000	Training Director
ACCA	UK	513,000	Director of CPD
IOWA CPA'S	Iowa, USA	18000	Manager
Institute of Chartered Accountants of Scotland (ICAS)	Scotland, UK	20 000	Director of ICAS Learning Academy
Institute of Chartered Accountants of England and Wales (ICAEW)	Scotland, UK	70,000	Global Audit Learning Team

Table 3 Interviews with Practitioners

Name of Accounting Body	Location	Years of Experience	Position/s of person/s interviewed
SAICA 1	South Africa	23	Own Practice
SAICA 2	South Africa	9	Own Practice
ICAA 1, 2nd Tier Firm	Melbourne, Aust.	6	Manager Acc and Tax
ICAA 2, 2nd Tier Firm	Melbourne, Aust.	10	Manager Insurance
ICAA 3, 2nd Tier Firm	Melbourne, Aust.	15	Partner
Institute of Chartered Accountants of Scotland (ICAS)	Scotland, UK	20	Director of ICAS Learning Academy

Table 4 Interviews with Large Organisations[2]

Professional Affiliation	Location	Years of Experience	Position/s of person/s interviewed
SAICA 1	South Africa	6	Audit Manager
SAICA 2	South Africa	10	Partner Large Firm
SAICA 3	South Africa	3	Trainee Acc
SAICA 4	South Africa	3	Article Clerk Audit
SAICA 5	South Africa	17	Acc and Tax
SAICA 6	South Africa	7	Acc and Audit
SAICA 7	South Africa	5	Acc and Audit
CPA Aust.	Melbourne, Aust.	22	Large Public Practice, Acc and Tax
Deloitte Touche Tohmatsu	Interviewed in London, UK	25 approx.	Global Director of Audit Learning.
Deloitte Touche Tohmatsu	London, UK	21	Partner, Director, Global Audit Learning, Large Public Practice, Member of IES8 Task Force

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[2] A large organisation is denoted in this study by greater than 500 employees.

3.2 Qualitative Data from Interviews

THEMATIC ANALYSIS AND MAIN FINDINGS FROM THE INTERVIEW DATA

All interviews were recorded and subsequently transcribed. These transcriptions were subsequently analysed and interrogated so as to extract the 'message' from the interviews. This message was subsequently refined into themes the full details of which are included as Appendix 4 in this report.

Examination of the Appendix provides a number of insights regarding the provision of CPD offerings through the lens of key stakeholders in the Accounting profession. The main findings are presented in the order of Tables 2, 3 and 4. It should be noted that that interviews were centred on 9 questions, which in most cases produces 9 themes in the discussion.

Professional Body recurrent themes suggest 9 themes in the interviews and these are summarised as:

1. Organisational role of the professional body is offering CPD is to facilitate the updating of the skill set of members in relation to professional qualities. They also see themselves as the conduit between CPD and quality development in the profession.

   Notable quotations include "We need to respond to member needs" and "We need to protect the public interest" and Facilitate access to appropriate CPD for our members by providing appropriate learning interventions."

2. Evidence of a traditional organisational focus in that technical skills development and updates are seen a priority for the profession. Notable quotations include "We just try to focus on current issues, mostly technical but some non-technical." and "Keep up with changing standards and current issues or whatever is the hot topic."

3. There is no standard overarching CPD framework/theory that drives offerings for all professional bodies. Though some suggest they have adopted or developed their own frameworks to guide CPD offerings and practitioner development.

   Typical responses include "Reflect, act, impact, reflect" based upon academic research. (We were) The first body to change back in 2005 from input to output based when it was revolutionary." In addition some policy makers tend to favour

well documented CPD frameworks however our evidence suggests that others have their own policies that may well be equally effective. These policies may well vary among locations but still be effective. One interviewee stated that: "at an individual level, they require practitioners to report on and monitor CPD, notwithstanding the requirements that are there in the policies manual. For example, in the UK, there is a system which requires us all to submit details of our CPD that we've completed in the course of the year and do an annual submission. Other member firms may have more rigorous regimes than that. And that will often depend on the local CPD environments established by the IFAC member body presenting that, particularly the jurisdiction."

4. Member demands, legislative changes and market changes tend to drive the determination of CPD offerings for all professional bodies.

   Typical responses include "We do an annual training needs analysis and had 5,500 responses that provided a set of core topics that members want CPD on." and "An internal content planning group is drawn from our technical teams – accounting and business – and our editorial and market research teams to ensure that everything is picked up."

5. CPD offerings do cater to different experience levels of members thereby showing an understanding that member needs differ depending on their role and experience.

6. All professional bodies indicated that they listen to member feedback when offering CPD.

   Typical responses include: "Member committees give input as to what their needs are and there are two project directors, one who deals with the public sector and the other with the financial services industry. Between them they come up with specialist technical areas of knowledge."

7. Monitor and review member CPD compliance in accordance with IES 7 is generally achieved through random audit. Though some suggest that computerised monitoring is becoming more common place. In addition it was noted by some that jurisdictional differences in resources and attitudes produce large variations in CPD offerings and compliance.

One interviewee stated that: "CPE portal records all courses taken by members and if courses taken by other providers, they have to be manually keyed in. Smaller firms are more comfortable with the automatic system of recording." In relation to difference in compliance regimes one interviewee reported "... and that is one of the huge issues that we are faced with is the level of monitoring that is applied. There is a huge amount of record keeping and certification required in order to … having had the organisation accredited to offer CPD learning, then the learning content for anybody has to be certified and accredited and then the individual attendance has to be evidenced and certified and all of that track. And the record keeping that flows from that in the US is very closely scrutinised and audited by NASBA and they will come in and take your licence away if they don't believe you are doing it appropriately. So not being able to deliver CPD accredited learning within our US firm would be a huge challenge because of the licences that people have to maintain in the US.

8. A holistic approach to CPD programming is more likely to be adopted by larger professional accounting bodies.

9. There seems to be a systematic alignment of CPD to career development for members of larger professional accounting bodies who work in large structured firms.

Practitioner(s) recurrent themes suggest 9 recurrent themes in the interviews and should be noted that combined experience of interviewees totalled more than 80 years (see Table 3) in the accounting profession. The message from these practitioners can be summarised as:

1. All practitioners are members of the 'peak professional accounting bodies in the respective country.

2. Their primary reason for undertaking CPD is to keep abreast of change in the area of expertise.
   Notable quotations include "Information – when changes occur there is a gap in the information that the firm as a whole has. Trainees need to be supported."

3. The primary focus of CPD is guided by the organisations needs though individual non-technical skills development is now a feature of CPD focus and planning.

Notable quotations include "All training must benefit the organisation and technical training is also identified through needs analysis".

4. The majority of interviewees were not aware of their professional bodies' holistic career development system or framework or indeed if such systems or frameworks were available. Generally the lack of awareness seemed to be a product of age in that those practitioners who were familiar with a career guidance system had fewer years' experience in the profession.

   Notable quotations include "I am not aware of it as I haven't looked into it yet. There is not a big discussion on CPD in reviews" and "Only aware of a little through my junior accountant who has just completed CPA."

5. The main obstacles to CPD participation were time and cost. Cost was seen in terms opportunity and financial cost and to try and overcome the problem of conflicting priorities practitioners expressed a desire explore 'electronic CPD'.

   Notable quotations include "1.Opportunity cost in relation to charge outs lost. Even if attendance is approved, there is an expectation you will get your work done, by making up some of the time – the work won't be given to someone else.3. Wouldn't want to pay for training myself"

6. Some practitioners saw the link between CPD and career progression but only in an informal sense. The key link to promotion was still seen as performance through revenue and profit growth.

   Notable quotations include "There is an alignment between performance and promotion."

7. The overwhelming preference for CPD training is face to face though practitioners saw the need to explore less conventional CPD offerings such as Webinars.

   Notable quotations include "Pretty much face to face as it is fairly readily available" and "Haven't used any web based stuff so far – it hasn't occurred to me."

8. While most suggested that most CPD is measured on an input basis, however they did not see this as a limitation as real CPD value (evidence of learning) is displayed through the quality of work one completes. This is an interesting observation as many policy makers seem to espouse the value of an output measurement basis for CPD moving forward.

Notable quotations include "Evidence of learning would be expected to come through in the work you do, there is no specific assessment" and "Not aware of output based assessment being done. Only assessment is an appraisal of the quality of the presentation."

9. Asked if CPD or on the job training is the most valuable practitioners had mixed views. Some saw the value of on the job experience but recognised the learning value and efficiency of CPD for up skilling practitioners.

Notable quotations include "Both on the job and training sessions essential. On the job training is important. Once you become team leader you are expected to transfer knowledge to the staff; to train them up. It is expected of you" and "Staff are encouraged to seek help from superiors but attempts at independent thinking and problem solving is expected and A lot of the CA stuff is pretty good and relevant but not always. I have come away from training sessions with information I would never have thought of so 50/50."

In terms of practitioners who work in **large organisations** there were 8 recurrent themes in the interviews and it should be noted that combined experience of interviewees totalled more than 130 years (see Table 4) in the accounting profession. The message from these practitioners can be summarised as follows:

1. Not surprisingly all practitioners are members of the 'peak professional accounting bodies' in the respective country.

2. The primary motivation for undertaking CPD was mixed between the notion of compliance and the ongoing development of technical competence or staying up to date.

Notable quotations include "Keeping up to date. I can't provide advice to client unless I am continually updating my knowledge. Failure to do this affects your reputation and that of the organisation. Two rules: 1. Don't engage in anything that you are not qualified or competent in. 2. Personally invest in yourself over and above CPD by continually updating. " Another interviewee made reference to their role in relation to audit when they commented: "our role, particularly for that team – global audit learning – is focused on providing really good, technical learning material to the member firms who are part of the network and supporting them."

3. When asked if the focus of CPD was for the individual or business, most saw the two as related or linked to the extent that they saw that both needs are linked. The message from the interviews was that skills developments that were good for business were good for individuals. In addition, some saw the highly specialised roles within audit as an ideal area for large office networks to develop the talent pool in order to create a competitive advantage.

Notable quotations include "1.Should be streamlined and focused on the individual and their professional development. 2. Material presented equips members for future portfolios. 3. Although you sometimes get immersed in work and let things slip, you know that if you do the required CPD, you are technically sound." 4. Others from large organisations noted how the network is able to deliver highly specialised training to fellow accountants: "Certainly we would look at our network and would regard that network as having *the* best people within that network of firms as experts in that subject matter and fields and wouldn't be looking to go elsewhere to source the sort of subject matter expertise one needs in the design and delivery of learning programs. So although they are a precious and scarce resource, making use of those best people within our office network and showing to our practitioners that what we are doing is critical as well, that they have access to those people and that intellectual capital." And "we use those sort of folk strategically and bring them in on our practical projects and get input that way and try and vary who we are getting input from as well so that we get leading edge thinking input to the program development."

4. Most practitioners suggested that a Career Guidance framework which provides systematic CPD was not available from their professional accounting body, or if it was they were not aware of it. Further, they suggested that CPD planning still took place all be it at in a less systematic framework.

Notable quotations include "1.Most practitioners find it helpful to have a simple framework for thinking about their CPD with leadership and management skills as well as technical component. 2. We tend to take a holistic approach using fully integrated case studies that incorporate technical skills with judgement (soft) skills, targeted at particular levels of experience. 3. We have an underlying competency

model that we use across the network that includes technical and non-technical skills. Others suggested that have developed their own holistic approach to CPD training: "that holistic approach, not quite the full on simulation, but paired back just a little bit to be perhaps what you might call a fully integrated case study approach in quite a wide variety of areas for the same purpose that enables us to incorporate technical skills and these judgement skills as well as on occasion, the interpersonal, they are keen management skills as well that a well round professional needs." In a similar vein it was stated that: "I think most of our practitioners certainly at the more senior level, so managers and partners, find it helpful to have a simple framework for thinking about their CPD. So senior level managers cover the technical component, but then [they are] also thinking about the client skills, the leadership skills, the management skills that they need to be successful. And so I think that is a helpful underpinning to whatever model you have. I also think, practically speaking, people find it helpful to have a guideline as to how much they need to do."

5. Interviewees saw the main obstacles to CPD participation as cost, time and the tyranny of distance or access. A notable aspect of the discussion on this issue was the absence of discussion of CPD facilitated via the use of technology such as webinars.

Notable quotations include "Tyranny of Distance. Lots of good breakfast seminars but too far to go for 7.30am" and "Not cheap especially for small organisations that can't negotiate bulk rates. Every organisation has a different policy and ours pays for a certain amount of courses particularly if they are linked to your role."

6. Most suggested that formal links between CPD and career progression were not formally established, however some suggested that this link made intuitive sense and ought to be considered.

Notable quotations include "1. I haven't seen an organisation do this but I think it would be a good idea. 2. Firms have their own sets of requirements for career progression. 3. CPD planning should be part of reviews."

7. The preference for CPD delivery was still face to face, however practitioners saw the value in CPD delivered over the internet and suggested in time these

offerings would improve. By way of observation we are reminded of the context of where some of the interviews were conducted, i.e. South Africa where internet infrastructure is not as robust or reliable as those experienced by policy makers living in more developed regions of the world.

Notable quotations include "1.Helpful to allow individuals to learn in a variety of ways and not to be overly prescriptive about the mode of learning. 2. As professionals get into more senior roles, methods of learning change. 3. Classroom sessions and eLearning are seen as least effective compared to learning on the job, in the context of a client related situation. Not easily verifiable however." Others have a different approach where they indicated: "our core audit learning flagship programs, we've taken a simulation approach to them and so we immerse the participant in a simulated audit and pose them various tasks and activities to perform, which involves them utilising tools, resource materials and making decisions as if they would on a real audit."

8. In terms of effectiveness and assessment of learning outcomes practitioners were aware of the 'push' toward output measures of CPD however they suggest that valuable CPD works for the business case, to the extent where a more skilled practitioner has more to offer clients which leads to greater revenue to the business.

Notable quotations include "Much debate about input versus output. While output methods are conceptually more effective at measuring competence, only the individual can work out how much they need to do." And "Effectiveness largely determined by commitment of organisation to training. If little commitment employees may taker easy paths to achieve CPD hours."

3.3 Data Collection and Analysis

Quantitative data were primarily collected by surveying members of selected accounting professional bodies such as CPA Australia, Institute of Certified Public Accountants of Singapore (ICPAS) and ICEAW in the UK. The survey was used to supplement the qualitative data which was designed to be the main form of data collection. The survey was distributed in some instances at professional development activities held by professional accounting bodies. The responses relate only to the views

of practitioners. The main aims were to identify which were the most common CPD activities undertaken and whether organisations undertook staff reviews to align CPD action and planning. The data were collected via the distribution of a paper based survey instrument. The questionnaire was drafted and pilot-tested with several accounting practitioners in Australia.

The survey instrument asked respondents their experiences on specific CPD activities they had taken over the last three years. This was followed by questions about their organisation's involvement in determining CPD activities. Invitations to complete the survey instruments were made at selected venues such as: the CPA Congress meeting in Melbourne, Australia; ICPAS CPD event in Singapore; Audit and Assurance Conference in London, UK; and the continuing professional education (CPE) conference held at Iowa State University in the USA. A plain language statement outlining the purpose of the research was distributed to prospective survey participants requesting their participation.

The data collected from surveys was analysed using SPSS to determine the effectiveness of organisational staff reviews and recent CPD activities undertaken. Where appropriate, respondents are classified into a number of subgroups for the purposes of identifying differences across demographic groups, for example by gender, age groups, years of experience, geographic locations, organisation type and size.

3.4 Limitations

The findings are largely based on the number of respondents we were able to solicit through the participation various professional bodies and firms. We were unable to do formal sampling and not able to determine if the respondents were representative of the whole population. Additionally, in each jurisdiction, the characteristics of the respondents differed. For instance, in Singapore most respondents worked in large firms with only 4% of respondents from firms with less than 50 employees. The sample sizes also varied between groups with only 35 responses from the UK and 116 responses from Singapore. No surveys were administered to the South African

practitioners for 2 reasons. First, there had been a number of telephone interviews conducted with practitioners (more than with other countries) and secondly there was a geographic barrier in distribution of surveys as the research team member had relocated to Australia part way through the project.

Chapter 4 – Quantitative Results and Discussions

4.1 Respondents Profile

As exhibit 1 below demonstrates, a large number of the 332 survey respondents reside in Singapore (116, or 34.9%). This is followed by Australian residents (108, or 32.5%), USA residents (73, or 22.0%) and UK residents (35, or 10.6%).
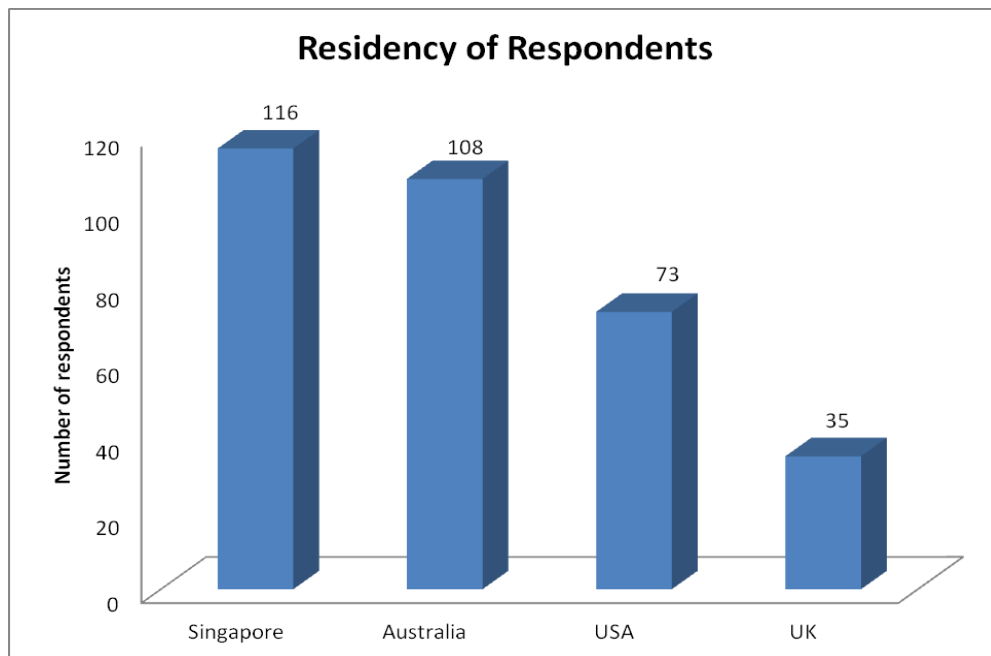
Exhibit 1 – Residency of Respondents

According to exhibit 2, the highest percentage of female responses were in the US (67.1%), while for Australia and Singapore the split was fairly even (52.8% and 51.4% respectively). The UK sample comprised mostly males who made up 60% of their respondents.

Exhibit 2 – Gender

Across all four countries, the largest group of respondents were in the 25-45 age bracket. Interestingly, 20% of the UK respondents were aged over 55 which suggests a more older demographic. Conversely, only 2.8% of respondents from Singapore were aged over 55 (see exhibit 3 below).
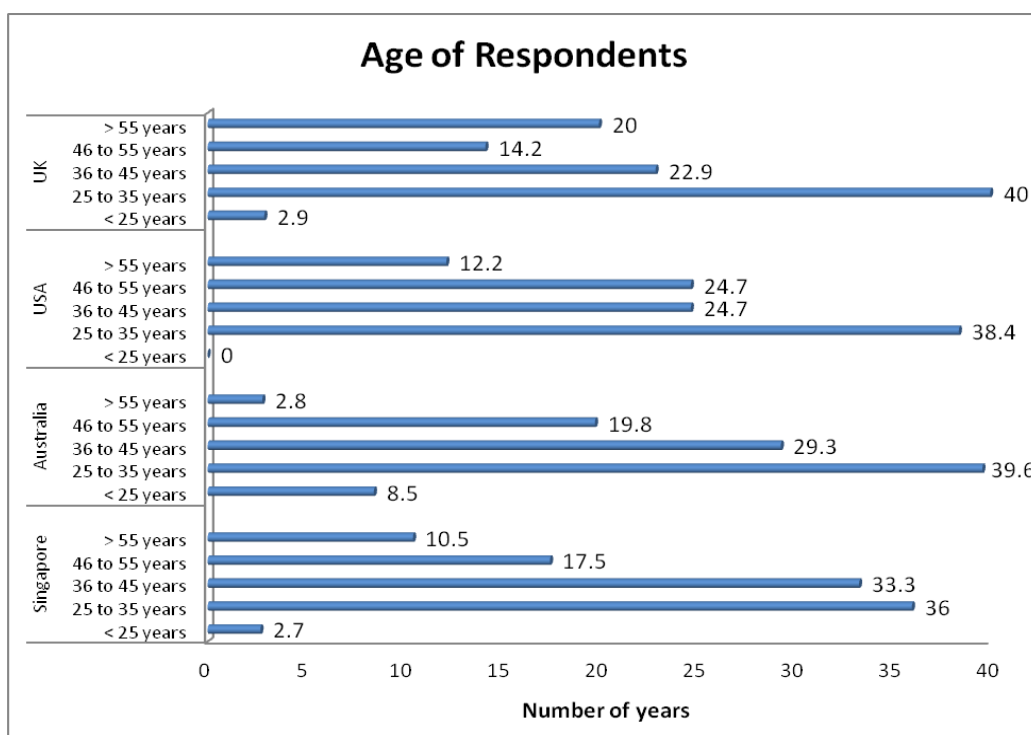
Exhibit 3 – Age of Respondents
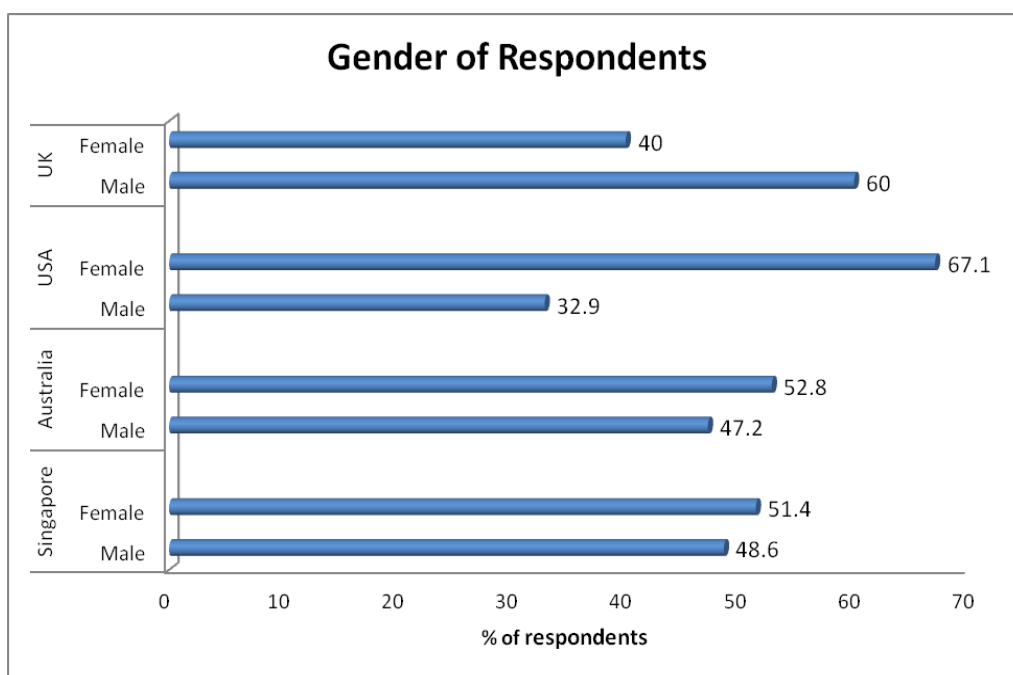
In exhibit 4, the vast majority of Singapore respondents (70%) worked in organisations with less than 50 employees. This is in direct contrast to Australia, US and UK where the overwhelming number of responses were from large organisations.
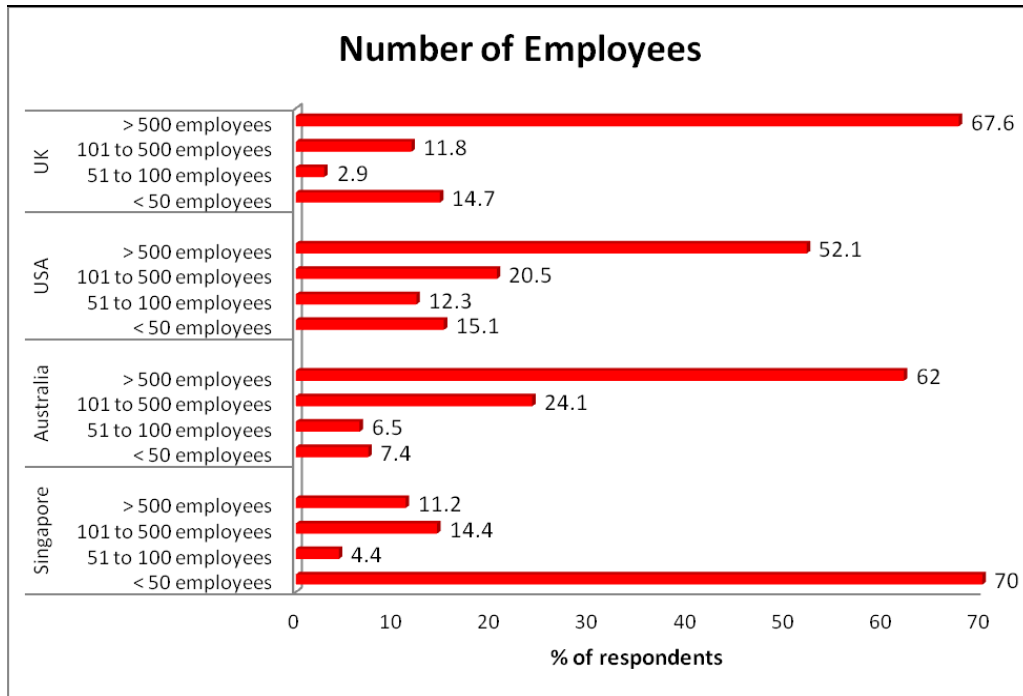
Exhibit 4 – Number of Employees

In Australia, almost half (48.6%) of the respondents had a minimum 10 years experience as a qualified accountant. This is in contrast to the other three countries where, on average, two-thirds of respondents had at least 10 years experience. Of these, the US had the most with 71.2% (see exhibit 5 below).
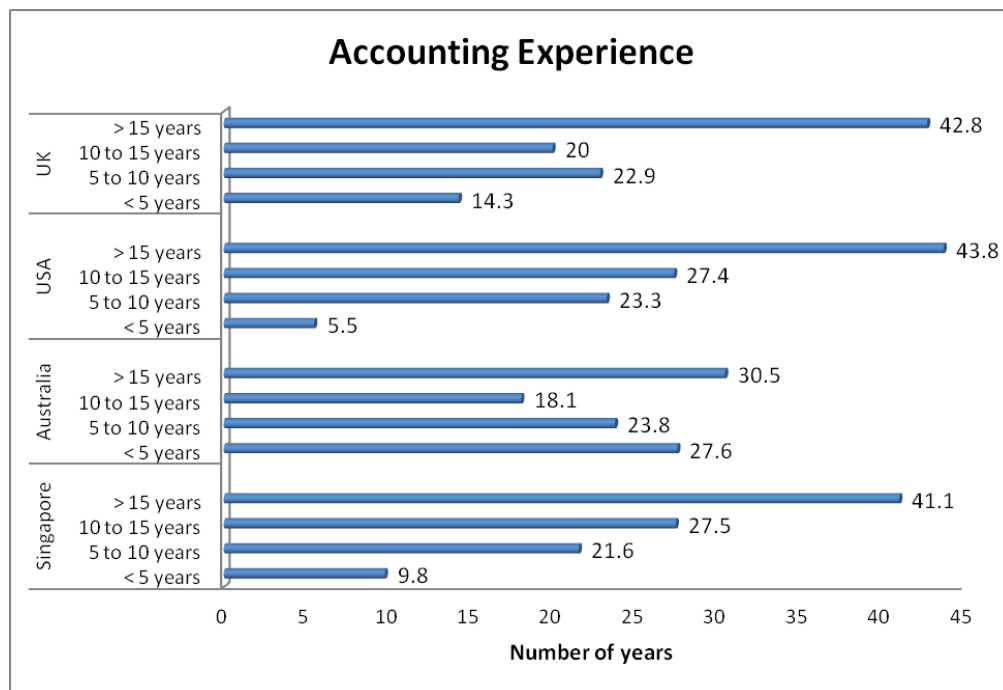
Exhibit 5 – Accounting Experience

Exhibit 6 displays the top 3 industries surveyed from each country. The UK and Singapore surveyed mostly professional accounting firms (68.6% and 63.2% respectively). In Australia, almost one-third of respondents worked in the government/non-profit industry while just over 60% of respondents in the US were predominately from the finance industry (42.5%) and professional accounting firms (17.8%).
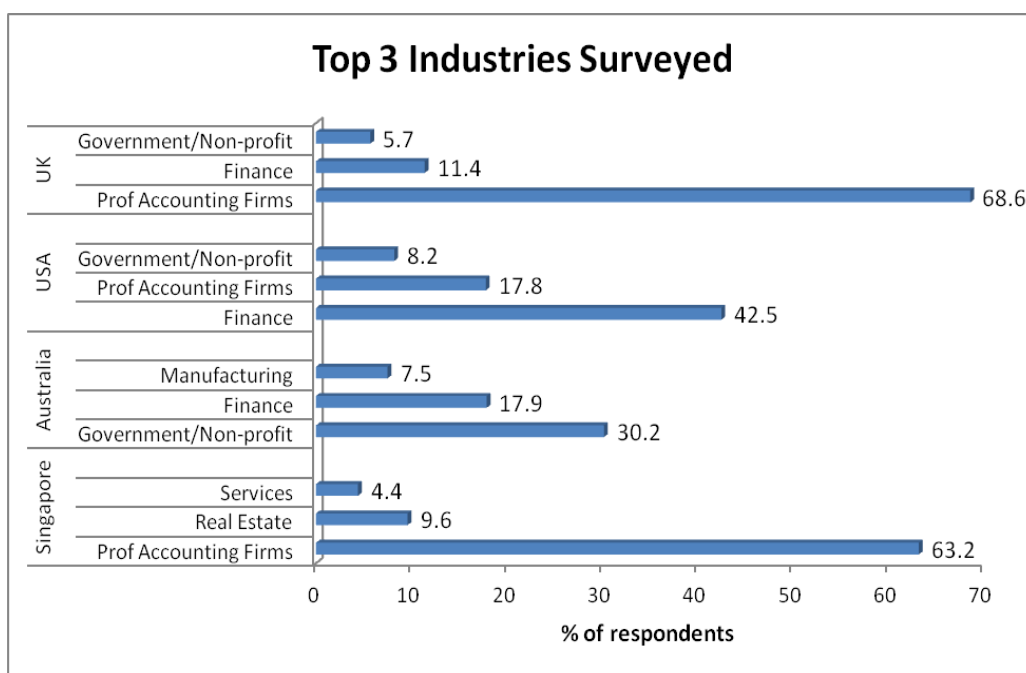
Exhibit 6 – Top 3 Industries Surveyed

4.2 Formal Assessments - CPD Staff Reviews

Respondents were asked their opinion on whether formal staff assessments occurred with their CPD activities over the last three years. According to exhibit 7, the majority of respondents across all four countries reported that no formal assessment of their CPD activities had occurred in the last 3 years. Australia had by far the lowest formal assessment rate with only 22%, followed by the US (30.9%), Singapore (33.9%) and the UK (40.6%).
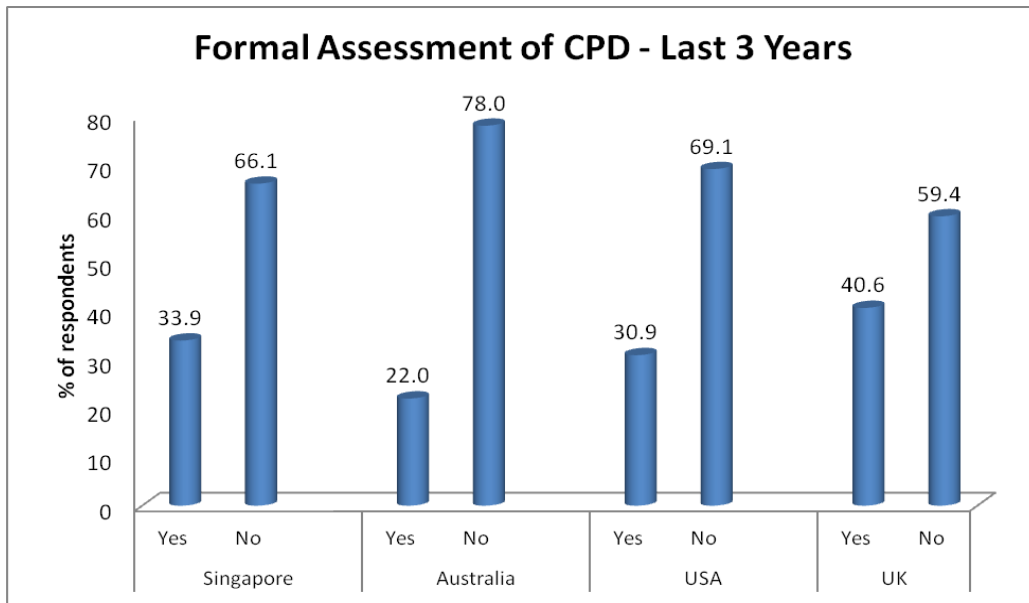
Exhibit 7 – Formal Assessment of CPD in the Last 3 Years

Insofar as improving technical skills, the majority of respondents reported that staff reviews of CPD activities related to this activity had occurred in the last 3 years. As seen in exhibit 8, more than three-quarters of Singapore and UK respondents (76.1% and 78.8% respectively) had undergone CPD staff reviews to improve their technical skills. The US had the lowest CPD staff review rate of technical skills with just over one-third (38.2%).
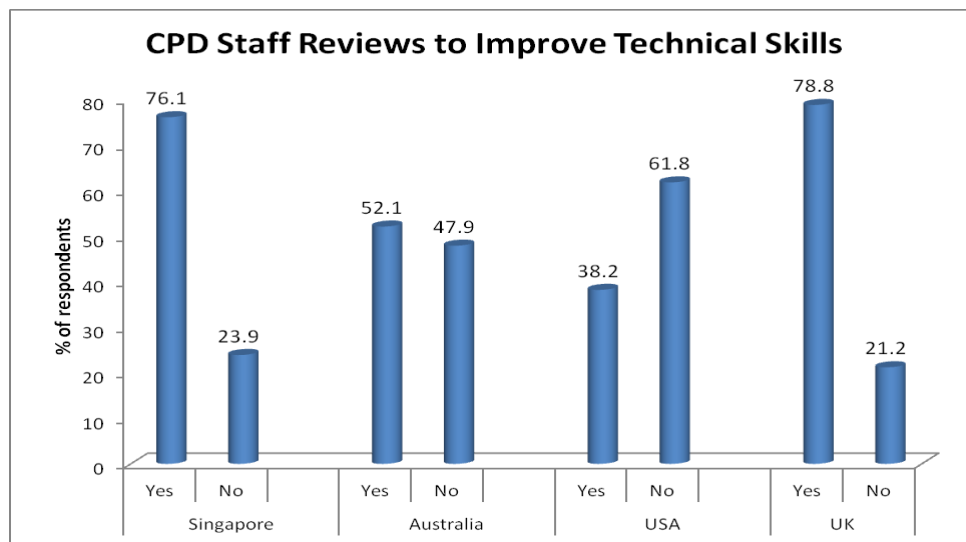
Exhibit 8 – CPD Staff Review: Technical Skills

The majority of respondents reported that staff reviews of CPD activities were not conducted in relation to improving non-technical skills. The exception is the UK, where 71% of respondents underwent a CPD staff review on this activity (see exhibit 9 below). The lowest percentage of reviews in this area occurred in the US (28.8%).
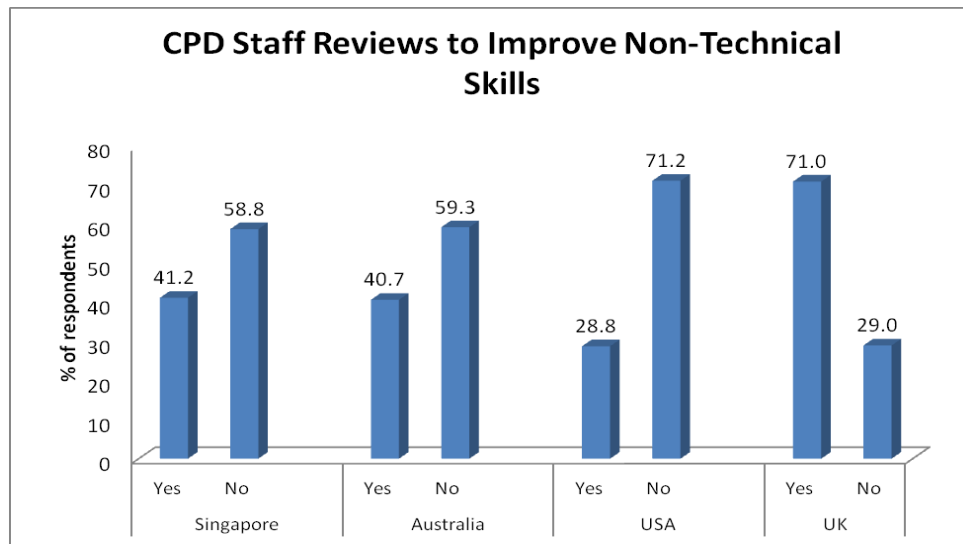
Exhibit 9 – CPD Staff Review: Non-Technical Skills

As exhibit 10 demonstrates, about half the respondents in Australia and Singapore had reported undertaking CPD staff reviews to enhance career progression. In the UK, 67.7% reported undergoing a review while 73.1% of US respondents had not.
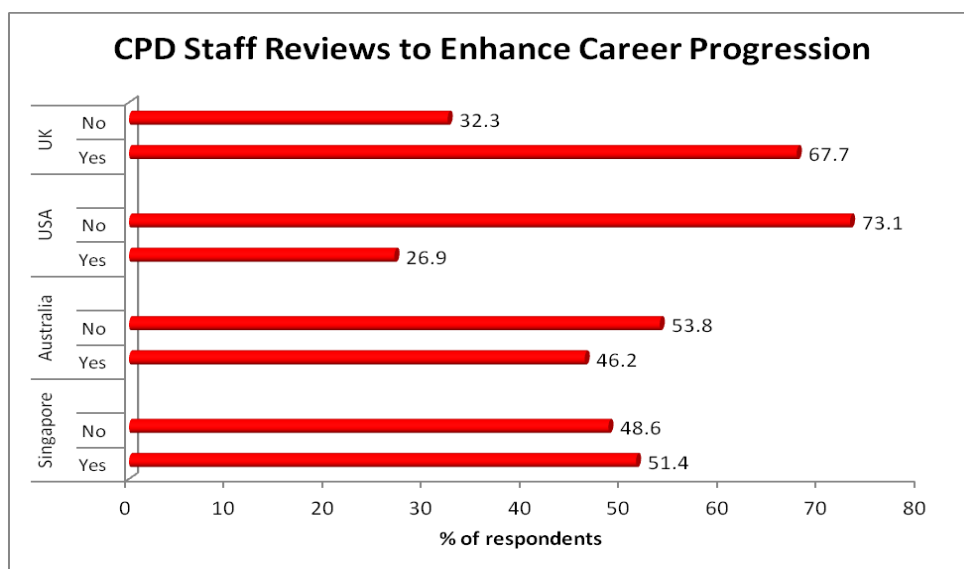
Exhibit 10 – CPD Staff Review: Enhance Career Progression

A similar pattern emerges with staff reviews of CPD activities conducted to enhance personal effectiveness. For example, exhibit 11 shows that the UK had the highest rate of staff involved (74.2%), while the US had the lowest (28.8%), with Australia and Singapore split (50/50).
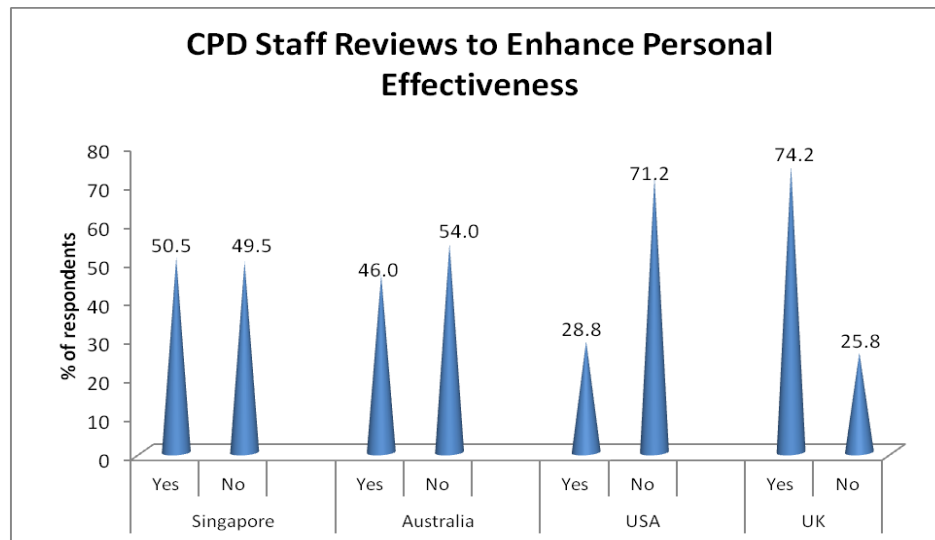
Exhibit 11 – CPD Staff Review: Enhance Personal Effectiveness

4.3 CPD Activities in the last 3 Years

Respondents were asked to identify the range of CPD activities they had undertaken during the last three years. Not surprisingly, there seems to be widespread use of technical and professional updates across all years of accounting experience (see Table 1 below). Overall, on average, an astonishing 95.7% of all respondents had attended this CPD activity during the last 3 years. This suggests that updating technical skills are important to participants no matter what level of experience they hold.

Table 1: Technical and professional updates relevant to my area of work

			Years of experience				Total
			Less than 5 yrs.	5-10 yrs.	10-15 yrs.	More than 15 yrs.	
Yes		Count	38	66	69	118	291
		% within Years of experience	86.4%	94.3%	97.2%	99.2%	95.7%
		% of Total	12.5%	21.7%	22.7%	38.8%	95.7%
No		Count	6	4	2	1	13
		% within Years of experience	13.6%	5.7%	2.8%	0.8%	4.3%
		% of Total	2.0%	1.3%	0.7%	0.3%	4.3%
Total		Count	44	70	71	119	304
		% within Years of experience	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	14.5%	23.0%	23.4%	39.1%	100.0%

According to Table 2, when compared with more experienced accountants, less experienced accountants are moderately less likely to pursue CPD activities which enhance their communication skills. This may reflect the nature of the work activities undertaken by accountants based on their level of experience (e.g. inexperienced accountants less likely to meet with clients). Overall, on average, just over half (55.5%) of all respondents had attended this type of CPD activity during the last 3 years.

Table 2: Activities to enhance communication skills

			Years of experience				Total
			Less than 5 yrs.	5-10 yrs.	10-15 yrs.	More than 15 yrs.	
Yes		Count	17	36	30	54	137
		% within Years of experience	44.7%	59.0%	53.6%	58.7%	55.5%
		% of Total	6.9%	14.6%	12.1%	21.9%	55.5%
No		Count	21	25	26	38	110
		% within Years of experience	55.3%	41.0%	46.4%	41.3%	44.5%
		% of Total	8.5%	10.1%	10.5%	15.4%	44.5%
Total		Count	38	61	56	92	247
		% within Years of experience	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.4%	24.7%	22.7%	37.2%	100.0%

In Table 3, accountants with greater experience were substantially more likely to pursue CPD activities which enhanced their leadership skills compared to less

experienced accountants. This seems to reflect the nature of the work activities undertaken by accountants based on their level of experience (e.g. experienced accountants more likely to be managers and have leadership positions). Overall, on average, just over half (55.6%) of all accountants had attended this CPD activity during the last 3 years.

Table 3: Leadership skill development

			Years of experience			Total
			Less than 5 yrs.	5-10 yrs.	10-15 yrs.	More than 15 yrs.	
Yes	Count	13	31	34	56	134
	% within Years of experience	38.2%	53.4%	58.6%	61.5%	55.6%
	% of Total	5.4%	12.9%	14.1%	23.2%	55.6%
No	Count	21	27	24	35	107
	% within Years of experience	61.8%	46.6%	41.4%	38.5%	44.4%
	% of Total	8.7%	11.2%	10.0%	14.5%	44.4%
Total	Count	34	58	58	91	241
	% within Years of experience	100.0%	100.0%	100.0%	100.0%	100.0%
	% of Total	14.1%	24.1%	24.1%	37.8%	100.0%

On viewing Table 4, there seems to be a consistent low use of CPD activities based on service-related skills development with proportions ranging from approximately one-quarter to one-third. This suggests that developing service-related skills are not a high priority for accountants despite their level of experience. Overall, on average, just under one-third (32.3%) of all accountants had attended service-related CPD activity during the last 3 years.

Table 4: Service-related skills development

			Years of experience				Total
			Less than 5 yrs.	5-10 yrs.	10-15 yrs.	More than 15 yrs.	
	Yes	Count	13	17	12	30	72
		% within Years of experience	38.2%	32.1%	23.5%	35.3%	32.3%
		% of Total	5.8%	7.6%	5.4%	13.5%	32.3%
	No	Count	21	36	39	55	151
		% within Years of experience	61.8%	67.9%	76.5%	64.7%	67.7%
		% of Total	9.4%	16.1%	17.5%	24.7%	67.7%
Total		Count	34	53	51	85	223
		% within Years of experience	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.2%	23.8%	22.9%	38.1%	100.0%

Although there is a slight spike in the 10-15 years of experience cohort, it would seem that accountants across all years of experience attend CPD activities relating to personal development skills at a similar frequency. This implies that personal development CPD activities are not predicated on the level accounting experience of a person. Overall, over half (60.2%) of all accountants had attended this CPD activity during the last 3 years – see Table 5 below.

Table 5: Personal development skills

			Years of experience				Total
			Less than 5 yrs.	5-10 yrs.	10-15 yrs.	More than 15 yrs.	
	Yes	Count	21	37	38	54	150
		% within Years of experience	55.3%	59.7%	65.5%	59.3%	60.2%
		% of Total	8.4%	14.9%	15.3%	21.7%	60.2%
	No	Count	17	25	20	37	99
		% within Years of experience	44.7%	40.3%	34.5%	40.7%	39.8%
		% of Total	6.8%	10.0%	8.0%	14.9%	39.8%
Total		Count	38	62	58	91	249
		% within Years of experience	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.3%	24.9%	23.3%	36.5%	100.0%

According to Table 6, accountants with greater levels of experience are noticeably more likely to pursue CPD activities which develop their IT (software/hardware) skills compared to less experienced accountants. This reinforces the perception that less experienced (read: younger) respondents are more likely to be 'IT savvy' and not need to continually update/develop their IT knowledge. Overall, over half (61.0%) of all accountants had attended this CPD activity during the last 3 years.

Table 6: Information Technology or Software/Hardware skills development

			Years of experience				Total
			Less than 5 yrs.	5-10 yrs.	10-15 yrs.	More than 15 yrs.	
	Yes	Count	16	40	37	60	153
		% within Years of experience	45.7%	62.5%	63.8%	63.8%	61.0%
		% of Total	6.4%	15.9%	14.7%	23.9%	61.0%
	No	Count	19	24	21	34	98
		% within Years of experience	54.3%	37.5%	36.2%	36.2%	39.0%
		% of Total	7.6%	9.6%	8.4%	13.5%	39.0%
Total		Count	35	64	58	94	251
		% within Years of experience	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	13.9%	25.5%	23.1%	37.5%	100.0%

Table 7 below demonstrates how accountants with greater experience are somewhat more likely to pursue CPD activities which develop cultural awareness skills compared to less experienced accountants. However, the vast majority of accountants (ranging from 64.6% to 78.8%) had not undertaken any CPD activities in this area. This reticence may stem from the perception that attending such a course implies that you may be culturally insensitive. Overall, 28.2% of all accountants had attended this CPD activity during the last 3 years.

Table 7: Other skills including development of cultural awareness

			Years of experience				Total
			Less than 5 yrs.	5-10 yrs.	10-15 yrs.	More than 15 yrs.	
	Yes	Count	8	11	14	28	61
		% within Years of experience	24.2%	21.2%	26.9%	35.4%	28.2%
		% of Total	3.7%	5.1%	6.5%	13.0%	28.2%
	No	Count	25	41	38	51	155
		% within Years of experience	75.8%	78.8%	73.1%	64.6%	71.8%
		% of Total	11.6%	19.0%	17.6%	23.6%	71.8%
Total		Count	33	52	52	79	216
		% within Years of experience	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.3%	24.1%	24.1%	36.6%	100.0%

Accountants with 5-10 years accounting experience are the most likely to pursue CPD activities which provide strategies to develop and grow business wealth (45.5%), while the least likely are accountants with less than 5 years of experience (17.6%). It would seem therefore that once accountants have a handful of years of experience (more than 5), they appear more comfortable in their role and seek to develop their skill base via business wealth. Overall, on average, just over one-third (34.5%) of all accountants had attended this CPD activity during the last 3 years (see Table 8 below).

Table 8: Strategies to develop and grow business wealth

			Years of experience				Total
			Less than 5 yrs.	5-10 yrs.	10-15 yrs.	More than 15 yrs.	
	Yes	Count	6	25	18	29	78
		% within Years of experience	17.6%	45.5%	32.7%	35.4%	34.5%
		% of Total	2.7%	11.1%	8.0%	12.8%	34.5%
	No	Count	28	30	37	53	148
		% within Years of experience	82.4%	54.5%	67.3%	64.6%	65.5%
		% of Total	12.4%	13.3%	16.4%	23.5%	65.5%
Total		Count	34	55	55	82	226
		% within Years of experience	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.0%	24.3%	24.3%	36.3%	100.0%

According to Table 9, the notion of developing team building skills strikes a chord with most accountants but somewhat more so with accountants at both the 5-10 years and greater than 15 years of experience. Overall, on average, just over half (56.2%) of all accountants had attended this CPD activity during the last 3 years.

Table 9: Development of team building skills

			Years of experience				Total
			Less than 5 yrs.	5-10 yrs.	10-15 yrs.	More than 15 yrs.	
	Yes	Count	19	35	25	52	131
		% within Years of experience	51.4%	62.5%	48.1%	59.1%	56.2%
		% of Total	8.2%	15.0%	10.7%	22.3%	56.2%
	No	Count	18	21	27	36	102
		% within Years of experience	48.6%	37.5%	51.9%	40.9%	43.8%
		% of Total	7.7%	9.0%	11.6%	15.5%	43.8%
Total		Count	37	56	52	88	233
		% within Years of experience	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.9%	24.0%	22.3%	37.8%	100.0%

Chapter 5 – Developing a CPD Framework

5.1 Recommendations for change

Based on the findings from our research encompassing key stakeholder engagement through focus groups, interviews and surveys we present the following observations and key recommendations:

1. Professional bodies as members of IFAC have developed a range of CPD offerings to suit their members. As CPD is a 'fee for service activity' only those CPD activities that professionals are willing to pay for are offered. The issue here is that a market model does not always deliver the type of CPD which is in the public interest. Our attention is drawn to the need to develop ethical reasoning in practitioners however CPD offerings in this domain may not be offered by some professional bodies, due to the lack of financial feasibility. This leads us to recommend that policy makers offer guidance to CPD providers in the provision of skill enhancement activities that are designed to protect the public interest.

2. Our findings suggest that professional accounting bodies (IFAC members) are not a homogenous group. They have different member numbers, operate in different jurisdictions and are guided by different cultural norms. Collectively these differences manifest themselves in different resources and commitment to IFAC requirements such as, CPD offerings, monitoring and member compliance associated with IES7. This leads us to recommend that IFAC review its membership compliance structures to ensure all member bodies comply with their regulations.

3. We collected data from professional accountants in five very different countries. Data reported reveals diversity in the data set in terms of age, years of experience, job specialisation and career development. A classic example was shown where we reported that "A similar pattern emerges with staff reviews of CPD activities conducted to enhance personal effectiveness. For example, exhibit 11 shows that the UK had the highest rate of staff involved (74.2%), while the US had the lowest (28.8%), with Australia and Singapore split (50/50). It

suggests that to use the term 'accountant' has multiple meanings as a result of this diversity and maybe problematic for a profession trying to promote itself in the minds of broader society. This leads us to recommend that IFAC consider promoting one 'label' that describes financial service professional in a diverse industry.

4. The literature review and data supports the view that most professional accountants view the primary needs of CPD as an opportunity to undertake technical updates and to a lesser extent compliance. To our way of thinking the basic message of the role of CPD be reinforced across a broad range of forums so the profession does not see the role of CPD relegated to the position of compliance rather than ongoing competence development in the form of lifelong learning.

5. To add some support to the need for CPD some respondents also reported that most models do not align CPD to promotion and salary review. It was further suggested in interviews that the link between CPD and employee review was a logical association. To consolidate this relationship we recommend that if one conceptual schema for CPD be developed it should include a review stage that aligns CPD to business growth and salary review. The effect of this association would be to align the business case to CPD which would position CPD at the core of business.

6. There appears to be much debate in the literature about the most appropriate method of CPD assessment, input versus output. While many favour the output approach to assessment of CPD for practitioners, this view is not universally shared in that those at the 'coal face' are not as concerned with theoretical conceptualisations of CPD assessment. For practitioners the business case for the justification of CPD is paramount. Notably CPD is of value if it adds to the skill set of the practitioner which in turn leads to greater added value for clients. In line with this observation from practitioners, we recommend that learning assessment be either via the input or output method, depending what is the most suitable in the circumstance in terms of adding value to the practitioner and the business/client.

7. Finally the majority of the CPD conceptual schemas or frameworks articulated in the literature particularly from professional bodies in other discipline areas tend to

emphasise CPD as a cyclical process. To our way of thinking these schemas have an inherent problem to the extent where if one looks at the schemas it suggests life moves in a circle and as such ignores aspirations and career progression. In response to this observation we recommend that those developing conceptual schemas for CPD ought to consider what we term a 'career path escalator'. This framework has at its core an appreciation that individuals increase their experience and responsibility over time and in doing so move up their career path escalation. Within this schematic approach we draw on the attributes within the CPA Australia model. This schema is articulated in the following section.

5.2 Background to the CPA CGS

While undertaking our research the research team had a number of discussions with CPA Australia regarding their Career Guidance System (CGS) which has been developed following extensive research and member feedback. The CGS has been of particular interest to the research team as it represents a broadly based holistic framework for the professional development of CPA members. While a number of professional accounting bodies have or are developing competency models specifically related to CPD (e.g. ACCA, UK and Society of Management Accountants of Canada – CMA), CPA Australia's model is well-documented and cater for roles across finance, accounting and business fields. Therefore the focus of the development of the CGS has been to recognise this diversity and also recognise that employees do not generally have a linear career progression.

The CGS is a multidimensional measure that is designed to help professional accountants and employers identify and acquire the diversity of skills needed for a rapidly changing business environment. The CGS commences with an online self-assessment tool centred on a business-based framework covering the four core knowledge areas: technical, business, leadership and personal effectiveness (see Figure 3).

The CGS framework is primarily designed to support career developed by providing direction to the resources required to increase knowledge and competencies. The self-assessment is designed to assist in identifying competencies required to

enhance an accountant in their current role, as well as potential opportunities for promotion.

The benefits professed for the CGS are:

- It is a simple way for professional accountants to understand where their skills are at present and what they need to do to assist in achieving career goals.

- It provides suggested resources to help acquisition of relevant knowledge.

- It is easy to use and available to all members.

This framework of career development has also been designed to assist what are termed 'Team Leaders" within organisations in the determination of a team's current development needs and thus rapidly achieve a return on employee training investment.

Figure 3: The CPA Career Guidance System (CGS)

The CGS directs members to a blended mix of learning opportunities. The learning tasks that might well be described as CPD are capable of being mapped so that 'gaps' in skill development are readily identified. Additionally, the CGS is being used internally within CPA Australia to map CPD activities to members.

An important feature of the CGS is that it is designed to promote the accountant as a professional with not only technical skills (making up 25% of the total skill set in the model) but also an individual with a range of business skills, personal effectiveness attributes as well as leadership. The program is described as a 'fluid approach not a silo approach' to professional and career development. This is emphasised by the layers within each of the quadrants. The system is designed to be operational at a range of levels up to and including CEOs and CFOs and levels of competence from a novice

level to Expert. It is recognised however that some programs will provide generalist knowledge relating to contemporary issues on a topic and suitable for all competency levels.

In summary, as a framework for a holistic professional development program, CPA Australia emphasised that the CGS is a communication tool designed to assist in the development of good quality education of its members.

5.3 Proposed CPD Framework

There are many reasons for organisations such as accounting bodies and employers to offer CPD courses to their members and employees. Essentially however our research suggests that the real value of CPD is to ensure that accountants develop and maintain their knowledge, skills and competencies to practice throughout their careers within their specialist area of work/practice. Further, our study demonstrates that CPD has the potential to improve personal performance and enhance career progression. Though the link between performance enhancing CPD and career progression has received little attention in the literature, the framework that follows is designed to address this void. In addition, we argue that if the link between CPD and career progression were widely applied/accepted this would help move some away from a CPD compliance mentality to a healthier appreciation of the value of CPD.

When designing a CPD model, a number of considerations need to be considered such as ensuring the framework is practitioner and job-centred, self-directed, and lead to outcomes which meet the specific goals and objectives of the individual practitioner.

Establishing a CPD framework

The theoretical framework encompassing the CPD has been developed using well-tested principles of learning and continuous quality improvement. The CPD model draws heavily on Kolb's (1984) theory of cycles of learning which describes how people learn and handle day-to-day situations in their lives. It also draws on the CPD models that we became aware of during the course of our research.

Kolb (1984) suggests a four stage cycle of experiential learning where individuals: (i) have a new experience; (ii) reflect on that experience; (iii) draw some conclusions; and (iv) act differently as a result of the experience. When developing the CPD model another aspect to consider is that sustainable learning, which is the goal of CPD, is maximised when the learning is seen as meeting identified and existing needs which are then reinforced through practice.

According to Davies (IFAC, 2008), Kolb's learning cycle suggests that:

> "... it is not sufficient to have an experience in order to learn. It is necessary to reflect on the experience to make generalizations and

formulate concepts which can then be applied to new situations. This learning must then be tested out in new situations. The learner must make the link between the theory and action by planning, acting out, reflecting and relating it back to the theory."

Not surprisingly, many professional bodies utilise the centrality of Kolb's work with their CPD models which either fully integrate, or utilise some adaption of it in their approach. In keeping with this, the proposed model (see Figure 4: Macro model) adopts a 4 step path for each of its stages (stage 1: beginner; stage 2: competent; stage 3: proficient; stage 4: expert). Figure 4 demonstrates the impact the CPD model has on the overall relationship between knowledge and skills against work responsibility (keeping all other things constant, or ceteris paribus). The framework shows successful individuals are on a career escalator where this relationship is depicted by a line that slopes upward to the right. It shows that the participant's knowledge and skills increase across each step (plan, action, evaluate, and reflection) of the 4 step path. Further, the diagram establishes that the participants level of work responsibility and salary increases once a successful performance evaluation has been established. This schema can be differentiated from other CPD models which are typically depicted as a circle which is counter intuitive as many professionals progress upwards during their working life rather than move in a circular motion. This 4 step path of the CPD model is detailed below.

Explaining the 4 step path of the CPD stages

Plan The first step involves setting targets via the development of a personal plan. The plan should list the activities that will meet identified learning and development needs and goals of both the individual and the employer. Although learning goals can be short-term or long-term, it is important that they be clear, specific, measurable, achievable, relevant, and time based (Rouse, 2004). Typically, participants can identify gaps in their competence, and work out ways to best address these gaps, keeping in mind their specific level and work responsibilities. For instance, what activities they are going to participate in, what they think it will achieve and what they think the results will be.

Action Putting the plan into action is the second step. The activities chosen should not be used merely to meet a mandatory "hour requirement" as has been the case with previous accounting based CPD models. Rather, the goal should be to ensure that the chosen CPD activity builds on previous knowledge and quality-assured. This step should be developed with the employees' line manager to ensure the learning activity meets the identified needs of the participant and the business. In this sense CPD should be supported by the business case to the extent that money and time invested in CPD should have a positive net present value for the employer and employee. The return for employee is movement up the career path escalator and for the employer and increase in the charge out rate for services rendered.

Evaluate. Ideally, evaluation will occur through a formal, structured and proactive process. According to Rouse (2004), evaluation should consider: (1) if and how well the learning and development objectives have been achieved; (2) how appropriate and effective the plan was; (3) how well the activities undertaken correlated with the plan; (4) if the methods of learning were appropriate; (5) what impact there has been on knowledge, skills, competence, and confidence; (6) if and how practice has changed; and (7) if there were improved outcomes as a result of the activities (were desired competencies achieved).

Depending on the organisational approach, assessments can be flexible with the participant, their peers or a supervisor / manager undertaking this role. Ideally, the latter is preferred as they will be able to objectively identify any aspects that require further work. The successful completion of this step leads to the participant being ready to take on further work responsibilities and promotion. This is demonstrated in Figure 1 by the rise in the career path escalator at the end of the evaluation task. This leads to the next step of the CPD model, reflection.

Reflect. An integral part of the CPD model, reflection has been viewed as a quality check point. It requires the employee/ practitioner to reflect on a number of things: (i) personal and organisational needs; (ii) goals for professional development; and (iii) assessment of their knowledge, skills, and competence. Reflection is important to learning since it can lead to what Mezirow (1990) claims to be 'transformative learning'. Given the complex nature of this step, assessment can occur individually or amongst peers. This may take the form of reflective question templates that involve individual reflection, as well as reflection in dialogue with a peer (Rouse, 2004).

Within this stage of the model we incorporate performance evaluation as a proposed means of forging a link between CPD and career progression. In an operational context the link between increased skill levels and level of responsibility is also linked to changes in remuneration and conditions and so on, as an individual progress in their career on the escalator. The end of the reflection stage is followed by the design of a new plan based on updated learning and development needs and goals reflecting the continuous nature of the CPD.

Figure 4: CPD Career Path Escalator – Macro Approach
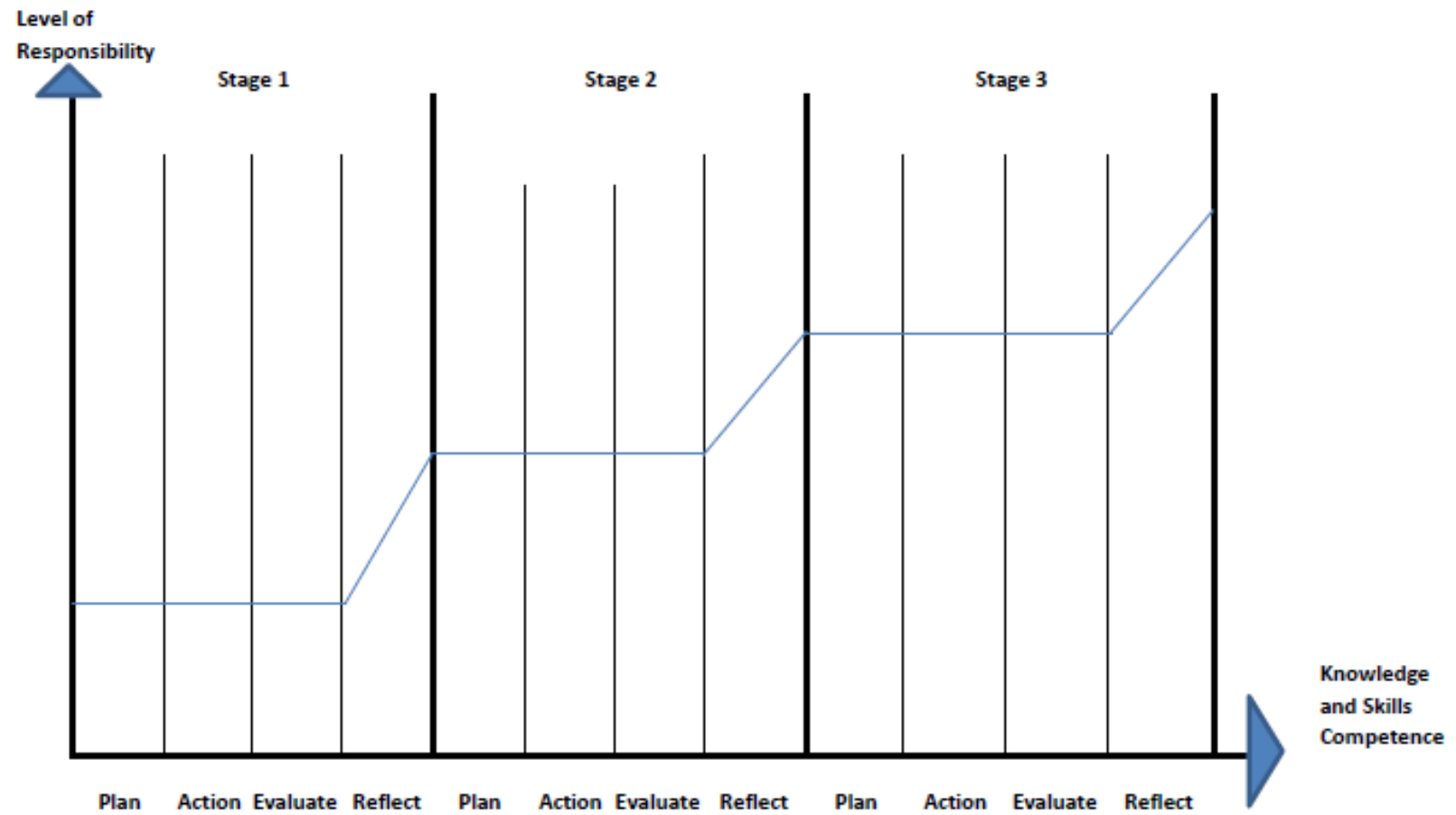
As important as it is to develop a CPD model that adopts a broad overview of the CPD stages (macro approach), it is imperative that such a model still takes into account each phase of the individual's CPD activity cycle. This is depicted in Figure 5 below which refers to the components within each stage. It is acknowledged that not all individuals are on a career path escalator in that they are not seeking career progression. For these individuals remaining technically competent over time is their primary career motivator and escalation is not part of their intended career path. Where career progression is not an objective the 'gradient or slope' of the escalator becomes flatter but the basic principles in the career path escalator remain the same. We maintain this view as the basic principles of professional development and competency maintenance over time are necessary pre-conditions to protect the public interest.

CPD Model – A micro approach

As demonstrated in Figure 5 below, each stage is divided into 4 core knowledge components: ***personal effectiveness; leadership; business; and technical.*** This approach allows practitioners to consider both a short-term and long-term outlook on their career goals on the career path escalator. For example, if the practitioner wants to improve their specific technical skills within their existing role (short-term objective) then they will opt to only focus on the technical aspect of the CPD model. After an initial assessment, the practitioner's competence level will be determined and they will be assigned a stage level from which to begin their CPD path. Alternatively, if the practitioner aspires to long-term goals (such as promotion) then they may wish to undertake competency self-assessments in all four components prior to beginning their CPD journey. The 4 core knowledge components have a number of sub-components to ensure that the component is adequately addressed. Within each stage of development are subcategories detailed in Figure 4, most notably, ***plan, action, evaluate, and reflection.***

The levels of competencies assigned are as per CPA Australia: ***developing; competent; proficient; and expert***. Once the level of competency is established, development activities (suggested learning resources) are offered to help achieve their short-term and long-term career goals such as courses, readings and on the job

experience. These activities should occur at reasonable intervals and be aligned with their personal development plan which would typically include salary review.

Figure 5: CPD Career Path Escalator – Micro Approach
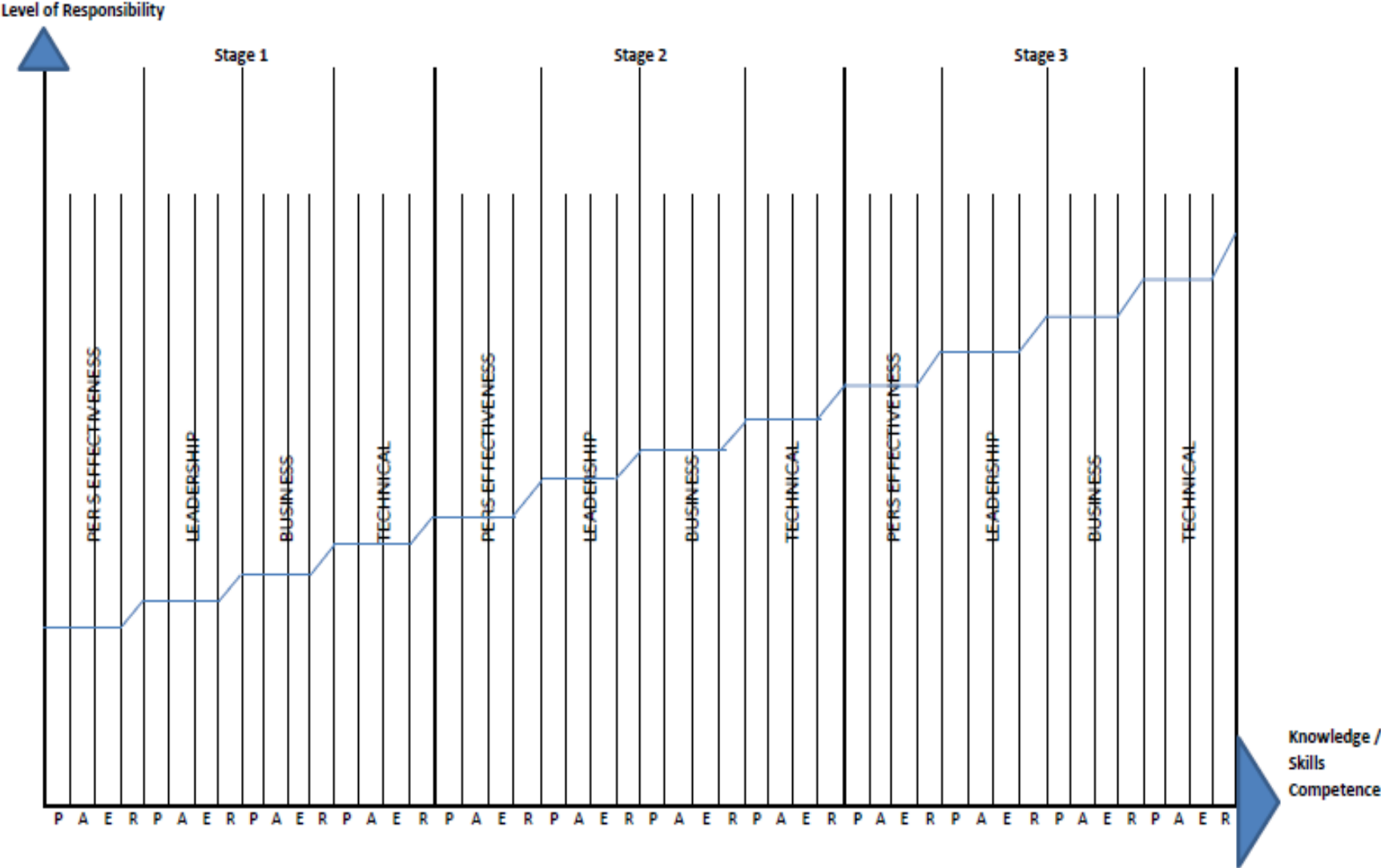
5.4 Conclusions

This study provides a greater an understanding of CPD from the provider and user perspective from a range of countries. The focus group and interviews, together with a review of the literature, provided the framework for the survey of members of various accountancy bodies in five different countries.

The study was informed by feedback from the representatives of the IAAER/ACCA at the 2 progress meetings held in June and November 2011. Furthermore, the study incorporated interviews with a sample of representatives from professional accounting bodies and practitioners from a number of locations as a means of gathering information around CPD structures and issues.

This research is designed to provide information to the IAESB in achieving policy objectives.

Based on the results of this study it is recommended that:

- Policy makers encourage providers of CPD to offer career development that assists the profession to protect the public interest.

- IFAC reviews its membership compliance structures to ensure effective member compliance to rules and regulations.

- IFAC consider promoting one 'label' that describes financial service professional in a diverse industry.

- The basic message of the role of CPD be reinforced across a broad range of forums so the profession does not see the role of CPD relegated to the position of compliance rather than as an ongoing competence development in the form of lifelong learning.

- If one conceptual schema for CPD is to be developed it should include a review stage that aligns CPD to business growth and salary review. The effect of this association would be to align the business case to CPD which would position CPD at the core of business.

- Learning assessment be either via the input or output method, depending what is the most suitable in the circumstance.

- Those developing conceptual schemas for CPD ought to consider a 'career path escalator'. This framework has at its core an appreciation that individuals increase their experience and responsibility over time and in doing so move up or along their career path.

Finally, it needs to be noted that our schema is depicted as sloping upward to the right and in doing so we presume that individuals are motivated to undertake career progression. We do recognise however, that for a variety of reasons, many individuals are not driven by career progression and for these individuals the slope would be more gradual or flatter.

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Appendices

Appendix 1, 2, 3: Interview Details and Sample Questions

Appendix 4: Survey

Appendix 1 – CPD Providers

DRAFT INTERVIEW QUESTIONS

(CPD Providers: professional accounting bodies/large organisations e.g. professional service providers)

Background statement:

The aim of this study is to develop a framework of Continuing Professional Development (CPD) focussing on the CPD needs of professional accountants The project aims to identify how CPD should differ across the roles and levels of organisational responsibility of accounting professionals.

1. What do you perceive as your organisation's role in offering CPD

    Prompts: updating of skills; preparing individuals for change in roles; advancement of the profession; protecting the public interest.

2. What frameworks/theories of CPD (if any) underpin the CPD activities that you offer to members/employees?

3. How are offerings of CPD determined?

    Prompts: based around theoretical framework; your organisation's ability to offer the CPD (supply); the requirements of members (demand); offerings by other providers.

4. How does your organisation via CPD, cater for the different levels of professional status of members e.g. early career versus advanced career?

    Prompts: a stage approach to CPD – novice to expert; a needs based approach.

5. How does your organisation gauge the needs of professional accountants for CPD, in terms of specialist areas of knowledge?

    Prompts: for example, auditing which has different functional levels?

6. What processes does your organisation have in place for monitoring/reviewing CPD of members?

> Prompts: members keep a diary of activity; random audit of members.

7. To what extent/if any, does your organisation work with employers to determine a holistic approach to CPD that meets the needs of the firm(s), in addition to the CPD needs of members?

APPENDIX 2

DRAFT QUESTIONS (Focus Groups)

Note: At the commencement of the Focus group each participant will be asked to complete an information profile. This document will gather information about the background on each participant, including, occupation, organisational role, years of experience, types of CPD completed in the past 3 years.

Background statement:

The aim of this study is to develop a framework of Continuing Professional Development (CPD) focussing on the CPD needs of professional accountants within specific professional accounting functions, such as audit engagements, taxation services and others. In doing so the project aims to identify the impact on CPD of different roles and levels of organisational responsibility of accounting professionals. Accordingly, this focus group addresses attitudes, behaviours and preferences (including discussion of effectiveness and efficiency of a CPD approach compared with a traditional continuing education approach to maintenance of competency

Attitudes toward CPD

Aim: To have participants freely share their experiences and opinions regarding CPD in accounting:

1. What is your primary motivator(s) for undertaking CPD?

2. Should CPD activities be focussed on the individual's professional development or should the needs of the organisation also be incorporated in determining CPD?

3. Do you undertake systematic CPD review that is aligned to salary review and career progression?

Actual behaviours:

4. Do you undertake systematic CPD planning development provided by CPA Australia designed for different individuals with differing skill levels?

5. Have you used a holistic Career Guidance System (such as that offered by CPA Australia) to plan your CPD activity?

      Prompts: awareness of the CGS; why or why not used.

6. What are the main obstacles for CPD participation?

Preferences for CPD approach.

Preferences for types of CPD

      Prompts: on line; face to face

Determining assessment/measurement of CPD

      Views on output based activities and input based activities.

      How effective and efficient are CPD activities (consider also the role of 'on the job training')

APPENDIX 3
Revised questions for large firms offering CPD.

1. What do you perceive as your organisation's role in offering CPD

   Prompts: updating of skills, preparing individuals for change in roles, advancement of the profession, protecting the public interest.

2. What frameworks/theories of CPD (if any) underpin the CPD activities that you offer to employees?

3. How are offerings of CPD determined?
   Prompts:
   - based around theoretical framework
   - Your organisation's ability to offer the CPD (supply)
   - The requirements of employees(demand)

4. How does your organisation via CPD, cater for the different levels of professional status of employees e.g. early career versus advanced career?

5. How does your organisation gauge the needs of professional accountants for CPD, in terms of specialist areas of knowledge?
   Prompts: for example auditing which has different functional levels?

6. What processes does your organisation have in place for monitoring/reviewing CPD of employees?
   Prompts:
   - Employees keep a diary of activity
   - Part of performance review process

7. Specifically in terms of competence requirements for Audit Professionals does your organisation provide developmental programs addressing the following:
   a. Applying relevant audit standards
   b. Evaluating applications of relevant financial reporting standards
   c. Activities that are designed to advance abstract logical thought and critical analysis
   d. Activities that advance professional scepticism
   e. Activities that require application of professional judgment
   f. Activities that relate to withstanding and resolving conflicts

8. Scope of the IES 8 standard. To what extent do you believe it has been adopted by member bodies? If so, in what way?

9. As IES 8 deals with the competence requirements for audit professionals do you foresee that further IESs will be issued for other specialist areas of accounting e.g. tax, forensic accounting etc.?

RMIT UNIVERSITY　　　　　　　　　**VICTORIA UNIVERSITY**
MELBOURNE AUSTRALIA

Questionnaire - CPA Australia National Congress

CPA Australia – Delegates
Note: this questionnaire will not take any longer than 5 minutes to complete

1.　What is your gender?
☐ Male　　　　　　　☐ Female

2. What is your age group?
☐ Below 25 years　　　☐ Between 26-35 years　　　☐ Between 36-45 years
☐ Between 46-55　　　☐ Above 55 years

3.　How many years of experience do you have working as a qualified accountant?
☐ Less than 5 years　　　☐ Between 5-10 years　　　☐ between 10 -15 years
☐ More than 15 years

4.　What industry best describes the organisation where you are presently employed?
☐ Professional accounting services　　☐ Diversified/Multi-industries　　☐ Government and Non-Profit Organisations
☐ Commerce　　　　　☐ Construction　　　　　☐ Computers and IT
☐ Education　　　　　☐ Finance　　　　　　☐ Leisure and Entertainment
☐ Manufacturing　　　☐ Minerals and Resources　☐ Properties
☐ Service　　　　　　☐ Transportation　　　　☐ Other

5.　How many employees are there in your organisation?
☐ Less than 50 employees　　☐ 51-100 employees　　☐ 101-500 employees
☐ More than 500 employees

	YES	NO
6.　What areas of CPD have you undertaken in the last 3 years? [please tick all that apply]		
a.　Technical and professional updates relevant to my area of work	☐	☐
b.　Activities to enhance communication skills	☐	☐
c.　Leadership skill development	☐	☐
d.　Service-related skills development (e.g. client relationship, etc.)	☐	☐
e.　Personal development skills (e.g. decision making skills, etc.)	☐	☐
f.　Information Technology or Software/Hardware skills development	☐	☐
g.　Other skills including development of cultural awareness	☐	☐
h.　Strategies to develop and grow business wealth	☐	☐
i.　Development of team building skills	☐	☐
j.　Others, please specify: _____	☐	☐

7. Have you used the Career Guidance System (CGS) provided by CPA Australia to plan your CPD activities in 2011?
☐ Yes　　　　　　　☐ No

IF YES which aspects have you used:
(tick one or more boxes)

    Leadership   ☐

    Technical   ☐

    Business   ☐

    Personal Effectiveness ☐

If NO:

    Didn't know CGS existed   ☐

    Didn't find CGS useful   ☐

    Other (please specify)_____

8. Does your organisation undertake staff reviews that align CPD planning and action, to:

    Tick one response for a) to d)

        a)   Improve your technical skills   Yes ☐   No ☐

        b)   Improve your non-technical skills Yes ☐   No ☐

        c)   Enhance your career progression Yes ☐   No ☐

        d)   Enhance your personal effectiveness Yes ☐   No ☐

If you answered yes to any of the above, please provide a brief description of how your CPD activities:

    Improve your skills _____

    Improve your leadership _____

    Improve your career progression _____

    Have any of these improvements resulted in a salary increase?   Yes ☐ No ☐

9. Have you completed any CPD activities in the last 3 years that have involved formal assessment?

    ☐ Yes   ☐ No