



ICPAK CONTINUING PROFESSIONAL DEVELOPMENT (CPD) POLICY

ACRONYMS

SMO Statement of Member Obligations

IFAC – International Federation of Accountants

T&D - Training & Development Unit

MSC – Member Services Committee

IEs – International Education Standards

1.0 POLICY STATEMENT

The Institute of Certified Public Accountants of Kenya (ICPAK) has a mandate bestowed upon it by the Accountants Act No.15 of 2008 - Laws of Kenya, to develop and regulate accountancy in Kenya. Additionally, as a member of International Federation of Accountants (IFAC), ICPAK has more responsibilities as outlined in various International Education Standards (IESs) for professional accountants and Statement of Member Obligations (SMOs) in maintaining the lifelong learning among professional accountants. This mandate of the Institute is discharged through Member Services Division of the Institute - the primary focus being delivery of quality, relevant and up to date Continuing Professional Development (CPD) programs to its members.

2.0 SCOPE

The CPD Policy shall guide all processes and decisions involved in conception, development, implementation, and evaluation of the Institute's CPD events. Further, the policy guides recognition and categorization of CPD events and award of CPD Units earned by members of the Institute. In addition, the CPD policy provides for accreditation of trainers and training institutions. This policy shall be used in conjunction with the Institute's strategic plan, the Training and Development strategic plan and any other related policies that may be issued by Council from time to time.

3.0 GUIDING PRINCIPLE

The policy guidelines contained herein are based on Revised International Accounting Education Standard Number 7 (IES 7- *Continuing Professional Development*) which took effect from January 2014 and

International Accounting Education Standard Number 8 (IES 8 – *Revised Professional Development for Engagement Partners Responsible for Audits of Financial Statements*). This policy also takes into consideration a fundamental principle of the ICPAK's Code of Ethics for Professional Accountants that states that:

“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 the advantage of competent professional service based on current developments in practice, legislation and techniques. A professional accountant shall act diligently and in accordance with applicable technical and professional standards in all professional and business relationships.”

4.0 OBJECTIVES

This policy has the following as its core objectives:

1.1.1 Set standards for preparation and delivery of Continuing Professional Development for the Institute's members.

1.1.2 Adhere to the International Federation of Accountants (IFAC) standards and Statements of Members Obligations (SMOs)

1.1.3 (Specifically) Adhere to International Accounting Education Standards (IES); and

1.1.4 Provide for quality control for CPD events organized by organizations accredited by ICPAK to offer alternative CPD opportunities for Members

5.0 CONTINUOUS PROFESSIONAL DEVELOPMENT

Continuous Professional Development (CPD) is used by ICPAK to describe the learning activities that professional accountants engage in to develop and enhance their abilities. A deliberate CPD program promotes life-long professional development through learning as conscious and proactive rather than passive and reactive activity.

ICPAK CPD combines different methodologies to learning such as workshops, conferences, seminars, e-learning programs, and professional forums; all focused to an individual to improve capacity and sharpen his/her professional competencies. Engaging in CPD activities ensures that both academic and practical qualifications do not become outdated or obsolete allowing individuals to continually 'up skill' or 're-skill' themselves, regardless of occupation, age or educational level. Enforcement of the Institute's CPD program is supported by By Laws 34 which states as follows:

In order to maintain and improve technical skills and abilities amongst members of the Institute, the Council may issue, and the members shall accept regulations concerning Continuing Professional Development. Members are required to observe the following regarding the Continuing Professional Education:

i) Members of the Institute shall be required to, at the end of each year, furnish the Institute with information on their Continuing Professional Development activities for each year, not later than three months after the end of that year.

ii) In the event that the member has failed to comply with the laid down regulations concerning Continuing Professional Development requirements, existing at the time, they shall be required to ensure such compliance is achieved in the ensuing calendar year.

iii) Members of the Institute who are classified as Retired Members, as may be defined from time to time, but continue to practice as auditors shall for the purposes of this provision not be considered as members in retirement.

A member who fails to comply with these provisions shall be deemed guilty of Professional Misconduct as prescribed by the Accountants Act No. 15 of 2008 in Section 30 (1) (h) and shall be liable to disciplinary action.

6.0 IMPORTANCE OF CPD

All members owe it to themselves, and their fellow professionals, to ensure that they are professionally up to date and that the reputation and value of their qualification is safeguarded. CPD programs enhance capacities and competencies of CPAs to discharge their professional duties. The aim of Institute's CPD programme is to equip CPAs with relevant and appropriate skills in to improve their output in current positions as well as develop them to provide innovative strategic leadership including value-based decision making.

7.0 COMPLIANCE WITH CPD REQUIREMENT

Each and every member of ICPAK shall have on average of at least 40 CPD Units per year computed as an average of CPD hours earned per year in the immediate past three years or proportionate period in the case of new members. Of the 40 units in each annual cycle 25 units shall be structured and 15 unstructured CPD.

A member shall be deemed to be in Good standing if they have a total cumulative CPD point of 120 for the current three years.

8.0 CATEGORIZATION OF CPD UNITS

Qualifying CPD Units are broadly in two categories, that is, structured and unstructured. A personal programme of CPD should be made up of attendance of both structured and unstructured or non-structured CPD events.

8.1 Structured CPD Activities

Structured learning activities are measurable and verifiable activities that are designed to impart specific knowledge. To be acceptable as structured, a course must demonstrate all of the following attributes:

- The presenter must have qualifications, in-depth knowledge and experience appropriate to the subject to be presented; this should be fully documented in any course plan. Such presenters are either on ICPAKs accredited list of trainers or hold qualifications and competencies that qualify them for accreditation.
- There must be pre-prepared course notes and a course outline which participants can retain for future reference.
- The presentation shall be interactive, allowing participants to ask questions and to discuss points of interest or concern.

Awarding Structured CPD Hours

Structured CPD activities shall be awarded CPD units as per their categories as follows:

Category A:

All courses mounted by ICPAK or by other Professional Accountancy Organizations (PAOs) fall under this category. The qualifying units are those indicated by ICPAK or the PAO provided no single event shall exceed a total of 20 CPD Units.

Category B:

Courses under this category are courses mounted by other organizations, courses mounted by other competent professional regulatory bodies other than PAOs and courses offered by a competent authority (*refer to annex 1 for definition of competent authority*). This category shall include institution under MoU with the Institute and the Association of Women Accountants of Kenya (AWAK).

Events in category B shall qualify for up to a maximum total of 10 CPD Units in any given calendar year.

Category C:

The following activities also qualify for structured CPD credits:

- i. Diploma, Bachelors, Masters and PhD studies or research and lecturing in Accounting related courses (subject to credit being given only for the first presentation). In such a case, CPD hours shall be calculated for active hours of presentation subject to a maximum total of 5 structured CPD Units for up to a maximum of three years.
- ii. Presenting papers at accounting conferences in which case active presentation hours for such events will be calculated and awarded accordingly subject to a maximum total of 5 Units in any given year.

- iii. Research and writing technical articles or books for publication. In such a case, CPD hours shall be calculated based on the active hours of writing subject to a maximum total of 5 structured CPD units in any given year
- iv. Serving as an Examiner of KASNEB or any other professional accountancy examining body subject to a maximum total of 5 structured units per year.

General Rule:

A member shall have at least **20** CPD hours earned from Category A of structured CPD hours to be compliant with the structured CPD hours requirement. The remaining 5 structured CPD hours can be earned from either category B or C.

Competence-based trainings

ICPAK Members are required to attend competency-based trainings based on their area of specialization or practice to be part of good standing. For instance, a member in Management Accounting realm must attend a CPD event on Management Accounting to qualify to be in good standing.

CPD Hours Accrued from Virtual Trainings

CPDs filed by members for virtual trainings not organized by ICPAK will be awarded up to a maximum total of 5 structured CPD hours in a year under category B.

CPD Hours from In-House Trainings

CPD hours awarded for In-house trainings organized outside the premise of ICPAK (employer organized for its staff) shall qualify for up to a maximum of 5 CPD Hours in a year under category B.

Mandatory Trainings for Practitioners and Holders of Multiple Licenses

Practitioners, applicants, and holders of multiple licenses need to comply with this category by attending the mandatory trainings depending on the area of specialty. Below are the categories:

1. Category A License

This is a license that includes Auditing & Assurance. Applicants of this license must comply with at least two (2) trainings of a total seven (7) CPD Hours each day. For renewal of the license, holders must attend at least one (1) of the mounted CPD programmes as determined by Council.

2. Category M License

This is a license for Accounting, Controls and Management Consultancy. Those intending to practice in Internal Audit, Risk Management and Forensic Audit will be licensed under this category. Applicants of this license must comply with at least two (2) trainings of CPD programmes as determined by Council of seven (7) CPD Hours each day. For renewal of the license, holders must attend at least three (3) CPD programmes as determined by Council.

3. Category T License

This is a license for those intending to practice taxation only. Part of the mandatory trainings for the category will include all Tax trainings as determined by Council and KRA. Applicants of this license must comply with at least two (2) trainings of a for renewal of the license, holders must attend CPD programmes as determined by Council of seven (7) CPD Hours each day. For renewal of the license, holders must attend atleast three (3) CPD programmes as determined CPD programmes by Council

4. Category C License

This is a composite license. Holders can practice specializations for A, M and T Licenses. Mandatory trainings for applicants of the license include two (2) from category A License, one (1) each from category M and T Licenses. Applicants of this license must comply with at least four (4) mandatory trainings as determined by Council. For renewal of the license, holders must attend at least three (3) CPD programmes as determined by Council from the CPD programmes that is one (1) from each category of license- A, M & T.

NOTE: Members who wish to go into practice or apply for multiple licenses must comply with the existing CPD requirements for ICPAK members and further comply with different licensing for the selected area of practice.

Under the multiple licenses, a firm no longer refers to an entity practicing audit. A firm refers to any entity that has been granted any type of license from ICPAK under the different categories (A, M, T & C).

8.2 Unstructured CPD Units

As a rule of thumb, all other forms of self-improvement in terms of skills and competencies that do not fall in the structured categories will form the Unstructured CPD Units. The following are examples of unstructured CPD Units

- All trainings where certificates were not awarded
- Reading business sections of newspapers, professional journals e.g. The Accountant, Financial Mail, The Economist, etc.
- Watching technical Videos and DVDs and attending motivational talks
- Self-Study that results in Professional Development
- Professional networking session.

For each unstructured CPD activity, a member (and not the trainer or organization) will file his/her CPD returns online on Institute web portal. A single Unstructured CPD activity shall earn him/her not more than 5 CPD units per year. Members are required to attain a maximum of 15 unstructured hours per year.

9.0 GRACE PERIOD & REINSTATEMENT

Grace Period:

In line with the Institute bylaws statement no. 6 clause 34 (ii), in the event that a member has failed to comply with the laid down regulations concerning CPD requirements existing at the time, they shall be required to ensure such compliance is achieved in the ensuing calendar year.

Reinstatement: Those applying for reinstatement, who have voluntarily or involuntarily lost their membership or come out of retirement or inactive status shall be treated as "new members". Their reporting period for CPD requirements begins in the calendar year following their reinstatement.

Those who wish to be reinstated after deregistration or suspension of license due to non-compliance with these guidelines will have to show proof of having complied before they can be reinstated unless the requirement is waived by Council.

10.0 SANCTIONS

Non-compliance with the CPD policy will result in the following measures:

- Non-renewal of practicing certificates for those in practice.
- Communication with the employer informing her of the state of non-compliance by the staff.
- Referral of the case for Disciplinary action and will be subject to the existing disciplinary procedures.
- Disqualification from contesting for any elective post at the Institute.
- Denial of renewal or processing of a practicing license.
- Disqualification from serving in any committee, work group or taskforce of the Institute and withdrawal of such membership where it had previously been awarded.
- Disqualification for commendation or consideration of the award of Fellowship of the Institute and withdrawal of such commendation or bestowment where noncompliance occurs after award.
- Revocation and/or refusal to nominate such a member to a board or a committee for which ICPAK members are required by law to sit or are invited to do so.
- Referral to the disciplinary committee for further action in tandem with sanctions and penalties provided under the Accountants Act.

11.0 DOCUMENTATION AND RECORDS RETENTION

Members shall send a report or return to the Institute detailing the CPD programs they have taken each year. This shall be within one month from the end of the year and will apply to CPD events not organized by the Institute.

In every CPD year, a CPD return form shall be sent to members by 31 December and returned to the secretariat by 31 January of the following year. Members of the Institute bear the primary responsibility of documenting that they have complied with the CPD requirements. Each member shall be expected to retain evidence of compliance with CPD policy requirements for a period of five years. CPD hours not filed with the Institute by 31st January of the subsequent year will not be recognized.

12.0 EXEMPTIONS

General - Members may apply for a waiver if they are prevented from fulfilling the CPD requirements for the reasons set forth below:

- 1) Foreign residency - provided that there is no professional Institute in the country of residence and there are no opportunities to attain CPD in the current country of residence.
- 2) Health - provided that this is supported by a medical certificate issued by a qualified medical doctor.
- 3) Other similar hardship - provided that the nature of the hardship and the reason why it prohibits fulfilling the CPD requirement are found to be acceptable within the International Education Standards (IES) for professional accountants and any related policy and/or guidelines.

Such requests must be submitted in writing to the Member Services Division of the Institute. The exemptions shall be granted or denied with documentary backing by the Exemption Committee convened by the Chief Manager, Member Services and comprising the Convener of the meeting, the Manager, Training and Development, Manager, Professional Standards and/or Manager, Manager, Compliance function. The decision reached will be final and **MUST** be communicated to the concerned member in writing within 5 working days after the exemption is granted. Exemption committee members will meet on quarterly basis or when need arises. The exempted member shall be expected to give a minimum of semi-annual update to the Institute on the status of the condition that qualified them for exemption. Upon change of the status that qualified the member for exemption, the member will be required to resume CPD activities and comply with the CPD compliance requirement in the subsequent calendar year.

Note: Members who are retired or exempt for any part of the year are exempt for the full year.

13.0 AWARD OF CPD HOURS TO COUNCIL MEMBERS, COMMITTEE MEMBERS, INSTITUTE'S TRAINING FACILITATORS AND SESSION CHAIRS

Cognizant of the fact that members of Council and various Council Committees of the Institute dedicate their time to the Institute's affairs on a voluntary basis and the activities of council and committees constitute an acquisition and/or expansion of knowledge relating to the accounting profession, it is thus only reasonable to award them CPD hours to relieve them of the responsibility of having to set aside more time and resources to attain the required CPD hours per annum.

This section seeks to provide guidance on processes and procedures that are to be followed in awarding Continuing Professional Development (CPD) hours to members of the ICPAK Council and members who serve in various committees of the Institute

13.1 Qualified Members of ICPAK Council and Committees

The qualified Members of ICPAK Council and the various committees are defined as follows:

(a) Council

Members of Council who are registered members of the Institute shall be awarded two structured CPD hours per Council Meeting.

(b) Committees & Work groups

Members of ICPAK Committees & Work groups who are registered members of the Institute shall be awarded two structured CPD hours per committee or work group meeting.

(c) Attendance of external professional meetings by Institute representatives

Where a council member or representative attends an international meeting to represent ICPAK either at IFAC, IAASB, IASB, or PAFA, they can present evidence of their attendance and period to the Institute and the Training & Development will be awarded two CPD hours per sitting.

13.2 Award of CPD Hours for Resource Persons at ICPAK Events

- i. For virtual training courses, resource persons who are members of ICPAK will be awarded CPD hours that the training carries.
- ii. For physical trainings, resource persons who are members of ICPAK will be awarded up to a maximum 5 Structured CPD hours per session of presentation.

ANNEX 1:

Competent Authorities

Competent Authorities include all government and non- governmental organizations whose mandate include capacity development of government employees or employees in a sector.

They include:

1. Kenya School of Government
2. Kenya School of Monetary Studies