



**CONTINUOUS PROFESSIONAL
EDUCATION IN THE EUROPEAN
ACCOUNTANCY PROFESSION
*A SURVEY OF CURRENT PRACTICES***

October 2007

PREFACE

Continuous professional education should be first and foremost an individual discipline of all professional accountants who want to deliver high quality services to their clients. Most FEE Member Bodies have adopted professional standards defining minimum requirements. Also the EU Directive on Statutory Audit requires Member States to ensure that statutory auditors maintain their competence at a sufficient high level throughout their professional career. Therefore, it is the appropriate moment for FEE to survey current practices in Europe.

The Education Subgroup chaired by Professor Wim P. Moleveld carried out the survey which was approved by the FEE Council. I would like to thank those who contributed to this work including correspondents in the Member Bodies who provided the core information.

The vast majority of European professional bodies of accountants are actively engaged in the field of continuous professional education. The overall conclusion of the survey is that most standards issued by FEE Member Bodies comply with the requirements of IFAC. However, education and competence are not only, nor mainly, about compliance with standards. At a time the business context, technologies and regulations change so rapidly, continuous professional education is a priority for every professional accountant and is to be expected from anyone holding such a professional title.

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1. INTRODUCTION

Lifelong learning is an essential political strategy for a Community to remain competitive in a global Economy. The Decision of the European Parliament and of the Council of 15 November 2006 point out that lifelong learning contributes to the development of the European Union as an advanced knowledge society, with sustainable economic development, more and better jobs and greater social cohesion. (720/2006/EC, Recital 21)

Professional competence and due care are also fundamental principles of ethics. Paragraph 100.4 and 130.3 of the IFAC code of ethics to which all FEE Member Bodies subscribed, developed the principle as follows:

“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.”

“The maintenance of professional competence requires a continuing awareness and an understanding of relevant technical professional and business developments. Continuing professional development develops and maintains the capabilities that enable a professional accountant to perform competently within the professional environments.”

As far as statutory auditors are concerned, Article 13 of the EU Directive of 17 May 2006 on Statutory Audit requires Member States to ensure that statutory auditors are required to take part in appropriate programmes of continuing education in order to maintain their theoretical knowledge, professional skills and values at a sufficiently high level.

These elements made it appropriate for FEE to survey the level of requirement in the FEE Member Bodies concerning continuing education. The survey also provides indication on the status of the implementation of International Education Standard n°7 in Europe.

2. SCOPE OF THE SURVEY

The report relates to the situation in FEE Member Bodies at the end of the year 2006. Following national professional bodies of accountants provided an answer to the questionnaire sent by FEE:

Austria	Institut Österreichischer Wirtschaftsprüfer Kammer der Wirtschaftstreuhand
Belgium	Institut des Experts-Comptables et des Conseils Fiscaux Institut des Réviseurs d'Entreprises Belgique
Bulgaria	Institute of Certified Public Accountants in Bulgaria
Czech Republic	Chamber of Auditors of the Czech Republic
Cyprus	Institute of Certified Public Accountants of Cyprus
Denmark	Foreningen af Statsautoriserede Revisorer
Estonia	Estonian Board of Auditors
Finland	KHT – yhdistys
France	Ordre des Experts Comptables France Compagnie Nationale des Commissaires aux Comptes
Germany	Institut der Wirtschaftsprüfer
Greece	Soma Orkoton Elegton Logiston
Hungary	Chamber of Hungarian Auditors
Luxembourg	Institut des Réviseurs d'Entreprises Luxembourg Ordre des Experts Comptables – Luxembourg
Iceland	Félag Löggiltra Endurskodenda
Ireland	Institute of Certified Public Accountants in Ireland Institute of Chartered Accountants in Ireland
Italy	Consiglio Nazionale dei Dottori Commercialisti Consiglio Nazionale dei Ragionieri e Periti Commerciali
Latvia	Latvian Association of Certified Auditors
Lithuania	Lithuanian Chamber of Auditors
Malta	The Malta Institute of Accountants
The Netherlands	Koninklijk Nederlands Instituut van Registeraccountants
Norway	Den norske Revisorforening
Poland	National Chamber of Statutory Auditors (KIBR)
Portugal	Ordem dos Revisores Oficiais de Contas
Romania	The Body of Expert and Licensed Accountants of Romania
Slovakia	Slovak Chamber of Auditors (SKAU)
Slovenia	The Slovenian Institute of Auditors
Spain	Instituto de Censores Jurados de Cuentas de España
Sweden	FAR SRS
Switzerland	Treuhand-Kammer
United Kingdom	Association of Chartered Certified Accountants Institute of Chartered Accountants in England and Wales Institute of Chartered Accountants of Scotland Chartered Institute of Public Finance and Accountancy

In the report, a single answer has been given for the country when the individual answers provided by Institutes were consistent. A summary of answers received is included in Appendix 1. The questionnaire is attached in Appendix 2.

3. THE INTERNATIONAL EDUCATION STANDARD N°7

The International Education Standard for professional accountants IES 7: “Continuing professional development: a program of lifelong learning and continuing development of professional competence” is based on the principle that it is the responsibility of the individual professional accountant to develop and maintain professional competence necessary to provide high quality services to clients, employers and other stakeholders. It prescribes that Member Bodies implement a continuing professional development (CPD) requirement as an integral component of a professional accountant’s continued membership (paras 2 and 3). IES 7 became effective from 1 January 2006.

Paragraph 19 of IES n°7 requires: “Member Bodies should require all professional accountants to develop and maintain competence relevant and appropriate to their work and professional responsibilities. The responsibility for developing and maintaining competence rests primarily with each professional accountant.”

The standard makes a difference between different systems of measurement and verification systems: Input-based, Output-based or combined approach. Distinguishing between these approaches forms an important part in the standard. As briefly summarised in paragraph 30 of the standard:

- (a) **Input-based** approaches establish a set amount of learning activity that is considered appropriate to develop and maintain competence;
- (b) **Output-based** approaches require professional accountants to demonstrate, by way of outcomes, that they develop and maintain professional competence;
- (c) **Combination approaches** effectively and efficiently combines elements of the input- and output-based approaches, setting the amount of learning activity required and measuring the outcomes achieved.

Under paragraph 34 of the standard, Member Bodies operating an input-based approach should require the professional accountant to:

- (a) Complete at least 120 hours or equivalent learning units of relevant professional development activity in each rolling three-year period, of which 60 hours or equivalent learning units should be verifiable;
- (b) Complete at least 20 hours or equivalent learning units in each year; and
- (c) Track and measure learning activities to meet the above requirements.

Furthermore, paragraph 43 of IES 7 states “Member Bodies should establish a systematic process to monitor whether professional accountants meet the CPD requirement and provide for appropriate sanctions for failure to meet the requirement, including failure to report or failure to develop and maintain competence.”

4. THE DIRECTIVE ON STATUTORY AUDIT IN THE EU

The EU Directive 2006/43/EC of 17 May 2006 on statutory audits of annual accounts and consolidated accounts includes a specific provision on continuing education. Article 13 states: “Member States shall ensure that statutory auditors are required to take part in appropriate programmes of continuing education in order to maintain their theoretical knowledge, professional skills and values at a sufficiently high level, and that failure to respect the continuing education requirements is subject to appropriate penalties as referred to in Article 30.”

This provision, relating to statutory auditors only, does not express an obligation or preference for a specific approach, whether input-based or output based, or a combination of both. The objective to maintain statutory auditors’ theoretical knowledge, professional skills and values at a sufficiently high level seems to call for an output based approach.

In FEE views, Article 13 the Directive would be complied with if the local regulation or standards in the Member State require statutory auditors to satisfy with an input-based system serving as a proxy for measuring development and maintenance of competence because of the ease of measurement and verification.

5. DETAILED COMMENTS OF THE RESPONSES TO THE FEE QUESTIONNAIRE

5.1. *Existence of a mandatory system of continuing professional education*

The responsibility for developing and maintaining competence rests primarily with each professional accountant. This results from the ethical obligation of due care to the clients, employers and relevant stakeholders and from the need to demonstrate professional accountants' ability to discharge this responsibility in a competent manner.

However, IES 7 establishes an obligation for IFAC Member Bodies to require all professional accountants to develop and maintain competence relevant and appropriate to their work and professional responsibilities.

All FEE Member Bodies surveyed but two, already have a system of in place. The two FEE Member Bodies which do not comply with IES's requirement declared having a plan to make continuous professional education mandatory. This plan is also a necessary element in the transposition of the EU Directive on Statutory Audit into the local legislation.

In principle all members have to comply with continuous professional education requirements. However, Member Bodies which allow retired members to stay on the list will usually exempt them from the obligation to meet CPD requirements.

The status of non-practising members is somewhat less precise. Most respondents do not make any difference between practising and non-practising members. Three Member Bodies exempt their non-practising members from the CPD requirements. One Member Body specified that the CPD obligation is limited to members who are responsible for audit engagements, or confirm information to public authorities.

5.2. *Input-based approaches to continuing professional education*

5.2.1. Input-based systems traditionally have served as a proxy for measuring development and maintenance of competence because of the ease of measurement and verification. IES 7 minimum requirement for input-based systems is to complete at least 120 hours or equivalent learning units of relevant professional development activity in each rolling three-year period, of which 60 hours or equivalent learning units should be verifiable (paras 31 and 34).

Input-based approaches have limitations, for example, they do not always measure the learning outcomes or competence developed. A "form over substance" approach can undermine the real objective of continuous improvement of competence. For instance, some professional accountants may not apply themselves in seminars or courses and yet meet the input-based criteria for measurement and verification. Member Bodies may overcome these limitations by communicating the underlying objectives of continuous improvement of competence and a commitment to lifelong learning. (IES 7 para 31)

It is relevant to notice that Article 13 of the Statutory Audit Directive establishes a principle which applies to all registered statutory auditors. The objective is to maintain their theoretical knowledge, professional skills and values at a sufficiently high level, which is incompatible with a "form over substance" approach even when an input-based system is applied.

- 5.2.2. Amongst the thirty five FEE Member Bodies surveyed which have a mandatory CPD scheme in place, the vast majority declare using an input-based system (26). Others apply an output-based or a combined approach (9).

The FEE questionnaire raised a question on the number of measurable hours of CPD in an input or combined CPD approach. Learning activities can be measured in terms of effort or time spent, or through a valid assessment method which measures competence achieved or developed (IES 7 paragraph 27). Examples of measurable learning activities would include courses presented by educational institutions, Member Bodies or employers; individual study programs (correspondence courses, audiotape or videotape packages, computerised learning programs) that require some evidence of successful completion by the member; and participation as a speaker or attendee in conferences, briefing sessions or discussion groups. IES n°7 uses the number of hours as a reference to measure CPD activities but it also allows Member Bodies to use other unit of measurement that will be understood by the professional accountants.

To interpret correctly the answers received from Member Bodies, it is important to remember that IES 7 requires that fifty percent of the learning activities in the three-year rolling period should not only be measurable but also verifiable by the Member Body.

The survey shows the following results:

- Number of member bodies using an input-based or combined approach: 32
- Member bodies requiring a minimum of 120 measurable CPD units on 3 years: 24
- Member bodies requiring a minimum of 60 verifiable CPD units on 3 years: 28
- Member bodies requiring explicitly a minimum of 20 CPD units each year : 27¹

- 5.2.3. Questions were raised about differences between different categories of members, in particular, accountants in public practice on the one hand and accountants in business or in the public sector.

Sixteen Member Bodies do not make any difference between the different categories of active members. Only four Member Bodies define lower requirements for those who are not in public practice. It is importance to notice that in thirteen Member Bodies the question was not relevant since only accountants in public practice can be registered.

In two countries, the minimum requirement is increased for junior auditors at the beginning of their career.

5.3. Output-based approaches to continuing professional education

- 5.3.1. In an output-based approach the professional accountant should demonstrate the maintenance and development of relevant competence by periodically providing evidence that has been objectively verified by a competent source and measured using a valid competence assessment method. (IES 7 para 37) Assessment is obviously the key issue in this approach. This requires

¹ Four answers were unclear on the annual minimum and were not included in the total

identifying a competent source in a position to confirm that the competence has been developed and maintained. And the assessment should clearly identify the outcome or competence achieved. This could result notably from the work environment or professional re-examinations. The appendix to the International Education Standards 7 illustrates different methods that can be used in assessing learning outcomes.

- 5.3.2. Nine out of the thirty five FEE Member Bodies which have a mandatory CPD scheme use an output-based (3) or a combined approach (6). In the case of accountants working in a professional firm the method of assessment used will normally be the independent practice inspection by the Institute. Two Member Bodies report that members have to pass tests of knowledge after professional training courses, irrespective of their level of qualification.

Different systems of assessment are applied in the case of professional accountants in business or in the public sector.

5.4. Monitoring the compliance with continuing professional education obligation

- 5.4.1. Paragraph 43 of IES 7 requires Member Bodies to establish a systematic process to monitor whether professional accountants meet the CPD requirements. Different possibilities are identified to fulfil this obligation including submitting declarations, checking reports at random, including the assessment in independent practice inspections, etc. This system would only work if members are required to maintain documentation of their learning activities for a sufficient period of time, which should not exceed five years, to support the prescribed reporting requirements.
- 5.4.2. The vast majority of Member Bodies has a system in place to monitor compliance with CPD requirements. In the thirty five Member Bodies which have a mandatory CPD scheme, five do not have a systematic process in place to monitor compliance with CPD requirements. However it should be recalled that in some Member States the responsibility for monitoring compliance with regulatory requirements belongs to the public oversight body rather than to the professional Institute. In that case there is a full compliance with the IES 7 requirement of a systematic monitoring process.
- 5.4.3. There are some differences in the monitoring system. However the vast majority of the Member Bodies (31) require submitting declarations. The declarations will be annual in most cases. However in five Member Bodies, declarations may be extended to a period of two or three years. When no declaration is required the members will be asked to maintain the documentation available for those in charge with practice inspection. Twenty nine Member Bodies explicitly reported that appropriate evidence of CPD activities must be maintained by their members in order to be inspected if needed.
- 5.4.4. More variety can be observed in inspection of files. Twelve Member Bodies reported that they organise a systematic inspection of declarations and/or files. Some are doing it annually but the period varies and can be up to 6 years. In seven cases, the inspection of files is based on a sample selected at random or on a risk based review. In four Member Bodies, the review of CPD files is part of the quality assurance procedures, which takes place at least every five years. Ten Member Bodies acknowledge that they are not carrying out any regular inspection of files maintained by their members.

5.5. Sanctions in case of non-compliance with CPD obligation

- 5.5.1. As pointed out by IES 7, a system of mandatory CPD will operate effectively and in the public interest only if professional accountants who fail to comply with the requirement are brought into compliance on a timely basis or, if they persist in willful non-compliance, are sanctioned. The initial steps taken to address non-compliance are likely to focus on bringing the professional accountant into compliance within a reasonable period. Care needs to be taken to strike a balance between a sanction that, in substance, amounts to permitting a professional accountant to defer or avoid compliance with the CPD requirement and one that is excessively punitive. (IES 7 paras 50 and 51)
- 5.5.2. The survey demonstrates that in most cases, individual accountants who fail to comply can be sanctioned through the normal disciplinary scheme. In some countries, disciplinary measures are the responsibility of a body separate from the profession.

The possible sanctions reported by the Member Bodies are those foreseen in any other disciplinary actions. In many cases it can start with an official warning and in last resort lead to removal from membership.

No question was raised on the number of effective actions started against a member for non-compliance with CPD requirements. Experience reveals that often the breach of CPD requirements is not the only issue in a disciplinary action and comes as an additional argument in a case revealing weaknesses in the professional competence and due care of a member.

6. SUMMARY OF THE RESULTS OF THE SURVEY

1. All FEE Member Bodies surveyed but two, already have a system of continuing professional education in place.
2. The vast majority of the Member Bodies (26/35) use a pure input-based approach. Nine bodies use an output-based (3) or a combined approach (6).
3. Among the thirty two FEE Member Bodies which opted for an input-based or a combined approach, twenty eighth Member Bodies require explicitly reaching the minimum of 60 hours in verifiable learning activities over a rolling three-year period. Nine Member Bodies even require that the minimum 120 hours CPD over three years be entirely justified by verifiable learning units, which is clearly more demanding than IES 7.
4. When they register accountants working in business, industry or the public sector, few Member Bodies make a difference between accountants working in an accounting firm and those who are working in business, industry or the public sector.
5. The survey shows variety with regard to the CPD requirements for retired members. Many respondents to the survey mentioned that the CPD requirements only apply to active members and some Member Bodies reported that after a certain age, CPD requirements are no longer mandatory. Or in reverse, CPD is always mandatory for those who have a professional activity even in an area which is not connected to accountancy; while only members who are fully retired can claim exemption.
6. A majority of Member Bodies has a system in place to monitor compliance with CPD requirements. In order to support monitoring activities, the majority require submitting declarations. There is however some variety of approaches to inspection of declaration of files. Some monitor specifically compliance with CPD requirements. Others consider that this is part of the usual quality assurance procedures. Ten Member Bodies have no systematic regular inspection of files.
7. In most cases member who fails to comply, can be sanctioned through the normal disciplinary scheme.

7. CONCLUSIONS AND RECOMMENDATIONS

The survey shows that almost all FEE Member Bodies already have a system of continuing professional education in place, as required by the new EU Audit Directive. Most Member Bodies comply with the International Standards on Education n°7 related to the required hours or equivalent learning units of relevant professional development activities.

The survey demonstrates also that in some areas further work should be carried out. In some cases the monitoring of compliance with CPD requirements could be improved. Guidance is desirable with regard to the requirements for retired members.

Finally, it is recommended to develop appropriate and practical methods requiring the member to demonstrate the maintenance and development of relevant competence.

APPENDIX 1: FEE CPD QUESTIONNAIRE – ANSWERS 31/12/2006

1. Does your Institute have a mandatory CPD requirement for its members?

Country	Answer
Austria	YES
Belgium	YES
Bulgaria	YES
Cyprus	YES
Czech Republic	YES
Denmark	YES
Estonia	YES
Finland	YES
France ²	YES
Germany	YES
Greece	Not mandatory
Hungary	YES
Ireland	YES
Italy	YES
Latvia	YES
Lithuania	YES
Luxembourg	YES
Malta	YES
Netherlands	YES
Norway ³	YES
Poland	YES
Portugal	Not mandatory
Romania	YES
Slovak Republic	YES
Slovenia	YES
Spain	YES
Sweden	YES
Switzerland	YES
United Kingdom	YES

² OEC: professional standard in accordance with the IFAC IES 7. CNCC: decree of the Ministry of Justice.

³ NB: All our answers are subject to the fact that CPE is required by law, under the supervision of the Kredittilsynet (i.e. the Financial Supervisory Authority of Norway).

2. Are all members included? If not, please explain.

Country	Answer
Austria	YES
Belgium	YES
Bulgaria	YES
Cyprus	YES
Czech Republic	YES – except auditors who temporarily do not provide audit services
Denmark	YES – except non-practising members who are only encouraged to follow the requirements
Estonia	YES
Finland	YES
France	YES
Germany	NO - Every member in active professional practice is obligated to comply with the CPD requirements.
Greece	N/A
Hungary	YES
Ireland	YES, but ICPAI retired members do not have to do CPD.
Italy	YES – with temporary exemptions (maternity, military service etc.), and exemption for members over 65 and inactive members.
Latvia	YES
Lithuania	YES
Luxembourg	YES
Malta	YES
Netherlands	YES except for the members who are fully retired.
Norway	NO – CPD is mandatory only for members who are responsible for audit engagements, or confirms information to public authorities.
Poland	YES
Portugal	N/A
Romania	YES
Slovak Republic	YES
Slovenia	YES
Spain	YES – except for non-active members
Sweden	YES

Country	Answer
Switzerland	YES
United Kingdom	ACCA: from January 2007, all active members are required to undertake CPD CIPFA ⁴ : YES ICAS: YES ICAEW: YES, - However, members who are fully retired can claim exemption.

3. **IES 7.30 defines 2 CPD approaches: input-based CPD establishes an amount of learning activities; output-based requires demonstrating competence by way of outcome. Would you characterise your CPD approach as input-based, output-based or combined approach?**

Country	Answer
Austria	Input-based
Belgium	Input-based
Bulgaria	Combined approach
Cyprus	Input-based
Czech Republic	Input-based
Denmark	Input-based
Estonia	Output-based
Finland	Combined approach
France ⁵	Input-based
Germany	Input-based
Greece	N/A
Hungary	Input-based
Ireland	Input-based
Italy	Input-based
Latvia	Input-based
Lithuania	Input-based
Luxembourg	Input-based
Malta	Input-based
Netherlands	Input-based
Norway	Input-based

⁴ NB: Members who are retired from all paid and/or voluntary roles, on a career break, on maternity leave, or experiencing long term ill health may apply for an exemption. Members with other special circumstances may also be considered for an exemption, an individual assessment would be made.

⁵ A combined approach is a project for the next few years.

Country	Answer
Poland	Combined approach
Portugal	N/A
Romania	Combined approach
Slovak Republic	Input-based
Slovenia	Input-based
Spain	Input-based
Sweden	Input-based
Switzerland	Input-based
United Kingdom	ACCA: combined approach CIPFA: combined approach ICAS: output-based ICAEW: output-based

4. If your Institute applies an input-based CPD (or combined), what is the minimum CPD activities in hours to be obtained in the form of verifiable learning activities⁶?

4.1. For individual accountants and auditors working in accounting/auditing firms

Country	Answer
Austria (IWP/KWT)	120 hours over 3 years with a minimum of 30 hours each year; no specific requirement exists on the part of CPD activities that must be verifiable
Belgium	IEC: <ul style="list-style-type: none"> ▪ 120 verifiable hours over 3 years and 40 hours each year IRE: <ul style="list-style-type: none"> ▪ 120 hours over 3 years with a minimum of 20 hours each year; at least 70% of the 120 hours must be variable.
Bulgaria	120 verifiable hours over 3 years and 40 verifiable hours each year
Cyprus	120 hours on 3 years, of which 63 (21 each year) must be verifiable
Czech Republic	120 verifiable hours over 3 years and 40 verifiable hours each year
Denmark	120 verifiable hours over 3 years, with a minimum of 20 hours each year
Estonia	Applies an output based system
Finland	There are no measurable requirements or recommendations for education. Adequacy

⁶ “Some learning activities may be measurable, but not able to be verified. These activities also contribute to development and maintenance of competence but would not be considered to form part of the 60 hours of verifiable CPD in the three-year rolling period” (IES 7 paragraph 36).

Country	Answer
	of education is evaluated case by case by TILA
France	OEC: <ul style="list-style-type: none"> ▪ 120 hours over 3 years or 40 hours each year; half of these total must be verifiable CNCC: <ul style="list-style-type: none"> ▪ 120 hours over 3 years and 20 verifiable hours each year
Germany	120 hours on 3 years and 40 verifiable hours each year
Greece	Not mandatory
Hungary	32 verifiable hours each year
Ireland	ICPAI: <ul style="list-style-type: none"> ▪ 120 hours over 3 years, of which 75 must be verifiable; minimum 30 hours each year ICAI: <ul style="list-style-type: none"> ▪ 20 structured and 50 unstructured hours each year or 60 structured and 60 unstructured hours (30 for each regulated area) over 3 year
Italy	90 verifiable hours over 3 years and at least 20 hours each year ⁷
Latvia	120 hours over 3 years or 40 hours each year
Lithuania	120 hours over 3 years
Luxembourg	120 hours over a three-year reference period, with a minimum of 25 verifiable hours in each reference year.
Malta	120 hours over a three year period of which 75 must be verifiable, with a minimum of 25 hours each year
Netherlands	120 hours over 3 years with a minimum 20 hours each year; 50% must be verifiable
Norway	105 verifiable hours over 3 years
Poland	90 verifiable hours over 3 years or 30 hours each year ⁸
Portugal	Not mandatory
Romania	120 hours over 3 years or 40 hours each year ; half must be verifiable
Slovak Republic	120 verifiable hours over 3 years
Slovenia	90 verifiable hours over 3 years and 30 hours each year
Spain	30 hours each year and 120 verifiable hours over 3 years
Sweden	120 hours over a period of 3 years of which 60 must be verifiable with a minimum of 20 verifiable hours each year

⁷ Calculation is made by points, which are usually, but not always equivalent to one hour, as decided by the accreditation Committee.

⁸ In Poland the CPD training cycle lasts 2 years. That means that an individual statutory auditor working in auditing firms is required to attend 60 hours of CPD totally in a 2-year's period he can:

- attend 60 hours of the CPD in one year and not attend in the next year or
- attend 45 hours of the CPD in one year and 15 hours of the CPD in the next year or
- attend 30 hours of the CPD in one year and 30 hours of the CPD in the next year or
- attend 15 hours of the CPD in one year and 45 hours of the CPD in the next year or
- not attend the CPD course in one year and attend 60 hours of the CPD in the next year.

Country	Answer
Switzerland	60 verifiable hours to be achieved on average on a period of 2 years; 60 must be verifiable hours to be achieved on average on a period of 2 years
United Kingdom	<p>ACCA:</p> <ul style="list-style-type: none"> ▪ 120 verifiable hours over 3 years and 40 hours each year, 21 of which must be verifiable <p>CIPFA</p> <ul style="list-style-type: none"> ▪ 120 hours of development over a 3 year period with a minimum of 20 hours in any 1 year. CIPFA does not require a minimum number of hours to be obtained from structured learning activities. <p>ICAS:</p> <ul style="list-style-type: none"> ▪ Applies an output based system <p>ICAEW:</p> <ul style="list-style-type: none"> ▪ Applies an output based system

4.2. For accountants working in business or in public services

Country	Answer
Austria	120 hours over 3 years with a minimum of 30 hours each year; no specific requirement exists on the part of CPD activities that must be verifiable
Belgium	120 verifiable hours over 3 years and 40 hours each year (only relevant for IEC-IAB)
Bulgaria	N/A
Cyprus	120 hours on 3 years, of which 63 (21 each year) must be verifiable
Czech Republic	120 verifiable hours over 3 years and 40 verifiable hours each year
Denmark	Non-practising accountants wanting to get back on the list must demonstrate 120 hours of CPD.
Estonia	N/A
Finland	see above 4.1.
France	N/A
Germany	N/A
Greece	N/A
Hungary	32 hours each year
Ireland	ICPAI: 60 hours over 3 years ICAI: 20 structured and 20 unstructured hours each year or 60 structured and 60 unstructured hours over 3 years
Italy	90 hours over 3 years and at least 20 hours each year
Latvia	120 hours over 3 years and 40 hours each year

Country	Answer
Lithuania	120 hours over 3 years
Luxembourg	N/A
Malta	75 hours over 3 years
Netherlands	120 hours over 3 years with a minimum of 20 hours each year
Norway	N/A
Poland	15 hours each year or 45 hours over 3 years ⁹
Portugal	N/A
Romania	60 hours over 3 years with a minimum of 20 hours each year
Slovak Republic	N/A
Slovenia	90 hours over 3 years with a minimum of 30 hours each year
Spain	N/A
Sweden	N/A
Switzerland	90 hours over 3 years with a minimum of 30 hours each year
United Kingdom	ACCA: 40 hours, 21 of which must be verifiable CIPFA: see above 4.1. ICAS: N/A ICAEW: N/A

4.3. Other specific groups (please specify)

Country	Answer
Austria	N/A
Belgium	N/A
Bulgaria	N/A
Cyprus	N/A
Czech Republic	N/A
Denmark	Non-practising accountants wanting to get back on the list must demonstrate 120 hours of CPD.
Estonia	N/A
Finland	see 4.1
France	N/A

⁹ In Poland the CPD training cycle lasts 2 years. That means that an individual statutory auditor that does not work in auditing firms is required to attend 30 hours of CPD totally in a 2-year's period he can:

- attend 30 hours of the CPD in one year and not attend in the next year or
- attend 15 hours of the CPD in one year and 15 hours of the CPD in the next year or
- not attend the CPD course in one year and attend 30 hours of the CPD in the next year.

Country	Answer
Germany	N/A
Greece	N/A
Hungary	N/A
Ireland	N/A
Italy ¹⁰	20 hours each year at least AND 90 hours over 3 years
Latvia	N/A
Lithuania	150 hours over 3 years (auditor assistants)
Luxembourg	N/A
Malta	75 hours over 3 years
Netherlands	N/A
Norway	N/A
Poland	N/A
Portugal	N/A
Romania	20 hours each year or 60 hours over 3 years
Slovak Republic	200 hours over 3 years (auditor assistants)
Slovenia ¹¹	30 hours each year or 90 hours over 3 years
Spain	N/A
Sweden	20 hours each year or 60 hours over 3 years
Switzerland	N/A
United Kingdom	ACCA: N/A CIPFA: see above ICAS: N/A ICAEW: N/A

5. If your Institute applies an output-based or a combined approach, describe briefly the method of assessment: independent practice inspection or other method.

Country	Answer
Austria	N/A
Belgium	N/A
Bulgaria	independent practice inspection
Cyprus	N/A

¹⁰ IT: Academics, directors, and all who are even enrolled in the register, although they may not be practicing any professional activity for which the Regulation establishes CPD requirements.

¹¹ internal auditors, information system auditors, valuers, financial managers, tax experts

Country	Answer
Czech Republic	N/A
Denmark	N/A
Estonia	Every 3 years, auditors have to submit activity reports where they also present CPD activities.
Finland	Independent practice inspection
France	N/A
Germany	N/A
Greece	N/A
Hungary	N/A
Ireland	N/A
Italy	N/A
Latvia	N/A
Lithuania	N/A
Luxembourg	N/A
Malta	N/A
Netherlands	N/A
Norway	N/A
Poland	Assessment at the end of the course. ¹²
	N/A
Romania	Other method: According to the provisions of the Professional Regulation no 38 (based on IES 7) and the National Program of Professional Continuous Development, each member who attends a professional training course, irrespective of the level – initiation, medium, advanced – must pass a knowledge examination test on the basis of which he / she obtains a graduation certificate.
Slovak Republic	N/A
Slovenia	N/A
Spain	N/A
Sweden	N/A
Switzerland	N/A
United Kingdom	ACCA – other method Members must work for an ACCA “Approved Employer”, who has met detailed

¹² Moreover, a statutory auditor can ask (in writing) the National Council of Statutory Auditors to be exempted from the CPD course in a given year when he can demonstrate his own output in the field of the accountancy and audit in:

- a research and didactic work,
- specialist magazines,
- legislative works.

However, there is no possibility for a statutory auditor to be exempted from the CPD course when he performed works that are the topics of the CPD course in the given year (e.g. the topic of the CPD course in 200X is “Merger of capital companies” and in 200X the statutory auditor “performed” a couple of such mergers – this statutory auditor will not be exempted from the CPD course on the base of his documented experience).

Country	Answer
	<p>quality criteria to be accepted for Approved status. (status valid for 3 years). In assessing an organisation, ACCA will review the learning and development support organisations provide to members. This is done either through a visit to the employer or material can be submitted to ACCA remotely.</p> <p>CIPFA - other method Members must confirm participation in the scheme annually and if randomly selected share evidence of CPD activities. CIPFA operates a high priority method for selecting members for assessment which lists members in key positions within their employing organisations as well as CIPFA volunteers.</p> <p>ICAS - other method 1. <u>Members</u> are asked to self –certify with their Annual return that they have met their CPD requirement for the CPD year. They must record these activities together with a valid learning outcome. If selected for monitoring purposes they are asked to submit their CPD record for review. There is liaison and integration with ICAS’ existing regulatory boards and committees, for example, the Audit Registration Committee and Practice Review through the CPD Assessment Panel which spans a number of ICAS Departments involved in CPD 2. <u>Employers</u> can become Accredited CPD Employers. Members working for an Accredited Employer confirm this with their Annual return. If selected for monitoring purposes, ICAS seeks confirmation from the employer that they have taken part in the in-house scheme and there is no requirement to submit any additional documentation to ICAS for review.</p> <p>ICAEW – other method CPD achievement is verified through an ICAEW system of practice inspection (called “Practice Assurance”) for members working in public practice and through an ICAEW system of individual member review for members working in business. Certain members working in public practice may also have their CPD reviewed by a government body called the Audit Inspection Unit (AIU).</p>

6. Do you have a systematic process in place to monitor compliance with CPD requirements?

Country	Answer
Austria	YES
Belgium	IEC: NO IRE: YES
Bulgaria	YES
Cyprus	YES
Czech Republic	YES
Denmark	YES
Estonia	YES

Country	Answer
Finland	YES
France	YES - through the peer review each 6 years at least
Germany	YES - The quality assurance review, mandatory for all statutory auditors, includes an assessment of compliance with the CPD requirements by the Wirtschaftsprüferkammer (Chamber of Public Auditors)
Greece	NO
Hungary	YES
Ireland	YES
Italy	CNDC: YES - Local branches have the competency of monitoring compliance. They are also the only ones who are formally competent for providing CPD courses and events (based on approval of CNDC). CNRPC: YES
Latvia	YES
Lithuania	YES
Luxembourg	YES
Malta	YES
Netherlands	YES
Norway	N/A
Poland	YES
Portugal	NO
Romania	YES
Slovak Republic	YES
Slovenia	YES
Spain	YES
Sweden	NO
Switzerland	YES
United Kingdom	YES

6.1. Do members have to regularly submit declarations to the Institute on CPD activities?

Country	Answer
Austria	YES
Belgium	IEC: YES IRE: NO

Country	Answer
Bulgaria	YES
Cyprus	YES
Czech Republic	YES
Denmark	YES
Estonia	YES
Finland	YES
France	YES
Germany	NO
Greece	NO
Hungary	YES
Ireland	ICPAI: NO ICAI: YES
Italy	CNDC: YES - Declarations are submitted to the Local branch, in which the member is enrolled. CNRPC: YES
Latvia	YES
Lithuania	YES
Luxembourg	YES - Each member shall submit, at the beginning of each year, a compilation of his continuing education activities. He must indicate therein the continuing education activities engaged in during the reference year ended, the number of hours completed or, if applicable, whether he has been exempted.
Malta	YES
Netherlands	YES
Norway	Those members subject to the CPD requirement (see answer to question 2) have to regularly submit declarations to the Kredittilsynet (i.e. the Financial Supervisory Authority of Norway) on CPD activities.
Poland	NO - In Poland the entities, that organise the CPD courses, are required to submit to our organisation the CPD attendance lists of the participants.
Portugal	NO
Romania	YES
Slovak Republic	YES
Slovenia	YES - Slovenian Institute of Auditors also collects the data about CPD activities.
Spain	YES
Sweden	NO
Switzerland	YES
United Kingdom	YES

6.2. If yes, how frequently do they have to submit a declaration?

Country	Answer
Austria	Annually
Belgium	IEC: annually IRE: N/A
Bulgaria	Annually
Cyprus	Annually
Czech Republic	Annually
Denmark	Every 3 years
Estonia	Every 3 years
Finland	- Professional education has to be reported once every year by individual auditors to TILA - Quality control reviews are made once every five years for individual auditors by Institute
France	Annually
Germany	N/A
Greece	N/A
Hungary	Annually
Ireland	Annually
Italy	Annually
Latvia	Annually
Lithuania	Annually
Luxembourg	Annually
Malta	Annually
Netherlands	Annually
Norway	Every second year
Poland	After each CPD course
Portugal	N/A
Romania	Annually
Slovak Republic	Annually
Slovenia	Every 2 years
Spain	Annually
Sweden	N/A
Switzerland	3 – 5 years
United Kingdom	Annually

6.3. Do members have to maintain evidence of CPD activities?

Country	Answer
Austria	YES
Belgium	YES
Bulgaria	YES
Cyprus	YES
Czech Republic	YES
Denmark	YES
Estonia	NO
Finland	NO
France	YES
Germany	N/A
Greece	NO
Hungary	YES
Ireland	YES
Italy	YES
Latvia	NO
Lithuania	NO
Luxembourg	YES - In order to recognise the continuing education activities engaged in by a member, IRE may request relevant and reliable supporting documents in addition to the member's report, including receipts identifying the activities engaged in, their duration and content, the organisation and/or person offering the activity and, if applicable, a certificate of participation or an attestation of results obtained.
Malta	YES
Netherlands	YES
Norway	YES
Poland	NO - In Poland the entities, that organise the CPD courses, are required to submit to our organisation the CPD attendance lists of the participants.
Portugal	NO
Romania	YES
Slovak Republic	YES
Slovenia	YES - Slovenian Institute of Auditors also collects the data about CPD activities.
Spain	YES
Sweden	YES
Switzerland	YES
United Kingdom	ACCA: YES

Country	Answer
	CIPFA: YES ICAS: NO ICAEW: YES or be able to produce same

6.4. Are these files regularly inspected?

Country	Answer
Austria	NO
Belgium	IEC: NO IRE: YES (every 5 years)
Bulgaria	Annually
Cyprus	Annually (sample basis)
Czech Republic	Irregular inspections performed
Denmark	Every 3 years
Estonia	Every 3 years
Finland	N/A
France	Every 6 years at least
Germany	N/A
Greece	NO
Hungary	Annually
Ireland	ICPAI: YES – annual audit ICAI: at random documents must be retained for 5 years
Italy	YES - by the local branch on a sample basis, on yearly declarations
Latvia	N/A
Lithuania	N/A
Luxembourg	YES - The control of those declaration forms are part of the scope of the national quality control scheme (i.e. min every 5 years). Each Member shall keep the documents in support of their reported hours for 24 months following the end of the reference period.
Malta	NO
Netherlands	Approximately every 5 years - There will be each year a check on the total amounts of CPD credits a member has earned in the electronic registration system and yearly an sample has to send in additional files to verify their CPD-activities.
Norway	N/A
Poland	Annually

Country	Answer
Portugal	NO
Romania	Annually, on the occasion of the quality control
Slovak Republic	Annually
Slovenia	YES
Spain	On the occasion of the quality control
Sweden	N/A
Switzerland	3 – 5 years
United Kingdom	<p>ACCA: Members are required to maintain evidence of their CPD activity for 3 years in case they are selected by ACCA for a review of their CPD activity. The selection for review is a combination of a risk-based and random sample each year.</p> <p>CIPFA: Members are randomly selected for assessment and asked to produce their CPD Portfolio for inspection.</p> <p>ICAS: N/A</p> <p>ICAEW: subject to period/ risk-based review</p>

7. Is it possible to impose sanctions to a member who fails to comply?

Country	Answer
Austria	YES
Belgium	YES
Bulgaria	YES
Cyprus	YES
Czech Republic	YES
Denmark	YES
Estonia	YES - If auditor's Activity Report doesn't show sufficient CPD activities, management board considers this as one of risk factors to take auditor under quality control and if auditors work is not with sufficiently high quality, it can result with disciplinary actions.
Finland	YES
France	YES
Germany	YES - The Wirtschaftsprüferkammer will be responsible for the imposition sanctions
Greece	NO
Hungary	YES

Country	Answer
Ireland	YES
Italy	YES
Latvia	YES
Lithuania	YES
Luxembourg	YES - IRE will send a notice to those members who fail to submit the continuing education report or other supporting documents or who fail to complete the required hours of continuing education. The notice sets out the unfulfilled obligations, the cost of preparing the default notice and the timeframe allowed for remedial action. Hours completed after receiving a default notice may only be credited to the reference period during which the member was in default. IRE will send a final notice to a member who failed to remedy the situation described in the default notice before the deadline determined by IRE, specifying that the member has an additional 30 days from the date of transmission of the final notice to comply. Then a disciplinary procedure will be filed against the default member.
Malta	YES
Netherlands	YES
Norway	YES - The actual member's licence to act as responsible of audit engagements will be revoked by the Kredittilsynet.
Poland	NO.
Portugal	NO
Romania	YES - The cases are investigated by the Department of Internship Organisation and Continuous Professional Development within CECCAR and are submitted to the disciplinary commission
Slovak Republic	YES
Slovenia	YES
Spain	YES
Sweden	NO
Switzerland	YES
United Kingdom	YES

APPENDIX 2: TYPES OF SANCTIONS THAT ARE APPLIED WHEN CPD REQUIREMENTS ARE NOT FULFILLED BY MEMBERS

Country	Sanctions
Austria (IWP/KWT)	Up to the expulsion from the association
Belgium (IAB/IEC and IRE/IBR):	<ol style="list-style-type: none"> 1. warning 2. reprimand 3. interdiction to practice 4. suspension 5. radiation
Bulgaria	Sanctions provided by ICPAB by-laws
Cyprus	YES
Czech Republic	<ol style="list-style-type: none"> 1. reprimand 2. penalty
Denmark	Loss of membership
Estonia	Technically it could be possible to use sanction a member who does not fulfil his obligations for lack of competence. In practice it still hasn't been used.
Finland	<ol style="list-style-type: none"> 1. remark 2. warning 3. cancellation of authorisation
France	<ol style="list-style-type: none"> 1. observation 2. warning letter 3. reprimand 4. striking out
Germany	The Wirtschaftsprüferkammer will be responsible for the imposition sanctions.
Greece	NO
Hungary	<ol style="list-style-type: none"> 1. written reprimand 2. fine (the amount of the fine may be no more than five times the fee of chamber membership defined in the Chamber's statutes in the year it is imposed) 3. exclusion from the Chamber
Ireland	<ol style="list-style-type: none"> 1. publication of name 2. fines 3. possible expulsion
Italy (CNDC / CNRPC)	<ol style="list-style-type: none"> 1. public evidence in the roll or other registers of non-compliance with CPD requirements 2. censure 3. suspension from practice (withdrawal of approval) 4. cancellation
Latvia	<ol style="list-style-type: none"> 1. warning 2. reprimand 3. suspension 4. striking out
Lithuania	<ol style="list-style-type: none"> 1. a notice 2. a reprimand 3. a reprimand with public announcement 4. suspension of the certificate up to 1 year

Country	Sanctions
	<p>If the auditor commits a repeated violation, the Auditors; Court of Honour may adopt one of the resolutions:</p> <ol style="list-style-type: none"> 1. suspend the validity of the certificate for a period from 1-3 years 2. cancel the certificate 3. order the violator to take all or some the auditors' qualification examination
Luxembourg	<ol style="list-style-type: none"> 1. warning, 2. reprimand, 3. fine, 4. suspension of voting rights (max six years), 5. suspension and exclusion.
Malta	<ol style="list-style-type: none"> 1. reprimand 2. suspension 3. exclusion
Netherlands	<ol style="list-style-type: none"> 1. First the Board will ask give this member a maximum of three extra months to earn enough CPD credit 2. The Board has the possibility to file a complaint at the Disciplinary Court of Accountants
Norway	<p>The actual member's licence to act as responsible of audit engagements will be revoked by the Kredittilsynet.</p>
Poland	<ol style="list-style-type: none"> 1. admonition 2. reprimand 3. suspension from practising as an auditor for a period of one to three years 4. removal from the Statutory Auditors self-governing body
Portugal	NO
Romania	<ol style="list-style-type: none"> 1. warning 2. the suspension of the right to practice for a 3-month period, but not more than 1 year 3. radiation 4. cease of the right to practice the profession publicly
Slovak Republic	Disciplinary proceedings
Slovenia	Such a member loses the license.
Spain	YES
Sweden	NO
Switzerland	<ol style="list-style-type: none"> 1. exhortation 2. reproach 3. fine penalty 4. expulsion of the member
United Kingdom	<p>ACCA If a member does not comply with the CPD requirements, despite a series of correspondence from ACCA, they will ultimately be referred to our Disciplinary Committee.</p> <p>CIPFA Range of sanctions (taken from CIPFA Disciplinary Regulations last updated June 2006):</p> <ol style="list-style-type: none"> 1. entry on record or 2. reprimand; or

Country	Sanctions
	<p>3. severe reprimand; or 4. suspension; or 5. expulsion; or</p> <p>As an alternative or in addition to any of the above sanctions, a fine up to £10,000 or such maximum as the Council may from time to time determine.</p> <p>ICAS Range of sanctions:</p> <ol style="list-style-type: none"> 1. action taken by Practising Committee, Insolvency Permit Committee and Audit Registration Committee if member is working in Reserved Area. 2. referral to CPD Assessment Panel who may decide on need to recommend CPD action plan to be undertaken within specified time, or a visit from Practice Review. 3. if no successful outcome from CPD Assessment Panel then referral to ICAS' Investigations Committee. 4. last resort is removal from membership <p>ICAEW A member who wilfully fails to comply with the CPD requirements would after due warning be passed to the Institute's Professional Conduct Department. The committees of the Professional Conduct Department have the full range of sanctions at their disposal up to and including exclusion from membership.</p>

APPENDIX 3: QUESTIONNAIRE ADDRESSED TO FEE MEMBER BODIES - CONTINUOUS PROFESSIONAL DEVELOPMENT - DECEMBER 2006

1. Does your Institute have a mandatory CPD requirement for its members? Yes/No

2. Are all members included? Yes/No
If not, please explain.....

3. IES 7.30 defines 2 CPD approaches: input-based CPD establishes an amount of learning activities; output-based requires to demonstrate competence by way of outcome. Would you characterise your CPD approach as:

- | | | |
|-------------------|--|--------------------------|
| Input-based | | <input type="checkbox"/> |
| Output-based | | <input type="checkbox"/> |
| Combined approach | | <input type="checkbox"/> |

4. If your Institute applies an input-based CPD (or combined), what is the minimum CPD activities in hours to be obtained in the form of verifiable learning activities?

	HOURS EACH YEAR	or	HOURS OVER 3 YEARS
1.2. For individual accountants and auditors working in accounting/auditing firms	<input style="width: 100%;" type="text"/>	or	<input style="width: 100%;" type="text"/>
1.3. For accountants working in business or in public services	<input style="width: 100%;" type="text"/>	or	<input style="width: 100%;" type="text"/>
1.4. Other specific groups (please specify)	<input style="width: 100%;" type="text"/>	or	<input style="width: 100%;" type="text"/>

5. If your Institute applies an output-based or a combined approach, describe briefly the method of assessment:

- Independent practice inspection Yes/No
- Other method:

6. Do you have a systematic process in place to monitor compliance with CPD requirements?
- 1.5. Do members have to regularly submit declarations to the Institute on CPD activities?
- 1.6. If yes how frequently do they have to submit a declaration
- 1.7. Do members have to maintain evidence of CPD activities?
- 1.8. Are these files regularly inspected?
7. Is it possible to impose sanctions to a member who fails to comply?
- Range of sanctions:
1. ...
 2. ...
 3. ...
 4. ...