# Good Practice Continuing Professional Development Manual Template

## Europe and Central Asia

# Good Practice Continuing Professional Development (CPD) Manual Template

Internal Audit Community of Practice (IA CoP)

February 2013

# CONTENTS

# PREFACE

This template is the product of a process of exchange of ideas and information among members of the Internal Audit Community of Practice (IA CoP), of the Public Expenditure Management Peer-Assisted Learning (PEM-PAL) network.

The PEM-PAL network, launched in 2006 with the help of the World Bank, is a regional body that aims to support reforms in public expenditure and financial management in the countries of Central Asia and Central and Eastern Europe, by promoting capacity building and exchange of knowledge and experience. IA CoP, one of the three Communities of Practice around which the network is organized, has representatives from 22 countries of the Europe and Central Asia region.

One of the IA CoP's goal is to "contribute to improved Public Financial Management (PFM) systems, by supporting members to establish a modern and effective Internal Audit Service in their Governments, that meets international and European Union (EU) standards and facilitates good governance in their public sector..."[1]. Assisting member countries through providing guidance on training and certification practices, including continuing professional development, is one step toward achieving this goal.

This good practice Continuing Professional Development (CPD) manual template is the end result of a collaborative process, which included participation from member countries and development partners. It is the hope of the PEM-PAL network and IA CoP that users of this template, and other templates in the series, will find them informative and useful in advancing the reforms of public sector internal audit.

---

1    Source: IA CoP Balanced Scorecard

# ACKNOWLEDGEMENT

# ACRONYMS

| | |
|---|---|
| **CHU** | Central Harmonization Unit |
| **CPD** | Continuing Professional Development |
| **EU** | European Union |
| **HIA** | Head of Internal Audit |
| **HR** | Human Resources |
| **IA** | Internal Auditor |
| **IA CoP** | Internal Audit Community of Practice |
| **IIA** | Institute of Internal Auditors |
| **INTOSAI** | International Organization of Supreme Audit Institutions |
| **IT** | Information Technology |
| **PEM-PAL** | Public Expenditure Management-Peer Assisted Learning |
| **PFM** | Public Financial Management |

# INTRODUCTION

According to the Institute of Internal Auditors (IIA), "Continuing Professional Development (CPD) is an ongoing, structured process designed to maintain and enhance professional competence. It arises from the changing demands of a professional role, the desire to improve the quality of the service given and the personal ambition of the individual." So essentially, CPD is a means by which internal auditors (IAs) can continually improve in order to provide better service to their clients and employers while building confidence in the quality and integrity of their work.  CPD should be relevant, measurable, and in most cases verifiable.

IA CoP in its flagship publication _Good Practice Internal Audit Manual Template_, emphasizes the importance of CPD for internatl auditors in order to enhance their knowledge, skills and other competencies.[2]

Therefore, this CPD manual template can be used to assist internal audit professionals in the public sector in the preparation of a CPD manual or establishing the respective requirements for use in their organization. The final structure and content of the manual will depend on the level of development of the internal audit unit or organization, and the CPD policy maker.

---

2    PEMP-PAL IA CoP, "Section 2.5.1.4  Training and Continuing Professional Development," in _Good Practice Internal Audit Manual Template_, 22.

# 1. GENERAL

In establishing good practice guidance on CPD it is important to outline a number of elements including, the status, scope, matters related to organizers and providers of CPD, so as to provide an adequate compliance mechanism.

## 1.1. Status and Scope

In order to establish the authority of the CPD policy maker, CPD requirements and regulations should be regulated by a law or by-law. The law or by-law which establishes the authority of the policy maker should specify who will be subject to the requirement to undertake CPD. In addition, the issue of waivers from CPD requirements for retired members and those on career breaks should be addressed and clearly outlined.

## 1.2. Commencement and Transitional Arrangements

Reference should be made of the effectiveness date of the CPD regulations in the law/by-law, and the CPD year (both the beginning and end of the period) must be stated. Additionally, transitional arrangements should be covered to provide guidance during the initial phase of the new requirement.

## 1.3. Approaches to CPD

The CPD policy maker should state the approach, input-based, output-based or combination, which is to be followed.

- Input-Based Approaches – establish a set amount of learning activity that is considered appropriate to develop and maintain competence.

- Output-Based Approaches – require internal auditors to demonstrate, by way of outcomes, that they develop and maintain professional competence.

- Combination Approaches  – effectively and efficiently combine elements of the input- and output-based approaches, setting the amount of learning activity required and measuring the outcomes achieved.[3]

---

3   International Federation of Accountants (IFAC) International Education Standards (IES) 7: Continuing Professional Development: A Program of Lifelong Learning And Continuing Development of Professional Competence.

## 1.4. CPD Records and Monitoring

It is critical that individual internal auditors retain records of their CPD activities and that compliance is monitored effectively by a relevant body. Since monitoring is an administrative function, the CPD policy maker, such as the Central Harmonization Unit (CHU), should be responsible for its oversight.

It is recommended that:

- A register is maintained with the CPD policy maker on CPD compliance for each internal auditor.

- The Head of Internal Audit (HIA) should report on compliance with CPD policy by his/her staff to the CPD policy maker. Otherwise, an electronic system of filing may be put in place so that each internal auditor can directly file the statement of compliance with the CPD policy maker.

- Internal auditors not currently involved in practice, those that are "inactive", should send their annual CPD statements to the CPD policy maker.

- The CPD policy maker defines the length of time that evidence of CPD activity should be kept by internal auditors.

- Procedures and penalties for non-compliance with CPD policy must be stated and communicated to internal auditors.

All matters related to CPD records and monitoring should be clearly outlined in the CPD manual.

# 2. ORGANIZERS AND PROVIDERS OF CPD

## 2.1. CPD Organizers

The CPD policy maker (CHU or an equivalent organization or committee established for this particular purpose) should be the organizer of CPD for internal auditors.

The CPD policy maker may:

1. Stipulate whether input-based, output-based, or a combination of both approaches to CPD, will be acceptable for the purposes of fullfilling the requirements.

2. Approve the acceptable subjects eligible for CPD recognition.

3. Approve types of learning activities, structured or unstructured, that would qualify as CPD. Structured activities use material or activities that are designed to achieve a particular outcome, such as attendance at courses, conferences, workshops or in-house training. Alternatively, unstructured activites include self study and reading relevant journals.

4. Establish a minimum number of hours/units for CPD activities that should be undertaken during a CPD year and over a two year period. In addition, the minimum number of hours/units for covering both structured or unstructured activities must be outlined. While the IIA does not specify the number of hours of CPD required, best practice indicates that internal auditors should complete a minimum of 80 hours of CPD in two years, both structured and unstructured. Further, at least 60 of those hours over two years should be verifiable.

5. Develop eligibility criteria for CPD providers (organizations and individuals) as well as events, such as conferences or PEMPAL workshops.

6. Review and approve/register eligible local training providers and individual trainers.

7. Develop training modules.

8. Establish proper quality control procedures over development of CPD materials.

9. Provide CPD resources in a centralized location, if resources permit. This could include establishing a library (including electronic library) of reference materials.

The CPD manual should fully outline information specified by the CPD policy maker regarding all necessary requirements including:

- Acceptable subjects

- Acceptable learning activities

- Minimum number of hours of CPD required over a specific period and how much time can be spent on structured and unstructured activities

- Acceptable CPD providers and events.

## 2.2. CPD Providers

CPD providers may be any organization in public or private sector or a professional body. Individual providers of CPD could be drawn from the CPD policy maker's staff, well-experienced internal auditors, academics, or experts from a specialized field of work, for example public procurement, statistics, or budgeting. All providers must be registered, given guidance on particular areas of interests or programs that are to be followed, and reviewed periodically by the CPD policy maker.

The importance of reviewing and establishing guidelines for CPD providers cannot be understated. This will help to ensure the quality of the technical knowledge and professional skills that are provided in the CPD process and maintain confidence in the CPD arrangements.

The CPD manual should include mention of how notice of updated lists of providers will be communicated to internal auditors.

## 2.3. Quality Review of CPD Organizers and Providers

The CPD policy maker should conduct regular quality assesssments of local training providers (not necessarily the events). This would include reviewing and approving training materials, if not developed by the CPD policy maker.

The quality assurance procedures related to training may include:

- Establishing eligibility criteria and other requirements for trainers.

- Providing training for trainers, supplying good practice presentation material, and updated legislation and technical changes in professional knowledge.

- Establishing requirements related to content and structure of material to be used in CPD training, as well as guidelines for continuous development and updating of material used.

- Defining priority subject area for trainers to use in training programs – this is important in instances where the CPD policy maker needs to arrange for the coverage of specific areas in the training of internal auditors, for example training on new legislation or risk management approaches.

- Collecting and evaluating feedback from training participants and following up on areas of highlighted strengths and weaknesses or concerns.

- Introducing electronically based exam system, where possible, in order to assure the integrity of examination process.

- For output-based approach, establish a system for assessment of the CPD results related to participants' improved knowledge, skills, and competences.

# 3. CPD SUBJECTS AND LEARNING ACTIVITIES

The knowledge, skills and competencies that need to be attained by internal auditors will largely determine the subjects that are covered in order to fulfil CPD requirements. Each auditor should have an annual training plan that is approved by the HIA.

In order to fully support the professional development of internal auditors, the subjects offered by CPD providers should be updated on a regular basis. In determining the annual CPD program a number of factors should be considered and addressed. These should include but are not limited to:

- The feedback from participants as part of the Quality Review process of CPD providers should offer inputs in determining the annual CPD program.

- Free of charge CPD opportunities (for minimum compliance) should be made available to internal auditors practicing in the public sector.

- The capacity of the CPD policy maker should be considered when the annual CPD program is determined so that realistic targets can be set.

## 3.1. Examples of CPD subjects

- **General subjects**
  - o Internal Control
  - o Governance and Management
  - o Public Procurement
  - o Budget
  - o Accounting
  - o Legislation
  - o Computer Science and Information Technology (IT) systems (including those implemented in public sector)
  - o Government Administration (for example, Human Resoures (HR), Governance)

- **Thematic subjects**
  - Risk Assessment
  - Audits
  - Audit Tools and Techniques
  - Sampling
  - Reporting
  - Specialised Areas (for example, Environment, Engineering)

- **Other Areas (including soft skills)**
  - Communication
  - Management
  - Human Resources
  - Business Writing
  - Negotiation and Interviewing Skills
  - Motivation
  - Empathy
  - Self-Awareness
  - Social Skills
  - Conflict Resolution

Activities other than those listed above may be deemed acceptable if the internal auditor can demonstrate to the CPD policy maker that they contribute to professional competence.

## 3.2. Examples of CPD Learning Activities

- Participation in courses, conferences, and seminars

- On-the-job training (learning by doing)

- Developing or delivering a course or CPD session in an area related to professional responsibilities

- Participation as a speaker in conferences, briefing sessions, or discussion groups

- Writing articles, papers, or books of a technical, professional, or academic nature

- Professional re-examination or formal testing (for output-based approach)

- Receiving professional development support from a mentor or coach

- Providing professional development support as a mentor or coach

- Participation in and work on technical committees

- Formal study related to professional responsibilities (post graduate study)

- Research, including reading professional literature or journals, for application in the professional internal auditor's role

- Self-directed learning

# 4. CPD IN THE WORKPLACE

Employers can support staff's fulfilment of CPD requirements in a variety of ways, ranging from providing approved in-house training and/or time off from work to pursue professional development to offering various incentives. Annual assessments of employees work program and performance could highlight areas of knowledge, skills or competencies, which need to be enhanced. This information could then be used to create a list of CPD learning objectives for the employee.

In addition, staff could be motivated to pursue professional development by including a discussion on compliance with CPD requirements in annual staff performance assessments, with the possibility of earning monetary or other job related incentives.