



**Philippine Association For Government Budget Administration Inc.
(PAGBA)**



1st Quarterly Seminar and Meeting
February 7, 2018 : The Mansion, Iloilo City

From Compliance to Competence: Restructuring the CPD Program

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From Compliance to Competence: Restructuring the CPD Program (*)



The new Continuing Professional Development (CPD) guidelines are out, and more rules will be issued in line with continuing efforts to ensure the regional and global competitiveness of Filipino accountants.

What could these changes mean to professionals and their organizations? In particular, for PAGBA and its constituencies?

(*) Originally presented during the 72nd PICPA ANC on November 24, 2017



Continuing Professional Development (CPD) – a Historical Backgrounder



RA 8981, c. 2000 – PRC Modernization Act of 2000

RA 9298, c. 2004 and its IRR – The Accountancy Law of 2004

BOA Resolution 59-2012 – Defining the 5 Thematic Areas of CPD

PRC Resolution 774-2013 – PRC Revised Guidelines on CPD

PRC Resolution 990-2016 – Amending the Revised Guidelines on CPD

RA 10912, c. 2016 – The CPD Act of 2016



Republic Act No. 8981

PRC Modernization Act of 2000



RA 8981, c. 2000 – PRC Modernization Act empowers the Commission to administer, implement and enforce the regulatory policies of the national government with respect to the regulation and licensing of the various professions and occupations under its jurisdiction including the enhancement and maintenance of **professional and occupational standards and ethics** and the enforcement of the rules and regulations relative thereto;



Republic Act No. 9298

The Accountancy Law of 2004



IRR of RA 9298 - Annex C – Rule 5. CPE Credit Units

The total CPE credit units for registered accounting professionals shall be sixty (60) credit units for three (3) years, **provided that a minimum of fifteen (15) credit units shall be earned in each year.** Any excess credit units in one year may be carried over to the succeeding years within the three-year period. Excess credit units earned shall not be carried over to the next three-year period except credit units earned for doctoral and master's degrees. One credit hour of CPE program, activity or source shall be equivalent to one (1) credit unit.



BOA Resolution No. 59, series of 2012



Revised rules and regulations to Implement CPE for Accountants

- **CPD** to replace CPE
- **CPD Council for Accountancy** to replace CPE Council for Accountancy
- Required 60 units of CPD may be earned by the individual professional **in any of the three years** preceding the year of application for accreditation for the practice of public accountancy and accounting education



BOA Resolution no. 59-2012

5 Thematic Areas of PD



The 60 units of CPD required for accreditation of CPAs in public accountancy and accounting education shall be distributed among five thematic areas as follows:

Thematic Areas of Professional Development	Required Units
I. Enabling Laws, Rules and Regulations	6
II. Standards Applicable to Professional Practice	24
III. Ethical, Governance and Quality Principles	10
IV. Environment of the Practice	10
V. Development of the Person as a Professional	10



PRC Resolution No. 774, series of 2013 dated 25 July 2013



Revised Guidelines On The Continuing Professional Development (CPD) Program For All Registered And Licensed Professionals (CPD Guidelines)

- Definition of Terms – CPD; CPD Provider/Program; Self-Directed Learning; Lifelong Learning; Authorship; Post-graduate Academic Studies; Specialty Training; Resource Person; Professorial Chair; etc.
- Creation of the CPD Council; disqualifications; its powers and functions; operational protocol; accreditation of Providers and Programs;
- Maximum 15 credit units for Self-Directed and Lifelong Learning during a 3-year compliance period; Matrix of CPD Activities; Monitoring of CPD Programs



In 2015 – 2016, changes in CPD regulations were proposed



- PRC CPD Council for Accountancy held a series of **consultative meetings** with the CPD Committees of PICPA and the sectoral organizations in August and September 2015
- The objective of the consultative meetings is to agree on how the CPD program for Accountancy can be **updated to make it relevant to the CPA** in his/her professional practice in commerce & industry, education, public practice or government
- CPAs should be aware of the varied **activities that can earn CPD credit units**



CPD UPDATES in 2016-2017



PRC Resolution 2016-990 – *Amendment to the Revised Guidelines on CPD for All Registered and Licensed Professionals (effective August 6, 2016)*

Republic Act No. 10912 – *The CPD Law of 2016 (lapsed into Law on July 21, 2016; effective August 15, 2016)*

BOA Resolution 358-2016 – *Increasing the minimum CPD units from 60 to 120 credit units over a 3-year compliance period and changing Thematic Areas to Competence Areas (effective January 22, 2017)*

PRC Resolution 2017-1032 – *Implementing Rules and Regulations (IRR) of RA 10912, CPD Act of 2016 (approved February 15, 2017; effective March 15, 2017)*



Operational Guidelines (OG) to Implement CPD for Certified Public Accountants (Resolution 254-2017)



BOA Resolution No. 254-2017 – Operational Guidelines in the Implementation of RA 10912 Otherwise Known as Continuing Professional Development (CPD) Act of 2016 for the Accountancy Profession

- Dated July 20, 2017; published on July 22, 2017; effective August 6, 2017



OG for Accountancy (Res. 254-2017) – Selected Provisions



Section 3. Disqualifications.

- *Members of the Commission as well as the chairperson, vice chairperson and members of the Board are disqualified as an individual CPD Provider, or as an incorporator, partner, director or officer of a Firm/Partnership/Corporation offering PCD Programs during their incumbency. This prohibition extends to members of their families and relatives within the fourth degree of consanguinity or affinity. Further, this disqualification extends to one (1) year from their separation from the service.*



OG for Accountancy (Res. 254-2017) – Selected Provisions



Section 7. Self-Directed and/or Lifelong Learning.

- Creation of Joint PRC-AIPO CPD Committee – from the chairs and members of the CPD Committees of PICPA and the sectoral organizations
- To assist CPDC in implementing Res 254-2017, particularly in evaluating applications for self-directed and lifelong learning activities



OG for Accountancy (Res. 254-2017) – Selected Provisions



Section 8. Matrix of CPD Activities (Based on PRC Resolution No. 2017-1032 and IES 7)

- 1. Seminars/workshops (training offered by Accredited CPD Providers, Face to Face or Online)*
- 2. Academic Track*
- 3. Self-Directed and/or Lifelong Learning (Training offered by Non-Accredited Providers, Face to Face or Online)*
- 4. Such Other Activities to be recommended by the CPD Council and Approved by the Board and the Commission.*



International Education Standard No. 7

Continuing Professional Development



Par. 4 - CPD is a **continuation** of Initial Professional Development (IPD), the learning and development through which aspiring professional accountants first develop competence leading to performing the role as a professional accountant. **CPD is learning and development that takes place after IPD, and that develops and maintains professional competence to enable professional accountants to continue to perform their roles competently.** CPD provides continuing development of the (a) **technical competence**, (b) **professional skills**, (c) **professional values, ethics, and attitudes**, and (d) **competence achieved during IPD**, refined appropriately for the professional activities and responsibilities of the professional accountant. In addition, professional accountants may **take on new roles during their careers that require new competences.** In such cases, CPD that includes many of the same elements as IPD may be necessary for roles that require additional breadth or depth of knowledge, skills, and values.



International Education Standard (IES) No. 7 – Explanatory Material



A1. The **knowledge needed to function effectively** as a professional accountant continues to grow. Professional accountants face increased expectations to **display professional competence**. These pressures **apply to professional accountants in all sectors**.

Continuing development and maintenance of professional competence and lifelong learning are critical if the professional accountant is to **meet public expectations**. Because the accountancy profession operates in an environment of change, it may be appropriate for IFAC member bodies to **periodically review their CPD policies and the application of this IES**.



International Education Standard (IES) No. 7 – Explanatory Material

A2. Undertaking CPD does not, by itself, guarantee that all professional accountants will provide **high-quality professional service** at all times. The latter requires **ethical behavior, professional judgment, an objective attitude, and an appropriate level of supervision**. Further, not every professional accountant who participates in a CPD program will obtain the full benefits of that program. This will depend on the professional accountant's **commitment and capacity to learn**. However, CPD plays an important part in enabling professional accountants to develop and maintain professional competence that is relevant to their role. Therefore, despite some inherent limitations, **CPD is an important element in maintaining public confidence and trust**.



International Education Standard (IES) No. 7 – Explanatory Material

A3. A well-established program of CPD that is **measured, monitored, and evaluated** may form part of an IFAC member body's **quality assurance processes**. Other quality assurance processes may include quality assurance reviews of (a) **professional accountants' work** (which may include a review of the CPD undertaken by the professional accountant), (b) **investigation**, and (c) **disciplinary processes for misconduct**.

A4. Lifelong learning represents all learning and development activity, formal or informal, undertaken with the aim of enhancing knowledge, skills, values, ethics, and attitudes from personal, civic, social, and employment-related perspectives. **Lifelong learning has relevance to all professional accountants, irrespective of whether they are involved in accounting fields or other areas.**



OG for Accountancy (Res. 254-2017) – Selected Provisions



Section 9. Maximum Creditable Units for **Self-Directed and/or Lifelong Learning**

- 48 credit units or 40% of 120 CPD CUs
- *May be relaxed to 100% for Professionals working overseas, and those who have limited access to face-to-face CPD activities (Sec. 8.6.1 of PRC Resolution No. 2017-1032, or IRR of CPD Law)*



OG for Accountancy (Res. 254-2017) – Selected Provisions



Section 10. Major Areas of CPD Activities.

- *Competence Areas and minimum CPD credit units (CUs) for the 3-year compliance period*
 - *Technical Competence – 30 CUs*
 - *Professional Skills – 5 CUs*
 - *Professional Values, Ethics, Attitudes – 5 CUs*

Section 11. Accreditation of CPD Speakers – to uplift and maintain the quality of the content, relevance and delivery of CPD by all accredited CPD Providers; to maintain a roster of accredited Speakers;



Section 12. Required CPD Credit Units in a Compliance Period for 2017 and beyond



Year of PRC ID Renewal /accreditation	Required # of CPD Units	Minimum Units Under Required Competency Areas	Flexible CPD Units	Required Minimum Units Earned from the Previous Year(s) for License Renewal
Jan 1 – Jun 30, 2017	60	40	20	0
July 1- Dec 31, 2017	80	40	40	0
2018	100	40	60	20 units earned from the immediately preceding year
2019	120	40	80	20 units earned from each of the 2 immediately preceding years
2020 and after	120	40	80	20 units earned from each of the 3 immediately preceding years



Section 12. Required CPD Credit Units in a Compliance Period for 2017 and beyond



- **Flexible CPD units** – the amount of CPD units (hours) beyond the minimum for each Competence Area
 - The Learner professional has the option to take CPD activities under ANY OF the Competence Areas according to his/her development needs depending on his/her Sector or Area of Professional Practice, Role in the organization, Maturity, and the like



OG for Accountancy (Res. 254-2017) – Selected Provisions



Section 13. CPD Requirement for the Renewal of the PRC Identification Card (PIC) and PRBOA Accreditation.

- For individual professionals – reckoning date of the validity of the PIC and BOA accreditation shall be the **birth date** of the individual
- For firms and partnerships – reckoning date of validity of BOA accreditation shall be the **month of their SEC registration date**; all CPA partners, members and staff of the firm/partnership should have valid PIC at the time of application.



OG for Accountancy (Res. 254-2017) – Selected Provisions



Section 14. Online learning – refers to structured and unstructured learning initiatives, which makes use of the internet and other web-based information and communications technology solutions. May come in various forms, variation or combination of the following:

- Purely online;
- Blended;
- Synchronous/Asynchronous online courses;
- Instructor-led group;
- Self-study; self-study with subject matter expert;
- Web-based;
- Computer-based (CD-ROM); or
- Video/audio taped



Introducing the CPD Accreditation System (CPDAS)



- CPDAS is an **online system** which enables and hastens **application and approval** of CPD Providers and Programs, and for the professionals to **view their CPD compliance** prior to the renewal of their PIC, and the CPD programs available for them. This will also enable the providers to **submit the attendance** through electronic means.
- CPDAS is in its final stage of development. Roll-out **before the middle of 2018**



Online Learning Guidelines



General Guidelines:

- **Accredited CPD Providers** may apply for accreditation their online course/s to the concerned CPD Council/s and be given credit units.
- CPD programs may also be accredited as an online course if they are **in video format**. Podcast (audio only), written articles, and other formats can be applied under Self-Directed Learning by the professionals.
- **Video and audio quality** should be clear and audible.



Online Learning Guidelines



- The delivery platform should have **sufficient bandwidth** in order to provide service to users trying to access the video simultaneously.
- The CPD providers should **give examination** to determine whether the professional has actually viewed all videos and understood the learning objectives. The examination may be repeated.
- All users should be given the **evaluation** forms in order for them to provide feedback.
- CPDCs and PRBs to **update Operational Guidelines** to include Online Learning guidelines, as appropriate



Online Learning Guidelines



Two (2) types of Online Learning:

- **Webinar** – courses that are **broadcast live** over the internet, usually with the use of a webcam.
- It can be **viewed simultaneously** while the seminar is being conducted and thus scheduled.
- **Accreditation** process is similar to accreditation of regular CPD program.
- Monitors' report and completion report including attendance sheet should be submitted by the CPD providers after conduct of the webinar. **Access should be given to the concerned CPD Council/s** and their designated monitors.



Online Learning Guidelines



- **Video-on-demand** – courses that are filmed, recorded, then uploaded for use.
- It can be viewed 24/7, 365 days.
- If it is an **online course**, the complete course should be applied for accreditation in order to earn credit units.
- The concerned CPD Council should be given **access to the accredited online course**.
- The validity of an online course **accreditation is twelve (12) months**. Subject to renewal.
- List of participants should be given to the concerned CPD Council by the CPD provider every **thirty (30) days**.



OG for Accountancy (Res. 254-2017) – Selected Provisions - - Section 14. Online learning.



All Online Learning modules should have the following features, at a minimum:

- Complete details of non-accredited CPD Provider;
- Periodic review of topical discussion in 10-15 minute intervals;
- Final test/assessment at the end of the module to earn the CPD CU;
- Each module should be in 1.0, 1.5, 2.0 hours;
- Maximize the use of Technology in delivering CPD; examples: Webinar; Video on-demand;



OG for Accountancy (Res. 254-2017) – Selected Provisions - - Section 14. Online learning.



Examples of Online Learning CPD Providers:

- International Accounting Bodies – ACCA, CPA Australia, CPA Canada, AICPA, ICAEW, ICAS, etc..
- Third party Providers accredited by The National Association of State Boards of Accountancy (NASBA)
- Global Accounting Firms – PwC, Deloitte, EY, KPMG, GT,

*We want Local Institutions to apply as CPD Providers
Technology and talent is abundant in the PHL*



OG for Accountancy (Res. 254-2017) – Selected Provisions - - Section 14. Online learning.



Proposals presented to and for consideration by the CPDC:

- *Proposal to require **all** CPD Providers to offer Online Learning to the general public; to address the issues of **accessibility and affordability***
- *CPD credit units for reading various publications of IFAC and the related Boards – IAASB (Auditing and Assurance), IAESB (Education), IESB (Ethics), IPSASB (Public Sector);*
- *Minimum CPD CUs for non-practicing, “very” senior CPAs;*
- *Up to 100% Self-Directed and Lifelong Learning CPD activities;*

Institutionalize testing/exams to earn additional CPD credit units



OG for Accountancy (Res. 254-2017) – Selected Provisions



Section 15. Quality Assurance Reviews.

- Assignment of CPD Monitors
 - PICPA to nominate Monitors in all Chapters
 - Organize briefings for Monitors nationwide
 - Responsibilities of Monitors
 - Provider to suggest, CPDC to designate
- Quality Assessment of CPD Providers
 - Quality of content, resource speaker/s, physical arrangements
 - Evaluation by participants
 - To be considered in renewal of accreditation as CPD Provider



Is CPD for Learning or Compliance?



Let us recall the definition of CPD -

*CPD refers to the inculcation of **advanced knowledge, skills and ethical values** in a **post-licensure** specialization or in an **inter- or multi-disciplinary field of study**, for assimilation into **professional practice**, **self-directed research** or **lifelong learning***

Sec. 3 (f), RA 10912 or the CPD Law of 2016



Questions to Ponder...



- How you acquire the knowledge needed for you to function effectively as Professional Accountants in your sector (*Government*) or area of practice (*Government Budget Administration*) ?
- How do you define “providing high-quality professional service” at all times?
- Do you exhibit ethical behavior, professional judgment, and objective attitude, and exercise the appropriate level of supervision?
- Are you COMMITTED to LEARN, and do you have the CAPACITY to LEARN?



Honestly.... How do you view CPD?



- Are you achieving the Competencies expected of Professional Accountants?
- Are you complying with the minimum CPD requirement of your profession?
- From whom (which Provider) do you acquire CPD units?
- Type of learning – formal, informal, online, self-directed, etc.
- Are you learning from the CPD?
- How do you apply CPD to your practice?
- How many units on *ETHICS, VALUES, ATTITUDES* do you acquire?



So how did you answer the foregoing questions?



Relating CPD to our professional practice



- **Keeping up to date** with the latest methodology, technology, best practices;
- Learning from the **experts** in our field;
- “Outcomes-based education” to “Outcomes-based Licensure Exams” to “**Outcomes-based CPD**”
- From Compliance to Learning to Competence – strive **to become the best** that we can ever be;



Mantra of the CPD-PMC



- Exercise **Maximum Flexibility** in implementing CPD regulations within the transition period up to 2020
 - No professional will be denied renewal of his/her Professional ID due to incomplete or lacking CPD units.
- Ensure **Accessibility** of CPD to our constituencies in remote or far-flung areas
- Address issue of **Affordability** of CPD activities
- Promote **Social Responsibility** in the delivery of CPD, especially to the GAD community – PWDs, senior citizens, pregnant women, nursing mothers.



Going beyond CPD



- **Sharing** our time, talent, and treasure/resources
- CPD is part of our **social responsibility** towards our profession, towards our communities, and the Nation
- Appreciating the VALUE of our PIC – it is not just another ID card; it is evidence that the professional is **qualified** to deliver professional services to his clients..

and beyond CPD, there is...



**“ If there is one – and only one – message I would like all of you to remember for the rest of your lives, it is this:
Be a person of integrity!”**

Washington SyCip
1921-2017



Thank you
and enjoy the rest of the
Seminar and Meeting!