



SOUTHERN AFRICAN INSTITUTE
FOR BUSINESS ACCOUNTANTS

MEMBER HANDBOOK

COMPANY RULES AND POLICIES:

SUBJECT

CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

VERSION 20200601

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Executive Summary

This document contains the CPD requirements applicable to members as reflected in the SAIBA MOI, Company Rules and CPD policy.

SAIBA may from time to time update or amend the CPD requirements as applicable to members and care should be taken to determine the most up to date version of these requirements.

Definitions

SAIBA means the Southern African Institute for Business Accountants with abbreviation SAIBA.

Company Rules means the rules adopted by SAIBA and ratified by members as prescribed in terms of the Companies Act, 2008. Company Rules specifies the CPD requirements that must be adhered by members.

CPD means a continuation of the Initial Professional Development (IPD) process that led to qualification as a professional accountant. CPD is learning and development that takes place after IPD, and that maintains and develops competencies to enable professional accountants to continue to perform their roles competently. CPD provides continuous development of the (a) professional knowledge, (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 individual.

IES7 means International Education Standard 7 as issued by IFAC.

IFAC means the International Federation of Accountants.

MOI means the constitution of SAIBA as adopted by members at the AGM and filed with CIPC as the SAIBA Memorandum of Incorporation. The MOI determines the authority of SAIBA to implement CPD requirements.

Policies means the guidelines on how the MOI and Company Rules related to CPD will be implemented by SAIBA.

Verifiable and non-verifiable CPD means a unit will be verifiable if the member can prove that he or she was involved in an acceptable CPD learning activity. A unit will be non-verifiable if the member is unable to prove that the CPD learning activity has taken place.

Introduction

Maintaining professional knowledge is a prerequisite for a person holding a professional qualification / designation. As a result, professional bodies require that their members adhere to continuous professional development (CPD) and obtain a minimum number of hours/points per annum.

CPD has traditionally been separated into verifiable and non-verifiable hours/points. Verifiable hours are obtained via attending an event that requires a formal registration and attendance process. Non-verifiable hours are obtained via reading technical articles, self-study, etc. Recently professional bodies have started to require output based CPD rather than input based i.e. completing a short test after a CPD event to confirm competence. SAIBA has adopted output based CPD.

Professional bodies may choose to assist members in obtaining their CPD hours/points. This assistance can either be provided as an in-house service, or through using accredited partners or a combination of these options.

Memorandum of Incorporation

Objects of the company:

The SAIBA MOI specifies the following principle objectives and purposes relevant to CPD:

- 4.1.1 Establish and provide membership, tiered recognition, designations, certifications, registrations and licensing for persons to be employed, or self-employed as accountants, tax practitioners, specialists, and finance executives in commerce, private practice, the public sector and academia.
- 4.1.2 Afford designatory letters to qualifying members and provide these members with a professional identity.
- 4.1.3 Promote and enforce appropriate standards of competence, practice, engagement standards, codes of ethics and conduct among members of the Company so engaged, including the reporting of non-compliant behaviour to any relevant authorities.
- 4.1.4 Contribute to the development of the South African economy by enhancing the ability of members to perform effectively and efficiently in the workplace.
- 4.1.5 Influence the development of national and international policy to ensure that members are free to pursue their career and practice ambitions to the fullest extent possible.
- 4.1.6 And to do all such things as may advance the character of the profession of accountancy whether in relation to practice, or as applied to service in commerce, the public sector and academia.

The SAIBA MOI specifies the following ancillary objectives and purposes relevant to CPD:

- 4.2.21 To take all such steps as it deems fit to enable it to remain, or become, and operate as a recognised professional body or supervisory body, in the broadest sense, for the purposes of the Close Corporations Act 1984, the Act and other statutes or regulations or the successor statutes or regulations and do anything whatsoever incidental to or in connection therewith and (without prejudice to the generality thereof) may:
 - (i) Lay down requirements and implement procedures (including professional experience, examinations and practical training) to ensure that the requirements for recognition of any professional qualification or designation required in terms of relevant statutes and regulations are, and continue to be, fulfilled.

Article 9 of the SAIBA MOI allows for the enforcement of CPD:

Clause 9.1 of the amended MOI empowers the Board to make rules in relation to CPD, which rules are in terms of clause 9.3 binding on members and all members are required to comply therewith. Moreover, clause 9.6 provides that if a member is found to have contravened the rules in relation to CPD, then SAIBA is entitled to impose all such fines and sanctions (including the termination of membership).

Clause 8.9.4 of the amended MOI provides that no voting member shall be entitled to any of the privileges of membership of the Company, and shall not be entitled to attend or vote at any meeting of members of the Company, unless he or she shall have complied with all of the obligations of membership, including payment of all amounts owing to the Company and interest thereon from whatsoever cause arising.

Article 6 of the SAIBA MOI authorizes the establishment of Company Rules:

- 6.1..1 In terms of this Memorandum of Incorporation, the Company is not limited from making, amending or repealing any company rules as contemplated in section 15(3) of the Act, and the board of capacity to make such rules is not limited or restricted.

Company Rules related to CPD

1. CPD is compulsory and is applicable to all members, whether in public practice, industry, commerce, education, the public sector or any other field.
2. All members must obtain CPD, and be able to demonstrate to the satisfaction of SAIBA that they have obtained CPD.
3. A member may obtain CPD in one of the following ways:
 - a. With an employer who holds approved CPD employer status from the Institute,
 - b. By following the unit scheme set out in the SAIBA CPD policies,
 - c. By following the CPD scheme of an International Federation of Accountants (IFAC) member body of which he is also a member, provided that the scheme complies with the CPD requirements of FAC.
4. It is the responsibility of the member to develop and maintain professional competence by undertaking the relevant learning activities.
5. The responsibility of SAIBA is to facilitate access to CPD opportunities and resources to assist members in meeting their personal responsibility for CPD and maintenance of professional competence.
6. SAIBA may issue various sanctions for non-compliance to CPD requirements. This may take the form of penalties, suspension, removal or a combination of these sanctions. Sanctions are determined as per the CPD policy.
7. CPD requirements vary between members, designation holders and holders of practicing certificates, licences and designations.
8. CPD units per member category:
 - a. SAIBA members that hold no other designatory letters are not required to obtain any CPD units.
 - b. Members with the designation **Business Accountant (SA)** must obtain at least **30 units per annum** of acceptable CPD learning activities that are relevant to their work.
 - c. Members with the designation **Certified Business Accountant (SA)** must obtain at least **30 units per annum** of acceptable CPD learning activities which are relevant to their work.
 - d. Members with the designation **Certified Financial Officer (SA)** must obtain at least **40 units per annum** of acceptable CPD learning activities which are relevant to their work.
 - e. Members with the designation **Business Accountant in Practice (SA)** must obtain at least **40 units per annum** of acceptable CPD learning activities which are relevant to their work.
9. All members that hold the designation **Business Accountant in Practice (SA)** must:
 - a. Maintain competence in the specialised areas of their practice, and
 - b. Obtain an appropriate proportion of CPD units in those areas.
10. SAIBA may apply exemptions to the CPD requirements under conditions as specified in the CPD policy.

Company policies related to CPD

1. Applicability

The policy applies to all members, associates, affiliates, the Board and the secretariat. SAIBA adheres to the CPD rules and policies as issued the IFAC. IES 7 governs the CPD requirements of professional accountants globally.

2. CPD

A member may obtain CPD in one of the following ways:

- a) With an employer who holds approved CPD employer status from the Institute,
- b) By following the unit scheme set out in this policy,
- c) By following the CPD scheme of an International Federation of Accountants (IFAC) member body of which he is also a member, provided that the scheme complies with the CPD requirements of FAC.

3. Approach to CPD

There are three approaches to measuring the achievement of CPD and are defined as follows:

- a) Output-based approach – requires members to demonstrate, by way of outcomes, that they have developed and maintained professional competence.
- b) Input-based approach – establish a set amount of learning activities that are considered appropriate to develop and maintain professional competence
- c) Combination approach – is made up by combining elements of input-based and out-based approaches by setting the amount of learning activities and demonstrating the outcomes achieved

SAIBA utilises a combination approach to verify the CPD learning activities. For the output-based approach, SAIBA will require evidence of learning activities that can be objectively verified by competent sources using valid assessment methods. Through input-based approach, SAIBA will measure the CPD learning activities in terms of hours or equivalent learning units.

4. CPD Requirements

Members must obtain the CPD units per calendar year as specified in the Company Rules. One unit is equal to one hour spent on an acceptable activity.

At least 60% of CPD units must be verifiable units. Units cannot be carried forward from one year to the next.

A unit will be verifiable if the learning activity provides or includes the following:

- Course outlines and teaching materials provided.
- Attendance record, registration forms or confirmation of registration from provider.
- Independent assessments that a learning activity has occurred.
- Confirmation by an instructor, mentor or tutor of participation.
- Confirmation by an employer of participation in an in-house program.

Examples of verifiable learning activities, include:

- Approved/prescribed conferences, seminars, workshops or similar structured discussion forums offered by SAIBA or any other accredited and recognised professional body.
- Watching an approved/prescribed technical DVD in a group situation, i.e. two or more individuals.
- Reading accredited articles of publications such as BA Review, Accounting Weekly, Tax Talk, Accountancy SA and Business Brief which are specifically marked as verifiable for CPD purposes.
- Studies leading to formal assessments, for example, a National Diploma qualification.
- Research and lecture preparation – this may include lecture preparation, presentation, research for a publication or article in the members own name or research (including relevant reading) for a new piece of work to be undertaken and supported by the Institute.

Examples of learning activities, which may be either verifiable or non-verifiable, include:

- Participation in courses, conferences, seminars;
- Self-learning modules or organized on-the-job training for new software, systems, procedures or techniques for application in professional role;
- Published professional or academic writing;
- Participation and work on technical committees;
- Teaching a course or CPD session in an area related to professional responsibilities;
- Formal study related to professional responsibilities;
- Participation as a speaker in conferences, briefing sessions, or discussion groups;
- Writing technical articles, papers, books;
- Research, including reading professional literature or journals, for application in a professional role;
- Professional re-examination or formal testing.

NB: One single, repetitive activity, for example, teaching introductory accounting to different audiences, should not constitute a member's total CPD activity.

Examples of non-verifiable learning activities, include:

- The reading of daily financial and business newspapers and journals, for example, Business Day, Finweek, etc

Members must obtain their CPD units in areas relevant to their work and must maintain competence in professional ethics and keep their business and finance knowledge up to date.

SAIBA Tax Practitioners:

SARS recognises that professional bodies generally provide opportunities for members to undertake CPE, however specific tax related CPE is required for tax practitioners.

The following SARS criteria is therefore applicable to SAIBA members registered as Tax Practitioners:

1. Tax Practitioners must attain a minimum of 15 tax related CPE hours per year.
2. 60% of tax related CPD must be verifiable by SAIBA (the controlling body).
3. 40% of tax related CPD may be non-verifiable CPD provided that the member records their CPD and furnishes details to SAIBA.
4. CPD records of individual tax practitioners will be retained for a minimum of five years.

5. Exemptions

Exemptions from complying with the CPD requirements may be granted based on SAIBA's discretion in the following instances:

- a) Members experiencing physical disability, illness or other extenuating circumstances as reviewed and approved by SAIBA. Supporting documentation must be furnished to SAIBA,
- a) Members who have retired and still on the register but not conducting any work,
- b) Members of other professional bodies in good standing and who have completed the CPD requirements of that professional which meet the requirements of the IFAC IES 7. The professional body must be a member of IFAC or have an agreement with SAIBA,
- c) Where a member works for 770 hours or less over the course of a calendar year, he/she need not comply with the requirements of the Unit Scheme provided that he/she can demonstrate that he has undertaken CPD relevant and sufficient for his/her role, save that he must obtain at least 10 units of non-verifiable CPD. This requirement does not apply to a member who:
 - Undertakes work under a SAIBA certificate, licence or other regulated work,
 - is involved in the preparation or presentation of accounts of listed or other public interest entities, or
 - is a non-executive director of a listed entity.

6. CPD Records

Members shall maintain records of both verifiable and non-verifiable CPD units obtained and of the relevance of those units to their role. In the case of verifiable units, the records shall include proof that the individual was involved in an acceptable CPD learning activity.

Such records shall be retained for three years and shall be subject to examination and verification by the Institute and shall be provided to the Institute upon their being requested in writing.

Such records shall be provided within the deadline specified in the request, which shall be no later than fourteen days after the date of the request.

Failure to comply with this regulation may lead to a sanction as issued by SAIBA.

7. Non-compliance with CPD

In the event a member fails to meet the requirements of the CPD system, SAIBA may impose any one or more of the following penalties:

- a) Require the member to follow an approved remedial programme of continuing professional development within a three (3) month period from the date that SAIBA issued a notice of non-compliance to the member.
- b) Should a member fail to indicate compliance with this prescription by the final deadline, a monetary fine to the value of up to 100% of the member's annual membership and designation fee will be imposed and the member will be invoiced accordingly.
- c) Suspend the member's professional designation and remove from the registry of membership.
- d) Inform professional bodies in the SAIBA sector that the member has been removed due to non-compliance of CPD.

8. Reporting

By no later than 1 December each year all members must:

- a) Submit to SAIBA an annual declaration in a prescribed form which has been properly completed and signed indicating that the requirements have been met.
- b) Report their completed learning activities on their online SAIBA CPD platform.

Online submission does not mean the learning activities have been verified

If the learning activities are deemed to be inadequate or irrelevant, a member will be allowed an opportunity to earn and report relevant activities. These learning activities must be relevant for the reporting period being evaluated.

9. Verification of CPD

SAIBA will review a sample group of members to ensure that they comply with CPD requirements. The selection of the group will be at the discretion of SAIBA. The sampled group will be requested to submit their CPD records within the specified deadline, which shall be no later than fourteen days after the date of the request.

10. Process of obtaining CPD

Members should systematically analyse their CPD needs and commit to those areas that are most relevant to their work environment by using the following process:

- a) Understand your direct CPD requirements by studying the MOI, Company Rules and CPD policy and obtain additional detail if required from SAIBA,
- b) Plan the activities and/or events that you would like to participate in, in order to achieve the points required,
- c) Participate in the appropriate activities that will facilitate the accumulation of the required points. Make sure that the relevant dates are diarised and you have registered for events. Set realistic goals with training and self-development,
- d) Record your participation in the activities. As you participate in each of the identified activities, record the completed activity on the online CPD register. Ensure you keep records of the evidence of your participation,
- e) Monitor every progress every quarter and check the progress you have made on your CPD. Highlight areas of concern and focus on these areas.