

CR 7 – Continuing Professional Development

Issued: 4 December 2020

Effective Date: This Regulation is effective for all Trienniums commencing on or after 1 July 2021. Members may choose to adopt the requirements set out in this Regulation in advance of the commencement of their next Triennium. Where this applies, Members should determine their CPD requirements by applying the requirements set out below to the remainder of their Triennium as at 1 July 2021 and the former CPD requirements set out in CR 7- Continuing Professional Development issued on 8 October 2019 to the earlier part of their triennium on a proportional basis.

7.1 Purpose

This Regulation sets out the minimum continuing professional development requirements for Individual Members and Affiliate Members of CA ANZ, to develop and maintain the professional competence necessary to provide high quality services to clients, employers, and other stakeholders, and to strengthen public trust in the accountancy profession.

Compliance with this Regulation will assist members to demonstrate that they are also compliant with relevant ethical standards¹. These require Members to maintain professional knowledge and skills at the level required to ensure that a client or employing organisation receives competent professional activities, based on current technical and professional standards and relevant legislation.

7.2 Definitions

- (a) Unless expressly defined in this Regulation, capitalised terms used in this Regulation are defined in By-Law 2.
- (b) **Affiliate** and **Affiliate Member** means a natural person who participates with Individual Members in a Practice Entity, who is not a Fellow, Chartered Accountant, Associate Chartered Accountant or Accounting Technician or entitled to be admitted to Membership as a Fellow, Chartered Accountant, Associate Chartered Accountant or Accounting Technician, and has been admitted to Membership in accordance with the By-Laws and the Regulations.
- (c) **Audit Engagement Partner** means a partner or other person in the firm who is responsible for the audit engagement and its performance, and for the auditor's report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal, or regulatory body to do so.
- (d) **CPD** means continuing professional development, which is the learning and development that a Member undertakes to develop and maintain professional competence to enable the Member to continue to perform their roles competently.
- (e) **Individual Member** means a natural person who has been admitted to Membership as a Fellow, Chartered Accountant, Associate Chartered Accountant or Accounting Technician and Individual Membership has a corresponding meaning.
- (f) **Licensed Auditors** means a person who holds an auditor licence issued by NZICA or the New Zealand Financial Markets Authority (FMA) under sections 11 or 12 of the *Auditor Regulation Act 2011* (NZ) (ARA) permitting the auditor to perform FMC audits (as defined in section 6 of the ARA) in New Zealand.
- (g) **Member** means an Individual Member or an Affiliate Member.

¹ APES 110 Code of Ethics for Professional Accountants (including Independence Standards) [all members except members resident in New Zealand], New Zealand Institute of Chartered Accountants (NZICA) Code of Ethics [Members resident in New Zealand], and Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES1) [Members resident in New Zealand who are Assurance Practitioners]

- (h) **Non-verifiable CPD** means CPD activities that are independent and informal including, for example, reading technical or professional articles, mentoring discussions and collegial discussion where learning is fostered.
- (i) **Public Interest Entities** means:
- In Australia:**
- (i) a listed entity, being an entity whose shares, stock or debt are quoted or listed on a recognised stock exchange or are marketed under the regulations of a recognised stock exchange or other equivalent body; or
 - (ii) an entity defined by regulation or legislation as a public interest entity; or
 - (iii) an entity for which an audit is required by regulation or legislation to be conducted in compliance with the same independence requirements that apply to the audit of listed entities. Such regulation might be promulgated by any relevant regulator, including an audit regulator.
- In New Zealand:**
- (i) Any entity that meets the Tier 1 criteria in accordance with External Reporting Board Standard A1 and is not eligible to report in accordance with the accounting requirements of another tier.
- (j) **Reporting Period** means, subject to section 2(e) of Schedule 1, a period of 3 years (a **triennium**), commencing from 1 July 2019 and each subsequent triennium.²
- (k) **Triennium** means a period of three years commencing as follows;
- (i) for a Member resident in New Zealand and admitted prior to 1 July 2012 their first triennium commences on 1 July 2012,
 - (ii) for all other Members, regardless of residence, admitted prior to 1 July 1994 their first triennium commences on 1 July 1994,
 - (iii) for all other Members their first triennium commences on 1 July of the financial year following the Member's date of admission.
- (l) **Verifiable CPD** means CPD activities for which there is Verifiable Evidence to support their completion.
- (m) **Verifiable Evidence** means evidence that is objective, and capable of being proven and retained in either written or electronic form.
- (n) **Verifiable On the Job Training** means training the Member receives, usually in their place of work, while they are doing the professional role they are being trained for, the training is documented and verified by another person, not necessarily another Member.

Commentary

The following are examples of how a Member's Triennium is determined.

A Member resident in New Zealand was admitted to membership on 15 May 2002. The first triennium for this Member began on 1 July 2012, and the trienniums are as follows:

- a) 1 July 2012 – 30 June 2015
- b) 1 July 2015 – 30 June 2018
- c) 1 July 2018 – 30 June 2021 and so on

A Member resident in Singapore was admitted to membership on 16 November 2017. The first triennium for this Member began on 1 July 2018, and the trienniums are as follows:

² This definition only applies to Schedule 1

- a) 1 July 2018 – 30 June 2021
- b) 1 July 2021 – 30 June 2024
- c) 1 July 2024 – 30 June 2027 and so on

7.3 Minimum CPD requirements (annual and Triennium) for all Members

- (a) Subject to the exemptions identified in CR 7.5, all Members, whether or not holding a Certificate of Public Practice (CPP) are required to undertake CPD.
- (b) The minimum requirements for CPD are:
 - (i) Chartered Accountants (CAs) and Affiliate Members are required to complete 120 hours of CPD over each Triennium, of which 90 hours must be Verifiable CPD. A minimum of 20 hours of CPD must be completed in each year of the Triennium.
 - (ii) Associate Chartered Accountants (ACAs) are required to complete 90 hours of CPD over each triennium, of which 67 hours must be Verifiable CPD. A minimum of 15 hours of CPD must be completed in each year of the Triennium
 - (iii) Accounting Technicians (ATs) are required to complete 60 hours of CPD over each Triennium, of which 45 hours must be Verifiable CPD. A minimum of 10 hours of CPD must be completed in each year of the Triennium.
- (c) Every Triennium, a minimum of two hours of the Member's Verifiable CPD as set out in CR 7.3b(i) - (iii) above must be completed in relation to professional ethics.
- (d) The proportion of Verifiable CPD obtained via Verifiable On the Job Training shall not exceed 50% of the Verifiable CPD as set out in CR 7.3b(i) –(iii) above.

Commentary

The following is an example of how a Member in full time employment for the Triennium could achieve compliance with CR 7.3 above,

Verifiable CPD – 90 hours comprising

- attendance at conference – 15 hours,
- Verifiable On the Job Training – 45 hours
- Ethics e-learning module - 2 hours
- Leadership development program – 21 hours
- Linked in Learning online courses – 7 hours

Non Verifiable CPD – 30 hours comprising

- Technical reading – 15 hours
- On the Job Training – 15 hours

Certificate of Public Practice Applicants

In accordance with CR 2.11 a Member seeking to obtain a Certificate of Public Practice is required to demonstrate compliance with this Regulation.

7.4 Engagement Partners responsible for Audits of Public Interest Entities and Licensed Auditors

- (a) A Member who is an Audit Engagement Partner responsible for audits of a Public Interest Entity's financial statements or who is a Licensed Auditor must also comply with the requirements set out in Schedule 1.
- (b) Without limiting CR 7.10, NZICA may, in accordance with section 18 of the *Audit Regulation Act 2011*, vary, remove, add to, or substitute any conditions of a Licenced Auditors licence or suspend or cancel the licence if the Licensed Auditor fails to comply with the CPD requirements set out in this Regulation, including Schedule 1.

7.5 Exemptions

(a) **Members who hold a Certificate of Public Practice**

A Member who holds a CPP is not entitled to an exemption from the requirements of CR 7.3 in accordance with either CR 7.5 (b) or (c) below.

(b) **Retired exemption**

A Member who has permanently withdrawn from the workforce, including from providing services on a voluntary or pro bono basis, is exempt from the requirements in CR 7.3.

(c) **Pro-rata exemptions**

The minimum CPD requirements in CR 7.3 are based on a Member working a 37.5 hour week over a 12 month period. A Member can reduce their minimum CPD, on a pro-rata basis, if:

- (i) the Member has been, or will, be absent from public practice or employment because of parenting leave, unemployment or illness; or
- (ii) the Member is not employed full-time or has part-time or casual employment.

(d) **Exceptional Circumstances**

Where the Retired or Pro-rata exemptions in CR 7.5 (b) and (c) above are not applicable, the Board may approve that the Member has exceptional circumstances, such that completion of the minimum CPD would result in particular hardship or difficulty to the Member. The Member, with the Board's approval, is exempt either wholly or in part from the requirement of CR 7.3 for the period approved by the Board.

7.6 Record-keeping

(a) Members obliged to undertake CPD are required to keep appropriate records of CPD activities undertaken and exemptions that they are utilising. These records must be retained for a period of six years and provided to CA ANZ upon request.

(b) A Member's CPD records should include:

- (i) details or a description of the activity undertaken;
- (ii) the date/s on which the activity was undertaken;
- (iii) the provider of the activity;
- (iv) details of the relevance of the activity to the Member's current or future professional development;
- (v) whether it is Verifiable CPD or Non-Verifiable CPD;
- (vi) if Verifiable CPD, a description or copy of the Verifiable Evidence;
- (vii) whether the CPD is relevant to the Member's obligations associated with holding certain registrations (see CR 7.8 below) or specialisations (see CR 7.8 below); and
- (viii) the number of CPD hours attributed to the activity.

(c) Means by which CPD can be verified include:

- (i) attendance records, registration forms or confirmation of registration in a activity;
- (ii) independent assessment by a competent individual that a activity has occurred;
- (iii) confirmation by an instructor, mentor, supervisor or tutor of participation in an activity;
- (iv) confirmation by an employer of participation in an in-house program, including firms' CPD logs;
- (v) published research work; and
- (vi) confirmation by other committee members (or Secretariat) of participation on a Technical Committee.

7.7 Dual Members of recognised accountancy bodies

Where a Member is:

- (a) also a current Member of another accountancy body which CA ANZ has recognised for the purposes of this provision;
- (b) resident outside Australia or New Zealand;
- (c) not holding a CPP or not a specialist in accordance with CR 6; and
- (d) in compliance with that other body's CPD requirements,

written evidence supplied by the Member of compliance from that other body will be accepted as compliance with the requirements of this Regulation.

Commentary

For the purposes of CR 7.7 the following are recognised accountancy bodies;

- *CPA Australia (CPAA)*
- *American Institute of Certified Public Accountants (AICPA)*
- *Chartered Accountants Ireland (CAI)*
- *Chartered Professional Accountants of Canada (CPA Canada) – reciprocity applies to CA, CMA and CGA members*
- *Hong Kong Institute of Certified Public Accountants (HKICPA)*
- *Institute of Chartered Accountants Scotland (ICAS)*
- *Institute of Chartered Accountants England and Wales (ICAEW)*
- *South African Institute of Chartered Accountants (SAICA)*
- *Association of Chartered Certified Accountants (ACCA)*
- *Institute of Chartered Accountants of India (ICA India)*
- *Institute of Chartered Accountants of Zimbabwe (ICAZ)*
- *Malaysian Institute of Certified Public Accountants (MICPA) Pathway*
- *The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)*
- *The Institute of Chartered Accountants of Pakistan (ICAP)*
- *The Institute of Chartered Accountants of Nepal (ICAN)*
- *The Singapore Accountancy Commission (SAC)*

7.8 Members who are holders of licences, registrations or CA ANZ Specialisations

- (a) If you hold;
 - (i) any registrations or licences, including but not limited, to those identified in 7.8(b) or (c) below, or
 - (ii) one or more CA ANZ Specialisations in accordance with CA ANZ Regulation CR 6 Specialisations,

you should ensure that your training complies with the requirements of those registrations and specialisations.

- (b) These Australian registrations and licences are;
 - (i) registered company auditor;
 - (ii) registered company liquidator;
 - (iii) registered trustee in bankruptcy;
 - (iv) Australian Financial Services (**AFS**) licence holder;
 - (v) approved Self-Managed Super Fund (**SMSF**) auditor (**SMSF Auditor**);
 - (vi) registered BAS agent;
 - (vii) registered tax (Financial) adviser; and

- (viii) registered tax agent.
- (c) These New Zealand registrations and licenses are;
 - (i) Licensed Insolvency Practitioners;
 - (ii) Licensed Auditors; and
 - (iii) Financial Advisers and Financial Service Providers.

7.9 What constitutes CPD?

- (a) CPD provides Members with continuing opportunities to develop the (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes and (d) competence achieved during the completion of the CA Program or equivalent.
- (b) Within the guidelines of this Regulation each Member is responsible for planning and completing the CPD necessary for them to maintain their professional competence. Given the diverse range of activities which Members undertake it is not possible to define a common CPD curriculum.
- (c) As a guide, Verifiable CPD could include the following activities:
 - (i) conferences, courses, seminars, training or presentations;
 - (ii) serving on a CA ANZ technical or research committee;
 - (iii) publishing professional or academic papers, articles, research or other publications;
 - (iv) participating as a speaker in conferences, briefing sessions and discussion groups;
 - (v) developing or delivering training sessions or courses; or
 - (vi) facilitating professional examinations workshops or similar learning activities, or marking professional examinations (a maximum of 50% of your Verifiable CPD hours can be claimed per triennium from these activities); or
 - (vii) participating in a NZICA, CA ANZ or CPAA quality review (a maximum of 4 Verifiable CPD hours can be claimed per triennium).

7.10 How CA ANZ monitors compliance

- (a) CA ANZ monitors your compliance with this Regulation through your annual notifications. It also reviews the CPD records of a percentage of Members to check that they have met their CPD obligations. In addition, the CPD records of Members who hold a CPP are reviewed as part of the quality review of the practice.
- (b) Members who are resident in New Zealand who fail to comply with the requirements of this Regulation may be referred to the Professional Conduct Committee.
- (c) Members who are not resident in New Zealand who fail to comply with the requirements of this Regulation may be excluded from membership in accordance with the By-Laws.

Schedule 1 to CR 7 – CPD Requirements for Licensed Auditors and Engagement Partners Responsible for Audits of a Public Interest Entity’s Financial Statements

Commentary

A Member who is not a Licensed Auditor or who performs the role of an Audit Engagement Partner for entities that are not Public Interest Entities are encouraged, but not required, to comply with this Schedule. This includes a Member who:

- (a) is a registered company auditor; or*
- (b) is recognised by NZICA or another body as a qualified auditor under section 36(1) of the Financial Reporting Act 2013.*

A Member who is not a Licensed Auditor and who performs other assurance engagements, such as review engagements, may, but is not required, to comply with this Schedule with suitable modifications to ensure he or she maintains the professional competence required to perform those other assurance engagements.

A Member who performs audit work other than as Audit Engagement Partner (for example as audit senior or audit manager) is not required to comply with this Schedule. However, they or their firm may choose to adopt aspects of this Schedule relevant to the role they perform.

Where a Member is progressing to the role of Engagement Partner, Schedule 1 may, but is not required to, be applied as part of a development plan to prepare the Member to undertake the Audit Engagement Partner role.

The obligations set out in this Schedule apply in addition to the requirements set out in CR 7.3.

1. Members must develop and maintain competence

- (a) You must undertake CPD that develops and maintains the professional competence required to perform the role of Audit Engagement Partner or Licensed Auditor. This may be demonstrated by achieving the learning outcomes set out in Appendix A of this Schedule.
- (b) If you identify a need to achieve learning outcomes in addition to those set out in Appendix A in order to meet the requirements of your role as an Audit Engagement Partner or Licensed Auditor, you must also plan to develop and maintain those additional competencies.

2. Self-assessment or similar evaluation

- (a) Within six months of the commencement of each Reporting Period you must:
 - (i) identify, whether by self-assessment, as part of a formal partner evaluation process or a similar evaluation, your competence in each of the learning outcomes set out in Appendix A;
 - (ii) identify the CPD that you require to ensure that competence is developed and maintained in relation to those learning outcomes where a requirement for additional learning is identified; and
 - (iii) develop a prioritised learning plan to ensure the learning needs identified under (ii) are met over a reasonable period. The period chosen should reflect the priority attached to each learning outcome but should not exceed 3 years.
- (b) At least once a year you must:
 - (i) update your evaluation of your competencies identified in section 2(a)(i) of this Schedule to record the results of the CPD activities undertaken in that year;

- (ii) identify any changes in your role or any applicable standards or legislation; and
 - (iii) update your learning plan for the following year.
- (c) If your evaluation under either sections 2(a) or 3(b) of this Schedule indicates that no CPD activities are required in relation to a particular learning outcome, you do not need to plan CPD activities for that learning outcome.
- (d) Your self-assessment and learning plan should demonstrate that you have given appropriate consideration to the extent of your competence in relation to each learning outcome and have developed the learning plan based on your assessment.
- (e) If you were a Licensed Auditor prior to 1 January 2019, you may choose to align the timing of your Reporting Period under this Schedule with your reporting obligations under the *Auditor Regulation Act (Prescribed Minimum Standards and Conditions for Licensed auditors and Registered Firms) Notice 2012 (NZ)*.

3. Verifiable and non-verifiable CPD

- (a) CPD hours undertaken as part of your learning plan for the purpose of this Schedule may be used towards the requirements set out in CR 7.3.

4. CPD records

Notwithstanding any other requirements set out in CR 7.6, you must maintain the following records in a form suitable for review by CA ANZ or NZICA (as applicable):

- (a) records of your assessment or evaluation undertaken in accordance with section 2 of this Schedule;
- (b) your learning plan (as updated from time to time) showing the CPD activities planned and undertaken and how these activities contributed to achievement of your learning outcomes; and
- (c) supporting evidence for the Verifiable CPD undertaken.

5. Review of compliance with the policy

Notwithstanding CR 7.10:

- (a) The FMA and NZICA will review a Licensed Auditor's compliance with their CPD requirements as part of their quality review and monitoring programmes.
- (b) CA ANZ will review an Engagement Partner's compliance with their CPD requirements as part of CA ANZ's quality review programme.
- (c) Engagement Partners who are selected for a CA ANZ quality review, will be required to provide their CPD records required under section 4 of this Schedule 1.
- (d) Licensed Auditors will be required to provide their CPD records required under section 4 of this Schedule 1 to NZICA when selected for review as part of the annual monitoring process.
- (e) Licensed Auditors will be required to provide their updated learning plan when applying to NZICA for renewal of their licence. NZICA may, at its discretion, request

supporting information and evidence.

(f) Licensed Auditor applicants will be required to provide their learning plan which will be assessed together with their application.

(g) Licensed Auditors may be required to provide their CPD records and/or learning at any other time in connection with NZICA's monitoring activities or other functions as an accredited body.

6. Non-compliance

Licensed auditors who fail to comply with the requirements of this policy may have their auditor licence suspended or cancelled and may be referred to the Professional Conduct Committee in accordance with CR 7.10(b).

Appendix A: Learning outcomes for professional competence of an Audit Engagement Partner or Licensed Auditor

Competence Area	Learning Outcomes
(a) Audit	<ul style="list-style-type: none"> (i) Lead the audit through active involvement during all phases of the audit engagement. (ii) Lead the identification and assessment of the risks of material misstatement. (iii) Develop an audit plan that responds to the risks of material misstatements identified. (iv) Evaluate responses to the risks of material misstatement. (v) Conclude on the appropriateness and sufficiency of all relevant audit evidence including contradictory evidence, to support audit opinion. (vi) Evaluate whether the audit was performed and documented in accordance with International Standards on Auditing or other relevant auditing standards, laws and regulations applicable to an audit of the financial statements. (vii) Develop an appropriate audit opinion and related auditor's report, including a description of key audit matters as applicable.
(b) Financial accounting and reporting	<ul style="list-style-type: none"> (i) Evaluate whether an entity has prepared, in all material respects, financial statements in accordance with the applicable financial reporting framework and regulatory requirements. (ii) Evaluate the recognition, measurement, presentation, and disclosure of transactions and events within the financial statements in accordance with the applicable financial reporting framework and regulatory requirements. (iii) Evaluate accounting judgments and estimates, including fair value estimates, made by management. (iv) Evaluate the fair presentation of financial statements relative to the nature of the business, the operating environment, and the entity's ability to continue as a going concern.
(c) Governance and risk management	<ul style="list-style-type: none"> (i) Evaluate corporate governance structures and risk assessment processes affecting the financial statements of an entity as part of the overall audit strategy.
(d) Business environment	<ul style="list-style-type: none"> (i) Analyse relevant industry, regulatory, and other external factors that are used to inform audit risk assessments including, but not limited to, market, competition, product technology, and environmental requirements.
(e) Taxation	<ul style="list-style-type: none"> (i) Evaluate procedures performed to address the risks of material misstatement in the financial statements in respect of taxation, and the effect of the results of these procedures on the overall audit strategy.
(f) Information technology	<ul style="list-style-type: none"> (i) Evaluate the information technology and communications technologies (ICT) environment to identify controls that relate to the financial statements to determine the impact on the overall audit strategy.

Competence Area	Learning Outcomes
(g) Business laws and regulations	(i) Evaluate identified or suspected non-compliance with laws and regulations to determine the effect on the overall audit strategy and audit opinion.
(h) Finance and financial management	(i) Evaluate the various sources of financing available to, and financial instruments used by, an entity to determine the impact on the overall audit strategy. (ii) Evaluate an entity's cash flow, budgets, and forecasts, as well as working capital requirements to determine the impact on the overall audit strategy.
(i) Interpersonal and communication	(i) Communicate effectively and appropriately with the engagement team, management, and those charged with governance of the entity. (ii) Evaluate the potential impact of cultural and language differences on the performance of audit (iii) Resolve audit issues through effective consultation when necessary.
(j) Personal	(i) Promote and undertake lifelong learning. (ii) Act as a role model to the engagement team. (iii) Act in a mentoring or coaching capacity to the engagement team. (iv) Promote reflective activity
(k) Organizational	(i) Evaluate whether the engagement team, including auditor's experts, collectively has the appropriate objectivity and competence to perform the audit. (ii) Manage audit engagements by providing leadership and project management of engagement teams.
(l) Commitment to the public interest	(i) Promote audit quality and compliance with professional standards and regulatory requirements with a focus on protecting the public interest.
(m) Professional scepticism and professional judgment	(i) Apply professional judgment in planning and performing an audit and reaching conclusions on which to base an audit opinion. (ii) Promote the importance of the application of professional scepticism during all phases of the audit engagement. (iii) Apply professional scepticism to critically assess audit evidence obtained during the course of an audit and reach well-reasoned conclusions. (iv) Evaluate the impact of individual and organizational bias on the ability to apply professional scepticism. (v) Apply professional judgment to evaluate management's assertions and representations. (vi) Resolve audit issues using critical thinking to consider alternatives and analyze outcomes.

Competence Area	Learning Outcomes
(n) Ethical principles	(i) Promote the importance of compliance with the fundamental principles of ethics. (ii) Evaluate and respond to threats to objectivity and independence that can occur during an audit.