



INTERNATIONAL VALUATION STANDARDS COUNCIL

IPS 201: Continuing Professional Development

EXPOSURE DRAFT

Publication date: 31 March 2016

Comments on this Exposure Draft are invited before 30 June 2016. All replies may be put on public record unless confidentiality is requested by the respondent. Comments may be sent as email attachments to:

commentletters@ivsc.org

Or by post to: IVSC, 1 King Street, LONDON EC2V 8AU, UK

Copyright © 2016 International Valuation Standards Council. All rights reserved. Copies of this Exposure Draft may be made for the purpose of preparing comments to be submitted to the IVSC, provided such copies are for personal or intra-organisational use only and are not sold or disseminated and provided each copy acknowledges IVSC's copyright and sets out the IVSC's address in full. Otherwise, no part of this Exposure Draft may be translated, reprinted or reproduced or utilised in any form either in whole or in part or by any electronic, mechanical or other means, now known or hereafter invented, including photocopying or recording, or in any information storage and retrieval system, without permission in writing from the International Valuation Standards Council. Please address publication and copyright matters to:

International Valuation Standards Council
1 King Street
LONDON
EC2V 8AU
United Kingdom
email: contact@ivsc.org
www.ivsc.org

"This Exposure Draft draws upon, and includes extracts from, the Handbook of International Educational Pronouncements, 2014 Edition of the International Accounting Education Standards Board (IAESB), published by the International Federation of Accountants (IFAC) in June 2014 and is used with permission of IFAC.

Handbook of International Education Pronouncements, 2014 Edition © June 2014 by the International Federation of Accountants. All rights reserved. "

Notes for Respondents

The intent of this Exposure Draft is to seek views from interested parties. The IVSC Professional Board seeks comment on the proposed *IPS 201: Continuing Professional Development* and would like respondents to express a clear overall opinion of the Exposure Draft. Responses to the specific questions are also invited.

Questions for Respondents

In addition to any specific comments, responses are invited to the following questions. Not all questions need be answered. Please indicate the question to which any answer relates.

Specific questions

IPS 201: Continuing Professional Development

1. Do you agree with the threshold level for continuing professional development of at least 120 hours of relevant professional development in each rolling three year period, of which 60 hours must be verifiable?
2. Do you agree that the professional valuer should complete at least 20 hours of relevant professional development annually?
3. Should relevant professional development be expanded upon? Please explain what you would consider to be relevant professional development.

Notes for respondents:

In order for us to analyse and give due weight to your comments, please observe the following:

1. Responses should be made in letter format, where appropriate on the organisation's letter heading.
2. Comments should not be submitted on an edited version of the Exposure Draft.
3. Unless anonymity is requested, all comments received may be displayed on the IVSC website.
4. Comment letters should be sent as an email attachment in either MS Word or an unlocked PDF format and no larger than 1mb. All documents will be converted to secured PDF files before being placed on the website.
5. The email should be sent to commentletters@ivsc.org.

This page is left blank intentionally

Contents

	Paragraphs	Page
Standard	1-20	7-10
Scope of this Standard	1-9	7-8
Objective	11	8
Requirements	12-19	7-9
Definitions & Explanations of Key Terms	20	10
Commentary	A1-A34	11-16
Scope of this Standard	A1-A34	11-16

This page is left blank intentionally

Standard

Scope of this Standard

- 1 1. The International Professional Standards (IPSs) are professional standards for Valuation
2 Professional Organisations (VPOs) to incorporate into the education and development of
3 their members. This International Professional Standard (IPS) prescribes the continuing
4 professional development (CPD) required for professional valuers to develop and
5 maintain the professional competence necessary to provide high quality services to
6 clients, employers and other stakeholders, and thereby to strengthen public trust in the
7 valuation profession.
- 8 2. This IPS is addressed to International Valuation Standards Council (IVSC) member
9 bodies that provide professional valuer accreditation for the education and development
10 of their members (VPOs that are members of the IVSC). In addition, this IPS may be
11 helpful to those who commission or rely on valuations, educational organisations, those
12 who design, deliver, assess or support education programmes for professional valuers,
13 employers of professional valuers, government authorities, regulators with responsibility for
14 the oversight of the work of professional valuers, and prospective valuers who undertake their
15 own learning and development.
- 16 3. Definitions and explanations of key terms are set out in paragraph 20.
- 17 4. The commentary, as set out in paragraphs A1 to A34, provides additional explanation relevant
18 to the requirements of this IPS. The commentary is intended to explain more fully what a
19 requirement means and may include examples of how to meet the requirements. The
20 commentary does not in and of itself impose any additional requirements; its purpose is to
21 assist in the application of the requirements of this IPS.
- 22 5. Although it is the responsibility of the professional valuer to develop and maintain
23 professional competence by undertaking relevant CPD activities, this IPS is addressed to
24 the VPOs that are members of the IVSC because their role is to:
 - 25 • foster a commitment to lifelong learning among professional valuers,
 - 26 • facilitate access to CPD opportunities and resources for professional valuers, and
 - 27 • develop and implement appropriate assessment, monitoring and compliance
28 procedures, which are deemed necessary to protect the public interest.
- 29 6. CPD is a continuation of Initial Professional Development (IPD), the learning and
30 development through which individuals first develop competence leading to performing
31 the role of a professional valuer. The capabilities and competencies gained during IPD
32 may expand or evolve after accreditation as a professional valuer.
- 33 7. Professional valuers may take on new roles during their careers that require new
34 competencies. In such cases, CPD that includes many of the same elements as IPD may
35 be necessary for roles that require additional breadth or depth of technical knowledge,
36 professional skills and ethics.

37 8. In addition to education, practical experience and training, CPD also includes learning
38 and development activities, such as:

- 39 • coaching and mentoring,
- 40 • networking,
- 41 • observation, feedback and reflection, and
- 42 • self-directed and unstructured gaining of knowledge.

43 9. Measuring the attainment of CPD can be achieved by three different approaches:

- 44 • input-based approaches - by establishing an amount of learning activity for
45 professional valuers to develop and maintain professional competence,
- 46 • output-based approaches - by requiring professional valuers to demonstrate, by way
47 of outcomes, that they have developed and maintained professional competence,
48 and
- 49 • combination approaches - by combining elements of the input-based and output-
50 based approaches, setting the amount of required learning activity and demonstrating
51 the outcomes achieved, whereby professional valuers develop and maintain
52 professional competence.

53 ***Effective Date***

54 10. This IPS is effective from Date tbd, 2016, although earlier adoption is encouraged.

55 ***Objective***

56 11. The objective of this IPS is to establish the CPD that professional valuers need to
57 undertake to develop and maintain their competence subsequent to IPD in order to
58 provide high quality services to clients, employers and other stakeholders.

59 ***Requirements***

60 ***Promotion of CPD***

61 12. VPOs that are members of the IVSC shall promote the importance of and a commitment to
62 CPD, and maintenance of professional competence.

63 ***Access to CPD***

64 13. VPOs that are members of the IVSC shall facilitate access to CPD opportunities and
65 resources to assist professional valuers in meeting their personal responsibility for CPD
66 and maintenance of professional competence.

67

68 ***Mandatory CPD for all Professional Valuers***

69 14. VPOs that are members of the IVSC shall require all professional valuers to undertake
70 CPD to contribute to the development and maintenance of professional competence that
71 is appropriate to their work and professional responsibilities.

72 15. VPOs that are members of the IVSC shall establish their preferred approach to assessing
73 CPD activity from the three models: input-based, output-based or combination
74 approaches.

75 ***Input-Based Approach***

76 16. VPOs that are members of the IVSC implementing an input-based approach shall
77 normally require each professional valuer to:

- 78 • complete at least 120 hours (or equivalent learning units) of relevant professional
79 development activity in each rolling three-year period, of which 60 hours (or
80 equivalent learning units) shall be verifiable,
- 81 • complete at least 20 hours (or equivalent learning units) of relevant professional
82 development activity in each year, and
- 83 • assess learning activities to meet the above requirements.

84 ***Output-Based Approach***

85 17. VPOs that are members of the IVSC implementing an output-based approach shall
86 normally require each professional valuer to demonstrate the development and
87 maintenance of appropriate professional competence by periodically providing evidence
88 that has been:

- 89 • verified by a competent source, and
- 90 • assessed using a valid method.

91 ***Combination Approach***

92 18. In implementing a combination of input-based and output-based approaches, VPOs that
93 are members of the IVSC shall comply with the requirements of input-based and output-
94 based approaches, as applicable, as set out in this IPS.

95 ***Monitoring and Enforcement***

96 19. VPOs that are members of the IVSC shall establish a systematic process to:

- 97 • monitor whether professional valuers meet the CPD requirements of the VPOs that
98 are members of the IVSC, and
- 99 • provide appropriate sanctions for failure to meet those requirements.

100

101 **Definitions and Explanations of Key Terms**

102 20. This IPS uses the following definitions and explanations of key terms:

- 103 • A professional valuer is a person who has expertise in the field of valuation, achieved
104 through formal education and practical experience and maintained through
105 continuous learning and development, is held to high professional standards
106 equivalent to the IVSC's IPSs and *Code of Ethical Principles for Professional Valuers*
107 and whose compliance with such standards is subject to enforcement by a VPO that
108 is a member of the IVSC.
- 109 • Capability is the ability to perform certain actions. Capabilities consist of professional
110 skills and ethics, including professional values and attitudes.
- 111 • Competence is the capacity to do something well measured against a defined
112 standard with reference to working environments. Professional competence goes
113 beyond knowledge of valuation theory, principles, concepts, standards and process.
114 Professional competence is the integration of professional skills and ethics with
115 technical knowledge.
- 116 • IPD is learning and development through which individuals first develop competence
117 leading to performing a role in the valuation profession.
- 118 • CPD is learning and development that takes place after IPD and that maintains and
119 develops professional competence to enable professional valuers to continue to
120 perform their roles competently.

Commentary

Scope of this Standard (paras 1-9)

- 120 A1. The knowledge needed to function effectively as a professional valuer continues to grow.
121 Professional valuers face increased expectations to display professional competence. These
122 pressures apply to professional valuers in all sectors. Continuing development and
123 maintenance of professional competence and lifelong learning are critical if the professional
124 valuer is to meet public expectations. Because the valuation profession operates in an
125 environment of change, it may be appropriate for VPOs that are members of the IVSC to
126 periodically review their CPD policies.
- 127 A2. Lifelong learning represents all learning and development activity, formal or informal,
128 undertaken with the aim of enhancing knowledge, skills, values, ethics and attitudes from
129 personal, civic, social and employment-related perspectives. Lifelong learning has relevance
130 to all professional valuers, regardless of valuation specialty.
- 131 A3. A reflective activity is an action, eg, documenting, discussing and analysing, that reflects on the
132 experience of the professional valuer to identify areas for improvement and growth in both
133 personal and professional contexts. Reflective learning is the iterative process by which
134 professional valuers, at all stages of their career, continue to develop their professional
135 competence by reviewing their experiences, real or simulated, with a view to improving their
136 future actions. Professional valuers would normally be expected to reflect on their experiences.
137 The most realistic experiences on which to reflect may occur in the workplace. Where this is not
138 possible or appropriate, simulations of “real life” experiences, or consideration of relevant cases
139 that are in the public domain may also offer suitable alternatives.

Promotion of CPD (para 12)

- 140
- 141 A4. The following represent examples of activities that may contribute to the promotion of
142 CPD and maintenance of professional competence:
- 143 • communicating the value of CPD regularly to professional valuers,
 - 144 • promoting the variety of CPD opportunities available to professional valuers, and
 - 145 • working with employers to emphasise the importance of CPD within performance
146 management processes.

Access to CPD (para 13)

- 147
- 148 A5. VPOs that are members of the IVSC may directly provide relevant CPD programmes for
149 professional valuers and facilitate access to programmes offered by others, including
150 employers.
- 151 A6. The following are some examples of learning activities that may be undertaken as part of
152 a planned programme of CPD activity:
- 153 • participation in courses, conferences and seminars,
 - 154 • self-directed learning,

- 155 • on-the-job training,
 - 156 • participation in and work on technical committees,
 - 157 • developing or delivering a course or CPD session in an area related to professional
 - 158 responsibilities,
 - 159 • formal study related to professional responsibilities,
 - 160 • participation as a speaker in conferences, briefing sessions or discussion groups,
 - 161 • writing articles, papers or books of a technical, professional or academic nature,
 - 162 • research, including reading professional literature or journals for application in the
 - 163 professional valuer's role,
 - 164 • professional re-examination or formal testing,
 - 165 • providing professional development support as a mentor or coach, and
 - 166 • receiving professional development support from a mentor or coach.
- 167 A7. VPOs that are members of the IVSC may provide guidance to professional valuers on the
- 168 CPD obtained from a single, repetitive activity, eg, teaching the same introductory
- 169 valuation course to different audiences.
- 170 A8. VPOs that are members of the IVSC may provide tools to help professional valuers plan
- 171 relevant CPD, such as:
- 172 • competency maps, which provide a list of key competences for certain roles or
 - 173 sectors of the profession, and
 - 174 • learning plan templates, which assist professional valuers to identify learning and
 - 175 development needs and how to meet them.
- 176 A9. VPOs that are members of the IVSC may consider providing guidance that encourages
- 177 professional valuers to discuss their CPD with employers, colleagues and the VPO's staff
- 178 to help them identify competency or learning gaps in order to specify relevant learning
- 179 opportunities to meet those needs.
- 180 ***Mandatory CPD for all Professional Valuers (paras 14-15)***
- 181 A10. CPD applies to all professional valuers, regardless of sector or size of the organisation in
- 182 which they operate, because:
- 183 • All professional valuers have an obligation of due care to their clients, employers and
 - 184 relevant stakeholders, and are expected to demonstrate their ability to competently
 - 185 discharge this responsibility.
 - 186 • The public is likely to rely on the designation and professional standing of the
 - 187 professional valuer.
 - 188 • Rapidly changing environments may impact upon the relevance of a professional
 - 189 valuer's competence.

- 190 • Employers recruiting professional valuers rely, to some extent, on the professional
191 designation as proof of professional competence.
- 192 A11. In setting the requirement for CPD, VPOs that are members of the IVSC are encouraged
193 to consider what is relevant and appropriate for professional valuers in special
194 circumstances, eg, for individuals on career breaks and for individuals who have retired
195 from full-time practice, but who continue to use their professional valuer designation, or
196 continue to do work in some capacity.
- 197 A12. VPOs that are members of the IVSC may choose to develop requirements or guidance
198 on which CPD activities they consider relevant to the professional roles and functions
199 that professional valuers typically have. Alternatively, they may choose to rely on the
200 judgement of professional valuers to make decisions on the relevance of CPD activities.
201 They may also choose to set requirements in certain areas and allow professional
202 valuers the flexibility to choose relevant CPD activities in others.
- 203 A13. VPOs that are members of the IVSC may prescribe different criteria to support reflective
204 activity. For example, some may adopt a requirement to formally document the reflective
205 activity in records of learning or personal development portfolios, others may encourage the
206 expectation of reflective activity through communication to its professional valuers.
- 207 A14. In protecting the public interest, VPOs that are members of the IVSC may prescribe
208 specific or additional CPD for professional valuers working in specialist areas, specialist
209 roles or areas of high risk.

210 ***Input-Based Approach (para 16)***

- 211 A15. Input-based systems have traditionally been used to measure development and
212 maintenance of competence because of the ease of measurement and verification. Input-
213 based approaches have limitations, eg, they do not always measure the learning
214 outcomes or competence developed. VPOs that are members of the IVSC may partially
215 overcome these limitations by communicating the underlying objectives of continuing
216 improvement of professional competence and a commitment to lifelong learning.
- 217 A16. This IPS measures input-based CPD activity in terms of hours or equivalent learning units.
218 VPOs that are members of the IVSC may choose to use other measures that will be
219 understood by professional valuers. Examples of measures of input-based CPD include:
- 220 • time spent on learning activity,
221 • units allocated to the learning activity by a CPD provider, and
222 • units prescribed for learning activity by VPOs that are members of the IVSC.
- 223 A17. This IPS is based on the concept that VPOs that are members of the IVSC expect a
224 proportion of the learning activities that professional valuers undertake to be verifiable.
225 Some learning activities, eg, on-the-job training, may be measurable but may not be able
226 to be verified. These activities also contribute to the development and maintenance of
227 professional competence, but would not be considered to form part of the 60 hours of
228 verifiable CPD in the three-year rolling period.

229 A18. VPOs that are members of the IVSC may consider providing guidance to professional
230 valuers on what proportion of the 20 hours minimum annual requirement should be
231 verifiable. In providing such guidance, VPOs that are members of the IVSC may consider
232 local legal and regulatory requirements and the expectations of other stakeholders.

233 A19. The following examples represent evidence that could be used for verification in an input-
234 based approach:

- 235 • course outlines and teaching materials,
- 236 • confirmation of participation by a provider, instructor, employer, mentor or tutor, and
- 237 • independent assessments that a learning activity has occurred.

238 ***Output-Based Approach (para 17)***

239 A20. Reliability of verification in output-based systems is important. VPOs that are members of
240 the IVSC are encouraged to consider how to incorporate the following key aspects into
241 their approach:

- 242 • the clear identification of the outcome or competence achieved, and
- 243 • use of a competent source that is able to confirm that the outcome nor competence
244 has been developed and maintained.

245 A21. The following examples represent evidence that could be used for verification purposes
246 in an output-based approach:

- 247 • evaluation or assessment of written or published material by a reviewer,
- 248 • assessments of learning outcomes achieved,
- 249 • publication of a professional article or of the results of a research project,
- 250 • periodic re-examination,
- 251 • records of work performed (work logs) that have been verified against a competency
252 map,
- 253 • objective assessments measured against a competency map developed either by the
254 employer or by the professional body to reflect the individual's level of competence,
255 and
- 256 • independent practice inspections that assess CPD.

257 A22. Where guidance is provided to professional valuers on the nature, format and content of
258 documentation to be maintained for reflective activity and the types of situations to be
259 documented, consideration should be given to confidentiality, legal and regulatory
260 requirements. For example, certain ethical situations could be sensitive and subject to legal or
261 disciplinary actions and would therefore not be suitable to document and discuss.

262 **Combination Approach (para 18)**

263 A23. Adopting a combination approach to CPD may include:

- 264 • applying requirements of both input-based and output-based systems, whereby
265 inputs contribute to the output competencies being assessed for a portion of the
266 knowledge areas in a predominantly output-based system,
- 267 • allowing professional valuers who may not meet the input requirement to provide
268 verification that competence has been developed and maintained, or
- 269 • specifying a certain number of hours of input as an indication of likely effort required
270 to achieve competence and monitoring this, together with verifying the competence
271 achieved as a result of the learning activities.

272 **Monitoring and Enforcement (para 19)**

273 A24. VPOs that are members of the IVSC may also provide guidance on the evidence to be
274 obtained or created to demonstrate that professional competence was developed or
275 maintained. Guidance may cover the responsibilities of professional valuers for:

- 276 • retention of appropriate records and documents related to their CPD, and
- 277 • provision, on request, of verifiable evidence to demonstrate their compliance with the
278 CPD requirements of VPOs that are members of the IVSC.

279 A25. In designing their approach to monitoring, VPOs that are members of the IVSC may
280 determine which roles involve high risk, or have the greatest responsibility to the public,
281 and adopt more rigorous monitoring accordingly.

282 A26. A monitoring process could require professional valuers to periodically:

- 283 • submit a declaration as to whether they meet their professional obligation to maintain
284 the necessary knowledge and skills to perform competently,
- 285 • submit a declaration confirming compliance with any specific CPD requirements
286 imposed by VPOs that are members of the IVSC, or
- 287 • provide evidence of learning activities or verification of the competencies they have
288 developed and maintained through their chosen CPD activities.

289 A27. Supplementary monitoring processes could involve:

- 290 • auditing a sample of professional valuers to check compliance with CPD
291 requirements, or
- 292 • reviewing and assessing learning plans or CPD documents as part of quality
293 assurance programmes.

294 A28. VPOs that are members of the IVSC may conduct a set of monitoring processes on a
295 cyclical basis. In determining the duration of a cyclical monitoring process, VPOs that are
296 members of the IVSC may consider what is reasonable in its environment, taking into
297 consideration the public interest and the expectations of the public, regulators and other

298 stakeholders. Experience of some VPOs that are members of the IVSC suggest that
299 cycles of more than five years may not meet these expectations, while cycles of less than
300 one year are likely to be overly burdensome.

301 A29. A system of mandatory CPD will operate more effectively and in the public interest when
302 professional valuers who fail to meet their CPD obligations are brought into compliance
303 on a timely basis. VPOs that are members of the IVSC are encouraged to determine the
304 types of sanctions they will impose for non-compliance, after considering the legal and
305 environmental conditions in their jurisdiction.

306 A30. The initial steps taken to address non-compliance are likely to focus on bringing the
307 professional valuer into compliance within a reasonable period. VPOs that are members
308 of the IVSC are encouraged to strike a balance between a sanction that, in substance,
309 amounts to permitting a professional valuer to defer or avoid compliance with the CPD
310 requirement and one that is excessively punitive.

311 A31. Some VPOs that are members of the IVSC may have the legal authority to expel non-
312 compliant professional valuers or to deny them the right to practice. Expulsion or denial
313 of the right to practice may be applied to professional valuers who have made it clear,
314 through a pattern of non-compliance or through their response to the inquiries that they
315 are likely to continue to fail to comply with the CPD requirements. Publication of the
316 names of professional valuers who willfully fail to comply is an option that may be
317 considered. Publication of names can act as a general deterrent for professional valuers
318 and provide a clear signal to the public of the profession's commitment to maintaining
319 competence.

320 A32. Imposing sanctions is not an action to be taken lightly. A professional valuer's willful
321 failure to develop and maintain professional competence is, however, a violation of a
322 professional duty that justifies disciplinary action, in that it diminishes the ability to act in
323 the public interest.

324 A33. An effective monitoring and enforcement process requires adequate resources. VPOs
325 that are members of the IVSC may also consider establishing a board or committee of
326 members to oversee CPD requirements and the monitoring and enforcement process.

327 A34. As part of their public interest responsibility, VPOs that are members of the IVSC are
328 encouraged to report publicly the extent to which their members comply with the CPD
329 requirements set out in this IPS.