CONTINUING PROFESSIONAL DEVELOPMENT FOR THE AUDITING PROFESSION: EVIDENCE FROM INDONESIA

A thesis submitted
in fulfilment of the requirements for the degree of
Doctor of Philosophy

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DECLARATION

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work, paid or unpaid, carried out by a third party is acknowledged; and, ethics procedures and guidelines have been followed.

Ayu Chairina Laksmi

23 July 2015
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In the name of Allah SWT, the Most Gracious, the Most Merciful.

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<td>ACCA</td>
<td>Association of Chartered Accountants</td>
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<td>ADHA</td>
<td>American Dental Hygienists' Association</td>
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<td>AFA</td>
<td>ASEAN Federation of Accountants</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>BASW</td>
<td>British Association of Social Workers</td>
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<td>CA</td>
<td>Chartered Accountants</td>
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<td>Cedefop</td>
<td>European Centre for the Development of Vocational Training</td>
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<tr>
<td>CGA</td>
<td>Certified General Accountants</td>
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<td>CIC</td>
<td>Construction Industry Council</td>
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<td>CIM</td>
<td>Chartered Institute of Management Accountants</td>
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<td>CIMA</td>
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<td>CMA</td>
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<td>CMFISA</td>
<td>Capital Market and Financial Institution Supervisory Agency</td>
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<tr>
<td>CPA</td>
<td>Certified Public Accountants</td>
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<td>CPD</td>
<td>Continuing Professional Development</td>
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<td>FSA</td>
<td>Financial Services Authority</td>
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GDP: Growth Domestic Product

HKICPA: Hong Kong Institute of Certified Public Accountants

IAESB: International Accounting Education Standard Board

ICAEW: Institute of Chartered Accountants in English and Wales

ICAS: Institute of Chartered Accountants of Scotland

IEE: The Institution of Electrical Engineering

IES: International Education Standards

IFAC: International Federation of Accountants

IFAS: Indonesian Financial Accounting Standards

IFRS: International Financial Reporting Standards

IIA: The Indonesian Institute of Accountants

IICPA: The Indonesian Institute of Certified Public Accountants

IPA: Institute of Public Accountants

IT: Information Technology

MoF: Ministry of Finance

NMBA: Nursing and Midwifery Board of Australia

PICF: Participant Consent and Information Form

RACGP: The Royal Australian College of General Practitioners
Continuing Professional Development or CPD is a condition of membership in many professions, including accounting. CPD represents the learning activities – either formal or informal learning activities for developing and maintaining the capabilities of professional accountants to perform competently within their professional environment (IFAC 2004a, 2004b). In accounting, CPD is a relatively new area of research and therefore under-researched. Furthermore, although there is no shortage of recommendation on CPD structure and content, studies regarding CPD engagement, CPD drivers, CPD outcomes and the influence of CPD drivers and CPD outcomes to CPD engagement, are still scarce.

This thesis intends to add to the literature regarding CPD for professional accountants, especially CPD for the IICPA members by investigating CPD understanding and engagement, and by investigating the influence of CPD drivers and CPD outcomes to the members’ engagement to CPD using theoretical framework constructed in this thesis. It is also the aim of this thesis to provide findings to assist the IICPA and the MoF to develop CPD policy and improve activities. Enhanced CPD policy and activities are needed in order to improve CPD engagement by the members and to reassure the public that the members remain competent and updated.

CPD engagement among professional accountants needs to be investigated in order to know how members understand of and engage in CPD activities. CPD engagement investigated in this thesis includes levels of participation, pattern of participation, preferences of participation and obstacles to participation. The
findings on CPD engagement suggest that there were members who did less CPD than required. This finding may be attributed to a lack of knowledge regarding CPD requirements among the members and the IICPA, partially met actual needs by CPD, a weak monitoring and a lack of enforcement of CPD non-compliance sanction system by the IICPA and the MoF. For pattern of participation, this thesis found that the members undertook CPD topics in the accounting practice and standards, industry specialisation and regulations.

Face-to-face is the most preferred format of CPD by the members. The main obstacle to participation in CPD activities is time, followed by the big seminar format, location, cost and the quality of speakers. A link between the members’ obstacles to participate in CPD activities with levels of participation was also found since the participants who did less CPD mentioned time, location, cost and the quality of speakers as their obstacles in participating in CPD.

For the purpose of this thesis, a CPD driver is defined as a member’s motivation to undertake CPD. Four CPD drivers derived from the literature and investigated in this thesis are: (1) the policy regulatory bodies’ requirements; (2) the ethical requirements; (3) specialist skills; and (4) lifelong learning. CPD outcomes represent the actual effect or impact of the CPD activity. Four CPD outcomes derived from the literature and investigated in this thesis are: (1) keeping up to date; (2) the improvement and broadening of knowledge and skills; (3) the development of personal qualities necessary to execute professional and technical duties; (4) the sustainability of the profession as a whole.

The findings of this thesis indicate that the policy regulatory bodies’ requirements received most agreement from the members as a CPD driver
followed by lifelong learning and specialist skills. Lifelong learning received more agreements compared with specialist skills. The ethical requirements was also considered as a CPD driver but it received less agreement compared with the other drivers investigated in this thesis. The ethical requirements was not considered as a CPD driver by some members because they perceived that there was no relationship between the ethical requirements and CPD, CPD was driven more by the professional association and policy regulatory bodies’ requirements, and they were not sure with the ethical requirements as a CPD driver.

The findings on CPD outcomes indicate that keeping up to date, the improvement and broadening of knowledge and skills, the development of personal qualities necessary to execute professional and technical duties, and the sustainability of the profession as a whole are CPD outcomes for the members. The data analysis conducted also indicates a link between the members who did less CPD and their agreement with CPD drivers and outcomes. The policy regulatory bodies’ requirement, specialised skills, and lifelong learning as CPD drivers received agreement from the members who did less CPD; however, the ethical requirements received less agreement. The findings regarding CPD outcomes suggest that keeping up to date, the improvement and broadening of knowledge and skills, the development of personal qualities necessary to execute professional and technical duties, and the sustainability of the profession as a whole are CPD outcomes for the members who did less CPD. It can be concluded that the less agreement received by ethical requirements as a CPD driver seem to influence the levels of participation by the members.
Based on the findings, this thesis recommends that: (1) the IICPA should communicate to its members what their obligations are in regard to CPD; (2) the IICPA should develop a system to gauge members’ actual needs that ought to be fulfilled by CPD; (3) the IICPA and the Ministry of Finance should establish a sound CPD participation monitoring system in order to ensure that both the public accountant and non-public accountant members of the IICPA comply with their CPD requirements thereby reassuring the public that members are remaining competent and updated; (4) in addition to face-to-face format of CPD, the IICPA should also introduce other formats in order to address the issue of time constraints being the main obstacle to participation in CPD; (5) the IICPA should organise more CPD events in smaller cities outside large cities to reduce the costs associated with attending CPD for members who do not live in big cities; (6) the IICPA should organise smaller CPD seminars in order to improve the levels of participation; (7) the IICPA should select more convenient locations as CPD venues; (8) the IICPA should select CPD speakers based on their capability and expertise to deliver specific topics; (9) the IICPA should communicate the importance of participating in CPD as part of the ethical requirements of the profession.

**Keywords:** Continuing Professional Development, CPD, CPD Engagement, CPD Drivers, CPD Outcomes, IICPA, Auditing Profession, Indonesia
CHAPTER 1

INTRODUCTION

1.1 Introduction

Continuing Professional Development (CPD) is defined as continuous learning activities undertaken by professionals throughout their professional life to keep up to date with the current development in practice (Houle 1980; Eraut 1994; Segall 1988; Dring 1992; Alsop 2000; Coen 2004; Friedman & Phillips 2004; Berg 2007; Zajkowski, Sampson & Davis 2007; IFAC 2008; De Lange, Jackling & Suwardy 2010; De Lange et al. 2012; Friedman 2012; De Lange, Jackling & Suwardy 2015). According to International Federation of Accountants or IFAC (2008), Continuing Professional Development (CPD) or Continuing Professional Education (CPE) or continuing learning are all interchangeable terms for CPD for various professions in the world. This thesis will use the abbreviation of CPD to describe all these activities.

CPD aims to maintain and/or upgrade the knowledge and skills needed for practice. IFAC (2004a, p. 83) explained the aim of CPD as follows:

Continuing Professional Development is the learning activities for developing and maintaining the capabilities of professional accountants to perform competently within their professional environment.

Furthermore, IFAC (2004b) also explained that CPD is a post-qualification development program intended to maintain professional competence and it can include either formal learning activities - sometimes referred to as verifiable learning activities - or informal learning activities.
CPD is also a condition of membership in many professions, including accounting. The literature also suggests that to be called a professional accountant, a person must commit to maintain and develop his or her competence (Berg 2007; Paisey, Paisey & Tarbert 2007). Professional accountants have a responsibility to the public, and to the professional accountants themselves, to ensure that they continue to develop and maintain the competence demanded by their professional roles and by clients who use their services (Paisey, Paisey & Tarbert 2007).

Professional accountants must ensure that they keep up to date with any matters related to their profession (Guthrie 2004; Paisey, Paisey & Tarbert 2007; Rothwell & Herbert 2007; Ciccotosto, Nandan & Smorfitt 2008; IFAC 2008; De Lange, Jackling & Suwardy 2010; De Lange et al. 2012; Lindsay 2012; Udin et al. 2012). The knowledge needed in order to work effectively as a professional accountant continues to develop and change rapidly (Berg 2007). Berg (2007, p. 319) emphasised the professional accountants’ need for keeping up to date as follows:

New technical standards and legislation, such as the Sarbanes-Oxley Act 2002 in the USA, have placed a heavy burden on accounting firms and companies, as well as on individual accountants and auditors. This comes at a time when the challenges of globalisation, rapid development of IT, and increasing demands for new types of reporting make it more difficult for professional accountants to keep up to date with the knowledge required to function effectively.

Despite the importance of up to dated knowledge required by professional accountants in conducting their business, West (2003) maintained that accounting knowledge is not unique since the individual elements of accounting expertise are known to others. Therefore, in order to protect and sustain the accounting
profession, accountancy’s body of knowledge must be able to adapt to the marketplace, to decision makers’ needs and to the future expectations of both the marketplace and the decision makers or otherwise accounting’s place in the economy will decline (Elliott & Jacobson 2002). This is where CPD plays an important role for the accounting profession since CPD is ‘a means, if not the means, of maintaining professional competence’ (Queeney, Smutz & Shuman 1990, p.13).

According to IFAC (2004a), CPD is a requirement for each individual professional accountant. IFAC is the global organisation for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies (IFAC 2015). Currently IFAC has more than 175 members and associates in 130 countries and jurisdictions and they represent approximately 2.5 million accountants in public practice, education, government service, industry, and commerce (IFAC 2015). IFAC member bodies need to ensure that their members are keeping up-to-date. Therefore, the International Accounting Education Standard Board (IAESB), as part of IFAC, published a standard on CPD called the International Education Standard (IES) 7 – A Program of Lifelong Learning and Continuing Development of Professional Competence (Berg 2007). This new standard came into effect and must be adhered to by all IFAC members and associates as of 1 January 2006. Requirements for IFAC members and associates in organising CPD for the professional accountants were also prescribed in the IES 7 (IFAC 2004a; IFAC 2004b).
1.2 Why is research into CPD important?

CPD is becoming more rigorous and of increasing importance to professions. Eurich (1990) argued that a number of professions have turned their attention to CPD to update prior knowledge. The importance of CPD is acknowledged by professional bodies around the globe. According to the following professional bodies, CPD is defined as: (1) anything structured or unstructured that helps an individual expand their knowledge, maintain up to date technical skills and progress their engineering career (Engineers Australia 2011); (2) a process of self-assessed, self-directed, lifelong learning that complements formal undergraduate and postgraduate education and training (Royal College of Psychiatrists UK 2011); (3) the means by which members of respective professions develop, maintain, improve and broaden their knowledge and skills and develop the personal qualities required for the upliftment of their professional development (the Institute of Chartered Accountants of Sri Lanka 2011); and (4) the conscious updating of professional knowledge and the improvement of professional competence throughout life (the Chartered Institute of Marketing UK 2011).

The aforementioned definitions of CPD from various professions demonstrate that CPD is especially valuable for professionals as a means of updating and maintaining their knowledge and skills, and also for developing their personal qualities in order to be able to provide a good quality service to society. As one of the means of continuing learning, CPD plays a vital role (Young 1998). Nevertheless, despite its importance for the professionals, the current literature appears to be ignoring the issue of CPD or not showing understanding of it (Friedman 2012).
In the accounting context, CPD is a relatively new research area. According to Paisey and Paisey (2004) although professional issues in the accounting profession have been discussed extensively, CPD is an under-researched area and is therefore worthy of attention. Furthermore, although there is no shortage of recommendations for CPD structures and contents, studies on professionals’ engagement in CPD activities are still scarce (Paisey, Paisey & Tarbert 2007; Rothwell & Herbert 2007). Additionally, the CPD engagement of professional accountants needs to be investigated in order to know how they understand and engage in CPD activities. Rothwell and Herbert (2007) argued that CPD engagement is related to how committed individual accounting professional members are to their profession. Therefore, the professional accountants’ commitment to the profession by engaging in CPD activities is necessary in order to reassure society that they are continue to be competent and updated.

1.3 Why Indonesia?
To date, Indonesia continues to show significant economic growth; the strengthening of its economic competitiveness is one goal of Indonesia’s five-year strategic development plan. Recent data from the World Bank (2014) indicated that Indonesia is one of the Asian countries that enjoy steady economy growth of around six per cent per year, despite the impacts of global economic crisis in 2007 and 2008. Indonesia’s GDP was 6.3 per cent in 2012, 5.8 per cent in 2013 and was forecast to be at 5.3 per cent in 2014; hence, it is emerging as a confident middle-income country (World Bank 2014). Furthermore, Indonesia’s middle-income earners number around 35 million; hence, it offers lucrative markets,
including a market for accounting firms (Sinaga & Wahyuni 2014). Sinaga and Wahyuni (2014) also explained that Indonesia has about 45,000 corporations of which over 450 are listed on the Indonesian Stock Exchange. The data from the Ministry of Finance (MoF 2012) also demonstrated that there are around 337 thousand organisations that need to be audited. Overall, based on the data it can be inferred that Indonesia is indeed a lucrative market for accounting firms to provide auditing services to the public. Indonesia’s untapped market potential, together with its strengthening economic competitiveness strategic development plan, provides ample opportunities for the auditing members of the Indonesian Institute of Certified Public Accountants (IICPA).

1.4 Accounting Policy Regulatory Bodies in Indonesia

The accounting policy regulatory bodies in Indonesia comprise of the Ministry of Finance (MoF), the Capital Market and Financial Institutions Supervision Agency (CMFISA), the Indonesian Central Bank and the Indonesian Institute of Accountants (Kusuma 2005). The MoF and the CMFISA regulate through the requirements of the stock market (the Indonesian Stock Exchange). The Central Bank regulates banks and other financial institutions. The Indonesian Institute of Accountants (IIA) regulates through setting the financial accounting standards. Public companies are required to follow the regulations of the MoF, the CMFISA, the Central Bank and the IIA. Starting from 31 December 2013, the Financial Services Authority (FSA) took over the role of overseeing financial services industry – including the stock market – from the CMFISA (FSA 2014). Nonetheless, the field work of this thesis was conducted in October to November.
2011 and in August to September 2012; thus, the relevant regulations of CPD for the public accountants who were registered with the CMFISA at that time were from the CMFISA.

1.5 The Indonesian Institute of Certified Public Accountants (IICPA)

This thesis investigated CPD for the auditing profession in Indonesia, in particular CPD organised by the IICPA for the IICPA members. The IICPA is the main professional body for external auditors in Indonesia. Hereinafter, the term audit, auditing and auditors used in this thesis only refer to external audit, external auditing and external auditors. The IICPA members comprise public accountants and non-public accountants. A public accountant title in Indonesia is strictly reserved for auditors who practice in government-registered accounting firms and they meet public accountant licence holder requirements from the MoF who grants the licence. To become a public accountant in Indonesia, a person must pass Certified Public Accountant exam held by the IICPA, have a Public Accountant practice licence from the Ministry of Finance (MoF) and must become a member of the IICPA (MoF 2011). The non-public accountant members of the IICPA consist of honorary members, Certified Public Accountant certificate holders and other auditors who have not passed their Certified Public Accountant examination (IICPA 2011).

1.6 CPD for the IICPA Members

According to the Public Accountant Act (the Act Number 5 of 2011), public accountants in Indonesia are required to undertake CPD. Additionally, public
accountants who are registered with the CMFISA and the Central Bank must undertake CPD related to rules and regulations of stock exchange and banking as required. Public accountants who are registered with the CMFISA are responsible to provide their professional opinion on whether or not management of public listed companies have fairly presented the information in the financial statements. Similarly, it is the responsibilities of public accountants who are registered with the Central Bank to express their professional opinion on whether or not management of banks in Indonesia have presented transparent financial condition and performance in their yearly financial report in order to facilitate the assessment amongst market participants through the publication of the report to the public.

The Public Accountant Act (the Act Number 5 of 2011) affirmed that: (1) the IICPA is the only public accountant association recognised by the Indonesian government; (2) the public accountants must undertake CPD; (3) the IICPA is appointed as both a provider of CPD for the public accountants and responsible for approving other CPD providers. Public accountants can undertake CPD held by other organisations. Nevertheless, CPD materials from other providers must be approved and recognised by the IICPA and the CPD credit points will need to be adjusted accordingly by the IICPA. For the non-public accountant members of the IICPA, CPD is also mandatory in order to retain their membership. The IICPA in its by-law (IICPA 2012a) defines CPD as a continuous learning that is compulsory for its members in order to maintain, improve and develop their professional competencies.
Auditing profession in Indonesia is a profession that has a central role in supporting a sound and efficient economy, and in improving the quality and credibility of financial information. Therefore, the auditing profession becomes one of the pillars for the Indonesian economy in the effort to increase transparency and accountability. Considering the importance of auditing profession in Indonesia and the enforcement of mandatory CPD policy by the law and the auditing professional association, this thesis focused on investigating CPD for the IICPA members.

1.7 Theoretical Framework

The IICPA members’ commitment towards CPD participation is essential for CPD to be deemed successful or effective. As a consequence, this thesis investigates the IICPA members’ understanding of and engagement in CPD and factors that can influence their engagement. The factors that can influence engagement to CPD are classified into CPD drivers and CPD outcomes. For the purpose of this thesis a CPD driver is defined as something that motivates an individual professional to undertake CPD. Identifying and evaluating the CPD drivers will aid the CPD provider for offering future CPD activities that match the outcome expected by the CPD participants. For the CPD outcomes, Friedman (2012, p. 133) defined it as ‘the actual effect or impact of the CPD activity – how it has influenced: (1) knowledge, (2) attitudes, perceptions or emotions, behaviour, professional practice or organisational development’.

The theoretical framework employed in this thesis indicates relevant CPD drivers that can be used in explaining the CPD engagement undertaken by the
participants of this thesis, i.e. the IICPA members. The four relevant drivers that have been identified from the literature are policy regulatory bodies’ requirements, ethical requirements, specialist skills and lifelong learning. Moreover, the theoretical framework also demonstrates the expected outcomes of CPD activities. Keeping up to date, improvement and broadening of knowledge and skills and development of personal qualities necessary to execute professional and technical duties are taken from IFAC (2008) statement regarding the purpose of CPD for the professional accountants. Sustainability of the profession as a whole is added into the outcomes of CPD since maintenance of competence will ensure provision of high quality services to the public and this will undoubtedly contribute in maintaining and gaining public trust towards the accounting profession as whole. More discussions on CPD engagement, CPD drivers and CPD outcomes are presented in Chapter 2. Figure 1 below shows the theoretical framework employed in this thesis:
CPD Drivers

Ethical requirements

Lifelong learning

Specialist skills
(Carey & Doherty 1966; Schein 1972; Lowenthal 1981; Burton & Rezaee 1994; Slotte & Tynjala 2003; Gold 2008; and De Lange, Jackling & Suwardy 2010)

Policy regulatory bodies’ requirements
(Parkin 1979; Dingwall & Fenn 1987; Puxty et al. 1987; Perera 1989; Hao 1999; West 2003; Yee 2009; Yapa, Jacobs & Hout 2010; and Pholkeo 2013)

CPD Outcomes


Development of personal qualities necessary to execute professional and technical duties (Roslender 1992; Wood 1998; West 2003; Guthrie 2004; Friedman & Phillips 2004; Graham & Thomas 2006; IFAC 2008; Kranacher 2010; ACCA 2012; Friedman 2012; and Engineers Ireland 2015)

Sustainability of the profession as a whole (Carey 1970; Buckley 1978; Armstrong 1985; Freidson 1986; Dring 1992; Flagello 1998; Slotte & Tynjala 2003; Cruess, Johnston & Cruess 2004; Birkett & Evans 2005; and Psychology Board of Australia 2015)


Figure 1 Theoretical Framework for the IICPA members’ CPD Engagement

Source: Developed from the literature by the author
1.8 Contributions

It is expected that this thesis will provide three significant contributions. Firstly, it adds to the literature regarding CPD for professional accountants, especially CPD for the IICPA members. Despite the importance of CPD for the accounting profession, previous studies on CPD for professional accountants in developing countries are still limited. Most of the studies available in the literature (Burton & Rezaee 1994; Sawyer & Munn 1998; Guthrie 2004; Jackling et al. 2007; Paisey, Paisey & Tarbert 2007; Rothwell & Herbert 2007; Wessels 2007; Zajkowski, Sampson & Davis 2007; De Lange, Jackling & Suwardy 2010; Englund 2010; De Lange et al. 2012; ACCA 2012; Udin et al. 2012; Lindsay 2012; Ross & Anderson 2013; Halabi 2014, De Lange, Jackling and Suwardy 2015) are conducted in developed or advanced economy countries such as the US, the UK, Australia, New Zealand, Singapore, Malaysia, China and Hong Kong; hence, evidence regarding CPD for professional accountants from developing countries such as Indonesia are still scarce. Indeed, although Singapore and Malaysia are the neighbouring countries of Indonesia and are part of ASEAN countries, they are more developed than Indonesia. According to the World Bank Report (2015) Singapore is a high income economy and Malaysia is an upper-middle income economy. China is a developing country; however, according to the World Bank Report (2015) it recently became the second largest economy and is increasingly playing an important and influential role in the global economy. Thus, the countries where studies have been conducted on CPD for professional accountants are significantly different from Indonesia.
Furthermore, although the accounting profession in Indonesia has been examined extensively in the literature (Enthoven 1977; Abdoelkadir 1982; Enthoven 1983; Briston & Yunus 1993; Sukoharsono & Gaffikin 1993; Diga & Yunus 1997; Yapa 2003; Kusuma 2005; Warganegara & Indriastari 2009), CPD in particular has rarely been systematically investigated. Therefore, this thesis contributes to new knowledge by investigating CPD for the members of a specific professional accountant association, which is the IICPA.

The second contribution of this thesis is the investigation of the members’ understanding of and engagement in CPD, and the influence of CPD drivers and CPD outcomes on members’ engagement in CPD. In spite of the importance of CPD for members, currently there is no underpinning theoretical framework available to support and justify CPD based on CPD drivers and CPD outcomes. The theoretical framework constructed by the author from the literature is useful in analysing and linking CPD drivers and CPD outcomes with CPD engagement. Additionally, to the best of the author’s knowledge this thesis will be the first literature to analyse and link CPD drivers and CPD outcomes with CPD engagement using the theoretical framework shown in Figure 1.

The third contribution by this thesis is that the findings from this thesis can be used to assist the IICPA and the MoF to develop CPD policy and to improve CPD activities. Eventually, an enhanced CPD policy and improved activities will help to ensure CPD engagement by the members and help to reassure the public that they remain competent and updated.
1.9 Research Questions

CPD engagement by professional accountants is essential if the accounting profession want to reassure the public that its members remain competent and relevant. To date, studies on CPD for professional accountant in Indonesia are still scarce; hence, this thesis seeks to investigate CPD for auditing profession in Indonesia, especially for the members of the IICPA. CPD engagement of the members is investigated in order to know how the members understand and engage in CPD activities. Using the methods suggested in the literature, the members’ understanding of and engagement in CPD will be investigated by examining their levels of participation, patterns of participation, preferred means of participation, and obstacles to participation. After the level CPD engagement has been determined, CPD drivers and CPD outcomes need to be investigated since they can be the factors that influence the members’ engagement to CPD.

Based on the aforementioned discussion the research questions of this thesis can be formulated as follows:

RQ1: To what extent do the IICPA members understand and engage in CPD?

RQ2: How do the CPD drivers and CPD outcomes influence the engagement of the IICPA members in CPD?

In the next section, the methods used in this thesis for data collection and data analysis will be discussed.
1.10 Method and Findings

This thesis is a qualitative study that investigates CPD for the member of IICPA who participated in this thesis. Qualitative methodology is chosen since the aim of this thesis is not to generalise its findings to the whole population of the auditing profession in Indonesia or all of IICPA members, but to provide an insight into CPD for the auditing profession in Indonesia. The literature also provides some support for using the qualitative method to investigate CPD for professions in general (Wood 1998; Friedman & Phillips 2004) and for the accounting profession in particular (Guthrie 2004; Rothwell & Herbert 2007; Ciccotosto, Nandan and Smorfitt 2008; De Lange, Jackling & Suwardy 2010; De Lange et al. 2012).

The fieldwork of this thesis was conducted from October to November 2011 and from August to September 2012 and used semi-structured interview approach for data collection. For the semi-structured interviews, saturation was used as informed by Flick (2002); Bryman and Bell (2003), and David and Sutton (2011). The participants of this thesis were given a Participant Information and Consent Form (PICF) to read and sign before an interview could be conducted. The interview questions were also piloted first before the actual fieldwork commenced. The interviews were conducted in Bahasa Indonesia and the interview transcripts were translated into English by this investigator. Once finished, the interview transcripts were returned to the participants to confirm and ensure their accuracy.

The participants of this thesis consisted of 48 auditors as CPD participants, three representatives from the IICPA as the CPD provider and also one
representative from the Ministry of Finance as the policy regulatory body that supervises and grants practice licences to the public accountants. To select the CPD participants, this thesis used snowball sampling as informed by Bryman and Bell (2003). Screening criteria for the CPD participants selected were: (1) must be a member of the IICPA; and (2) has undertaken CPD offered by the IICPA in the last 12 months. Purposive sampling was used for the selection of representatives from the IICPA and from the MoF. The representatives from the IICPA must have specific positions or roles in organising CPD and the representative from the MoF must be authorised to supervise public accountants. The CPD participants selected for this thesis represented both public accountants and non-public accountant members of the IICPA; they are employed by firms of various sizes (small, second-tier and Big Four), are at different levels in their organisation (partner, senior manager/associate, manager), and represent a range of ages and years of accounting-related experience.

This thesis used semi-structured interview approach in order to obtain rich data regarding CPD engagement of the members and also CPD drivers and CPD outcomes that can influence the members’ engagement in CPD. The interviews were intended to capture the participants’ (CPD participants and CPD provider) invaluable experiences and knowledge regarding CPD for members. The semi-structured interview is a common method used in accounting research for obtaining qualitative data (Lee & Humphrey 2006). The semi-structured interview employed in this thesis followed the guidelines from Bryman and Bell (2003), Howitt and Cramer (2008), Ryan, Coughlan and Cronin (2009), and Hesse-Biber and Leavy (2010).
After the data transcription and translation from Bahasa Indonesia to English were finished, interview data were coded according to Lofland (2006), Boeije (2010), Bernard (2011), David and Sutton (2011), Saldana (2013), and Miles, Huberman and Saldana (2014) coding guide and analysed using thematic analysis informed by Boyatzis (1998); Braun and Clarke (2006); Howitt and Cramer (2008), and Jones and Forshaw (2012).

The findings on levels of participation demonstrate that there were members who did less CPD than they were required to. One possible explanation for this is that these members and the CPD provider did not understand CPD requirements; their actual needs were only partially met by CPD; no sanction system in place for CPD non-compliance; also, it indicates that the IICPA and the Ministry of Finance had a weak CPD monitoring system. The data analysis also found a link between the levels of participation of the IICPA members and the obstacles to participate in CPD activities. For pattern of participation, the findings indicate that the members mostly undertook activities related to topics in accounting practice and standards, industry specialisation and regulations. The findings also suggest that the members preferred face-to-face format of CPD compared to other formats such as online CPD because they wanted to have the opportunity to engage in interactive discussion. This thesis also found significant obstacles to the members’ participation in CPD activities. The time factor was found to be the predominant obstacle to CPD participation; this was followed by the big seminar format, then location, cost and the quality of speaker.

The findings on the CPD drivers indicated that the major influences on CPD were the policy regulatory bodies’ requirements, the ethical requirements, the
quest for specialist skills, and lifelong learning. In terms of the extent of influence, the data suggests that the policy regulatory bodies’ requirements were the most influential factor on CPD among the members. This was followed by lifelong learning and specialist skills, whereas the ethical requirements were the least influential. The findings on CPD outcomes indicated that keeping up to date, the improvement and broadening of knowledge and skills, the development of personal qualities necessary to execute technical and professional duties, and the sustainability of the profession as a whole, were indeed the CPD outcomes expected by participants. Keeping up to date seemed to be the most discussed outcome since all of the IICPA members agreed to it. The next most discussed outcome was the sustainability of the profession as a whole. This was followed by the improvement and broadening of knowledge and skills. The least discussed CPD outcome was the development of the personal qualities necessary to execute technical and professional duties. The findings also suggested a link between the levels of participation and the CPD drivers. The members who undertook less CPD than required did not perceive ethical requirements as a CPD driver. To sum up, the disagreement with the ethical requirements as a CPD driver seems to influence the levels of participation in CPD by the members.

1.11 Overall Aim

The overall aim of this thesis is to add to the literature regarding CPD for professional accountants, especially CPD for the IICPA members by investigating members’ understanding of, and, engagement in CPD, and by investigating the influence of the CPD drivers and CPD outcomes on the members’ engagement to
CPD using the theoretical framework constructed in this thesis. It is also the aim of this thesis to provide findings to assist the IICPA and the MoF to develop CPD policy and improve activities. Eventually, an enhanced CPD policy and improved activities will help to ensure CPD engagement by the members, thereby reassuring the public that the members remain competent and updated.

1.12 Scope
The objectives of this thesis are to investigate: (1) the IICPA members’ understanding of, and, engagement in CPD by finding out the levels, pattern, preferences, satisfaction and obstacles to participation in CPD activities; (2) the influences of the CPD drivers and CPD outcomes to the IICPA members’ engagement in CPD. This thesis does not attempt to evaluate the quality of auditing services based on CPD undertaken by the participants. Furthermore, this thesis is not intended for the purpose of generalising the findings to the whole population of IICPA members and the auditing profession in Indonesia. This thesis offers an insight into CPD for the IICPA members based on the data collected from the interviewees through semi-structured interviews.

1.13 Thesis Structure
The remainder of this thesis is structured as follows. Chapter 2 presents literature review of CPD in general and the accounting profession in particular and the literature referenced to support the research questions. Chapter 3 discusses research designs, research methods, sample selection and sample description,
interview question types and interview questions construction, data analysis and also reliability and validity. The findings of the thesis are presented in Chapters 4 and 5. The findings are discussed in Chapter 6. Chapter 7 concludes the thesis with recommendations, limitations, future research directions, and final remarks.

1.14 Conclusion

Previous studies on CPD for professional accountants are still limited. Most of the studies have been conducted in developed and/or advanced economy countries such as the US, the UK, Australia, New Zealand, Singapore, Malaysia, China and Hong Kong; hence, information about CPD practices in developing countries such as Indonesia is still scarce.

The contributions of this thesis can assist interested parties such as the IICPA as the CPD provider and also as the auditors’ professional association, the Ministry of Finance as the regulatory body that regulates the public accountants, to develop and improve CPD for the auditing profession in Indonesia. It is worth to notice, however, that this thesis does not try to evaluate audit service quality based on CPD undertaken by the CPD participants, or to generalise its findings to all of IICPA members and the auditing profession in Indonesia.
CHAPTER 2
LITERATURE REVIEW

2.1 Introduction

This chapter reviews the relevant literature in order to closely examine Continuing Professional Development or CPD; and to support the research questions formulated in this thesis. The review includes a discussion of the nature and role of professionals, professions and CPD, CPD drivers, CPD outcomes, CPD and the accounting profession, CPD and the accounting profession in Indonesian context. Also the research questions will be presented.

2.2 Overview of CPD

CPD should not be separated from on-going learning or lifelong learning. For professionals, on-going learning is important for updating their knowledge and skills in order to be able to provide a good quality service to the society. As one of the means of on-going learning, CPD plays a vital role and has become vital to professional integrity (Young 1998).

Despite its importance for the members of professional bodies, apparently CPD is not discussed or understood enough. Friedman (2012, p. 5), a writer and a researcher on CPD, had this to say about CPD:

Millions of professional at all ages in adult life are following CPD programmes. CPD occupies them every year, often every month, for many even every day. Yet this is hardly ever reported in the mass media. It is a major component of expenditure on education and training in developed countries, and yet just how much is spent on CPD is unknown and it is hardly ever mentioned in government education policies or plans. It is a new market in high-level education and training, and yet only in the last few years have universities woken up to the new opportunities it
represents to alleviate their seemingly perpetual financial straits. Research into CPD has not been supported by research councils, at least at anything like the level given to education of undergraduates or those on postgraduate courses. Academics rarely undertake research into it in spite of the vast array of economic, management, social studies or education journals where the subject could appear. Often when articles on CPD do appear, they tend to be in specialised journals, limited to particular narrowly defined profession, or most likely they are part of a ‘grey literature’ comprising limited distribution reports, which soon become even harder to access as they are archived or lost.

In other words, CPD is an inseparable part of a professional’s life, although studies on CPD are apparently not captivating enough to be supported and discussed in the literature.

Professions in general have adopted a formal approach to CPD, whether voluntary or mandatory, since late 1960s (Jarvis 1983; Paisey & Paisey 1996; Lawson 2006; IFAC 2008; De Palma 2013). While all professionals are expected to pursue lifelong learning, there has been a recent move to make CPD mandatory. For instance, the American Dental Hygienists' Association (ADHA) promoted the development of quality continuing education for its members in 1967 (De Palma 2013). Furthermore, De Palma also stated that with ADHA continuing education policy adoption, dental hygienists were encouraged to participate in continuing education to help ensure their competency as the dental hygiene practice keeps evolving. The legal profession in the USA initiated voluntary CPE in 1964 and then became mandatory in some states due to reasons such as the need to update the knowledge and skills of legal professionals who returned to practise after lengthy military service and to counter the negative perception of the legal profession in the 1970s (Lawson 2006).

CPD was introduced to the accounting profession around the 1980s. In Australia, the CPA Australia introduced a CPD program to support lifelong
learning in 1981 and the members of the CPA Australia were required to undertake a minimum of 120 hours professional development per triennium (CPA Australia 2015). The Australian Society of Accountants required its members to undertake CPD in 1985 and the Law Society of New South Wales adopted mandatory CPD in 1987 (Grant 1994). The Institute of Public Accountants in Australia made CPD mandatory for its members in 2006 and now IPA requires its members to undertake 80 hours of CPD per biennium (IPA 2013). The members of the New Zealand Institute of Chartered Accountants have been undertaking mandatory CPD since 1990 (Zajkowski, Sampson & Davis 2007).

In the USA, since 1985 the Certified Public Accountants (CPA) in the state of North Carolina have been required to undertake 40 hours of CPD each year in order to retain their practice licence (Wessels 2007). In the UK, CPD became mandatory for the accounting profession in 1989 with the introduction of the Companies Act (Paisey & Paisey 1996; Paisey, Paisey & Tarbert 2007). In Indonesia, the CPAs have been required to undertake CPD by the Indonesian government since 1997 (MoF 1997). In Thailand, the Federation of Accounting Professions introduced the CPD program for its members in 2004 and the members are required to undertake 9 hours of CPD per annum (Pholkeo 2013).

For the accounting professionals around the world under IFAC, a standard for CPD – IES 7 – was published by IFAC in 2004 (IFAC 2004a) and it became mandatory as of 1 January 2006, and thus acquired its new rigour and status (Paisey, Paisey & Tarbert 2007, p. 382):

CPD had developed from an activity inherent in the profession’s ethical guidance, to one that was subject to regulation in specific areas of work. IFAC’s IES 7 in 2004 marked a new stage in the history of CPD, heralding a compulsory requirement for all accountants irrespective of area of work.
The foregoing discussion reveals that CPD for the professions in general began in the late 1960s. Despite the reputation and the importance of the accounting profession in supporting and building the world’s economies, CPD policy was not introduced by the professional accounting associations until two decades later in the 1980s and was finally formalised by IFAC in 2004.

It is now pertinent to investigate what CPD actually means. Jeris (2010) explained that CPD refers to a specific area of interest in adult and continuing education that initially received attention through the work of Houle (1980). Jeris (2010) also discussed a variety of issues and the needs for post-qualification professional to keep abreast of new developments and skills, to understand their relationship to their discipline-related field, and to grow as people and professionals. Eraut (1994) considered CPD as an ongoing professional development that includes formal and informal approaches to continuing learning.

The descriptions of CPD from Houle (1980) and Eraut (1994) still do not explain clearly the learning activities that can be recognised as CPD. Hence, CPD learning activities should be defined first. According to Roper (1997), CPD encompasses: (1) all of the learning activities, formal, non-formal and informal, in which a professional engages as part of his or her work; and (2) is a component of a continuing strategy of a professional body to develop the profession, usually through learning activities, thus enabling it to survive, maintain its status and develop. This view is quite different from that of Friedman (2012) who considered only formal activities as CPD.

A discussion of formal, non-formal and informal learning provides an insight into the development of CPD for professionals and professional bodies. What are
the differences between formal, non-formal and informal learning activities? According to the European Centre for the Development of Vocational Training (Cedefop 2009): (1) formal learning is the learning that occurs in an organised and structured environment (e.g. in an education or training institution or on the job) and is explicitly designated as learning (in terms of objectives, time or resources). Formal learning is intentional from the learner’s point of view. It typically leads to validation and certification. In the accounting context, an example of formal learning would be the structured learning activities undertaken by accountants in order to obtain their licence to practise; (2) non-formal learning is a learning which is embedded in planned activities not always explicitly designated as learning (in terms of learning objectives, learning time or learning support), but which contains an important learning element. Non-formal learning is intentional from the learner’s perspective. The example of non-formal learning in accounting text is investigating the effect of changes in legislation on the affairs of a client; (3) informal learning means a learning resulting from daily activities related to work, family or leisure. It is not organised or structured in terms of objectives, time or learning support. Informal learning is mostly unintentional from the learner’s perspective. An appropriate example would be the reading of professional journals. It is not a structured or organised activity, but accountants are learning by reading and familiarising themselves with the latest developments in their profession.

Different professional bodies will have different definitions of CPD. There are as many definitions of CPD as there are professional bodies encouraging their members to participate in it (Guest 2006). Although the literature already provides
ample definitions of CPD, understanding what CPD is, is itself complex (Friedman 2012). Different definitions may produce different views of what CPD is intended to achieve. It is also argued that this is one reason why CPD is not well understood or appreciated by the general public; regardless of how widespread and potentially important it is (Friedman 2012).

Roper (1997) explained that professional bodies attach the greatest importance to CPD as an integral part of an individual’s lifelong learning. Furthermore, CPD is seen as a dominant and fundamental aspect of professional life. It is perceived as an important part of the continuum of professional education and training and its importance will expand as the basis for specialised professional practices. Roper (1997) also argued that there is an underdeveloped theoretical base to enable the professions to deepen their understanding of it and develop their strategy for CPD in a logical and reliable way.

In order to understand what CPD actually is from general professional bodies’ point of view, it is helpful to look at the definition of CPD established by the Construction Industry Council UK (IFAC 2008):

> CPD is the systematic maintenance, improvement and broadening of knowledge and skill and the development of personal qualities necessary for the execution of professional and technical duties throughout the practitioner’s working life.

The definition from the CIC is among the first definitions of CPD and it has been adopted by IFAC. Other than the CIC, various professional bodies also acknowledge the importance of CPD. The following are the definitions and objectives of CPD put forward by various professional bodies across the globe:
1. ‘CPD is anything structured or unstructured that helps an individual expand their knowledge, maintain up to date technical skills and progress their engineering career’ (Engineers Australia 2011).

2. ‘CPD is a process of self-assessed, self-directed, lifelong learning that complements formal undergraduate and postgraduate education and training. It enables members to acquire new knowledge and skills as well as to maintain and improve their standards across all areas of their practice. It should also encourage and support specific changes in practice and career development. Ultimately, these activities are closely associated with enhancing the quality of care provided to patients’ (Royal College of Psychiatrists UK 2010).

3. ‘CPD is the means by which members of respective professions develop, maintain, improve and broaden their knowledge and skills and develop the personal qualities required for the upliftment of their professional development. CPD is a platform which provides continuous development of professional knowledge, in the form of skills, values, ethics and attitudes, and the competence necessary to uplift the knowledge required in career developments’ (The Institute of Chartered Accountants of Sri Lanka 2011).

4. ‘CPD is the conscious updating of professional knowledge and the improvement of professional competence throughout life. It is also a commitment to being professional, keeping up to date and continuously seeking to improve’ (The Chartered Institute of Marketing UK 2011).
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 service given and the personal ambition of the individual. It can be achieved through many different types of activity and will be shaped by the particular range of circumstances in which the individual operates. Hence, any new learning that impacts favourably on effectiveness within a professional role can be regarded as CPD’ (Chartered Institute of Internal Auditors UK 2011).

6. For accounting professionals around the globe, IFAC provides a useful definition of CPD and this definition is used for the purposes of this thesis. IFAC (2004a, p. 83) defined CPD as follows: ‘Continuing Professional Development is the learning activities for developing and maintaining the capabilities of professional accountants to perform competently within their professional environment’. Then in another publication, IFAC (2004b, p. 27) added that: ‘CPD aims at the post-qualification development and maintenance of professional competence. It involves the development of capabilities through either formal and verifiable learning programs - sometimes referred to as continuing professional education or CPE - or informal learning activities’.

Several key words from these definitions of CPD from various professional bodies and also from the literature can assist in providing some understanding of CPD. CPD includes systematic, structured or unstructured and ongoing formal or informal activities undertaken by the professionals in order to maintain, improve and broaden their knowledge and skills and also personal qualities with the aim of
enhancing professional competence and improve quality of service provided to society.

The discussion in the literature indicates that CPD comprises continuing learning activities undertaken by professionals from various professions. To determine the aim of CPD it is important to note who is required to undertake it. Studies by Lowenthal (1981), Cohen and Brawler (1982), Brennan (1990) and Roper (1997) all demonstrate that CPD includes education, training and development activities undertaken by professionals after a professional or practice licence has been obtained. However, it is not envisaged that CPD participants will be able to undertake CPD activities full time. Roper (1997) argued that because professionals are involved in full-time employment, they will not be able to study full time. To sum up, CPD participants are people who have already qualified to be called a professional, have passed their initial examination to enter the profession, and will not be able to undertake future, full-time CPD activities. Therefore, CPD can only be undertaken while a person is working in his or her profession and CPD is not an academic exercise similar to secondary school education.

2.3 Professions and CPD

The characteristics of a profession indicate a strong link between the professions and the need to undertake continuing professional development activities in order to keep up to date with changes and new knowledge. This section will specifically discuss the aim of CPD, CPD and competency maintenance, and also CPD engagement.
2.3.1 The Aim of CPD

This section investigates the aims or goals of CPD, which is what CPD is meant to achieve for the profession. Houle (1980, p. 75) asserted that ‘the ultimate aim of every advanced, subtle, and mature form of continuing education is to convey a complex attitude made up of a readiness to use the best ideas and techniques of the moment but also to expect that they will be modified or replaced’. Furthermore, professionals must expect constant change and with change come new goals to be achieved and new understanding and skill to be mastered. In short, the professionals’ readiness to stay abreast of changes in their area of work and remain competent seems to be the main purpose of CPD (Houle 1980; Cantor 2006).

In addition to keeping up to date, Friedman (2012) stated that the inclusion of the development of personal qualities and professional development in CPD particularly distinguish CPD purposes more than just keeping up to date. Regarding the connection between personal development and professional development and their usefulness, Friedman (2012, p. 13) stated:

To some, personal development is part of professional development, even if it involves learning things that do not seem to be directly relevant to current practice. However, personal development can be an essential support for trustworthiness of professionals; encouraging self-confidence, awareness of ethical pitfalls and openness to new ways of doing things.

Similar to Friedman, Lowenthal (1981, p. 519) also maintained that CPD is not only about updating knowledge and the application of skills:

For professionals who develop a specialty through additional formal training, continuing education is defined as training undertaken after completion of that specialised study. Continuing education is meant not
only to correct out-dated information and impart new skills and knowledge, but it also can help professionals apply knowledge and skills they already had or once knew.

Lowenthal’s explanation indicates that the purpose of CPD is not only to provide professionals with updated knowledge and skills but also to encourage professionals to use their current knowledge and skills.

CPD programs also demonstrate their effectiveness in promoting behavioural change and improved practices in nursing profession (Cervero 1985; Meservy & Monson 1987), dentistry and pharmacy profession (Cervero 1985), medical profession (Stein 1981; Cervero 1985), and physical therapy profession (Mays 1984). Therefore, it can be argued that CPD not only benefit the professionals as learners but also benefits their clients due to the improved professional service they are assumed to be receiving (Griffith 1985).

Maintaining the reputation of the profession can also be one of the aims of CPD. The image of the profession is essential in sustaining the profession. Without a good image or reputation that indicates that the members of the profession are doing what they should be doing, the profession will not be able to maintain its business due to lack of public trust. According to Coen (2004) CPD is a mechanism that supports excellence and maintains professional reputation, for both the individual professional and the professional body as a whole.

Furthermore, CPD is basically a tool that can help to maintain the confidence to meet responsibilities (Coen 2004). To encourage confidence and trust, the professionals must be confident in their own competence. The public place trust in professionals as they are seen as experts in knowledge and have acquired the
appropriate skills to fulfil their duties. Thus, CPD is an essential activity to help the professionals to be confident of their ability to complete their varied roles and also to maintain and to improve the image of the profession.

2.3.2 CPD and Competency Maintenance

Competence is essential for professions (Wolkin 1980; Segall 1988; Paisey & Paisey 1996; Cheetam & Chivers 2005). Segall (1988) defined competence as an intellectual, emotional and physical capability involving specific knowledge in an area of practice, a level of skilled performance, efficient management and an ability to identify relevant issues. Another view comes from Wolkin (1980) in which he defined competence as combinations of these three elements: (1) education, (2) experiences and (3) performances. Cheetam and Chivers (2005, p. 77) provided another useful definition of professional competence: ‘The possession of the range of attributes necessary for effective performance within a profession and the ability to marshal these consistently to produce the desired overall results’.

It can be concluded from the above discussion that competence is consistent intellectual, emotional and physical capabilities of the professionals to perform effectively in their area of expertise, and these capabilities can be obtained through education, experiences and performances. CPD is a post-qualification development program designed to maintain professional competence (IFAC 2004b); thus, CPD is inseparable from competency maintenance for professionals.
Furthermore, competence is not static but is constantly changing (Jarvis 1983; Segall 1988). This is particularly evident in the constantly evolving legislation, technologies and knowledge. Those factors have put enormous pressures on the professionals to be competent and provide a strong rationale for CPD. Moreover, due to the constantly changing concept of competence, it cannot be assumed that passing a professional exam necessarily indicates competence (Jarvis 1983). Competence is dynamic, and therefore today’s competence can be out-dated by tomorrow. Consequently, the profession needs some form of competence assurance. CPD is a continuing professional development program; therefore, by undertaking it, the professionals indirectly provide assurance needed by society that they remain continuously competent throughout their professional working lives.

Professional status implies that professionals want to make claims to competence in particular areas (Bucher & Stelling 1969). Competence involves the attributes which individuals bring to their job performance and includes their knowledge, skills and attitudes which, when integrated, allow them to deal with practical workplace situations (Dall’Alba & Sandberg 1993). The claim of competence also brings a privilege to knowledge monopoly. The professions which have a clear monopoly on competence – and not only a monopoly on practice – have authority over a kind of knowledge that is important for every man’s life (Larson 1977). Larson (1977) further explained that the gap in competence between professionals and ordinary workers, established by the monopolies of training and certification, set every professional apart: the members of the profession belong to a privileged society of knowledgeable people. The
improvement and broadening of knowledge and skills as well as keeping up to date and development of personal qualities, are all the purposes of CPD; thus, CPD can assist professions to maintain competence monopoly.

This continual development and need for CPD has been recognised by professions but it is only in recent times that CPD has been made compulsory. Nowadays, CPD is an inseparable component of a profession (Friedman 2012). Despite the support for CPD in the professions, the introduction of formal CPD has been met with considerable criticism (Rockhill 1983; Gold 1986; Primrose 1986). Gold (1986) criticised that CPD often does not have a set standard for course materials, the qualification of instructors, and instructional methods used. Primrose (1986) found that exposure to learning will not necessarily guarantee the acquisition of knowledge and it is especially difficult for the elderly professionals. Another criticism of formal CPD is that there is little data to demonstrate that CPD contributes to the competency of professionals since mere presence is not evidence of learning (Rockhill 1983; Gold 1986). Rockhill (1983) argued that adult learners should control their own learning and that they are capable of self-directed learning; hence, CPD should be made voluntary rather than mandatory. She further argued that mandated education cannot solve the accountability problem and mandatory CPD may mislead the public into thinking that professionals are competent, when they may not be.

In response to these criticisms of CPD, it is worth remembering that CPD participants are indeed adult learners and adults should be responsible for their own learning (Knowles, Holton & Swanson 2005). According to Knowles, Holton and Swanson (2005), adult learners are voluntary learners. Being adult learners
not only means that they learn best when the content of learning is relevant and has direct and immediate application to practice, but also that the process of learning must suit self-directed and self-motivated individuals (Rapkins 1996). Rapkins (1996) also explained that adults learned by building on existing experience so the process of education or training should build this experience on itself and be more facilitatory rather than didactic. In short, the experience of learning by CPD participants can also contribute to the exposure to learning, and subsequently, the acquisition of knowledge and skills. It is the responsibility of CPD providers to capture CPD participants’ professional and personal development needs in order to ensure active participation and the achievement of CPD goals.

Although there is inadequate evidence to demonstrate that continuing professional education really protects the public, CPD has a positive effect in protecting the public and the professions from lazy, ignorant, out-of-date, and incompetent professionals, in creating astute learners, and in creating a good educational habit (Lowenthal 1981; Edwards 1985; Ogden 1985; Queeney, Smutz & Shuman 1990). It is generally agreed that CPD is valuable for professions; however, it is also important to remember that CPD is not a panacea. Campbell (1983, p. 254) expressed this realistic view of CPD:

Continuing education is not a universal panacea, nor a remedy for all the ills of a profession. It has its sceptics, its naysayers, its critics. In many professions, it has achieved considerable success and, indeed, has become indispensable.
Campbell’s view shows that although CPD is not an ultimate cure for all the ills within a profession, it is there to help professions to excel and has indeed shown some success.

The function of CPD whether it is voluntary or compulsory, is to improve the knowledge base, which inevitably is only temporary (McCormick & Marshall 1994). Hence, CPD should be seen as a means of maintaining competence rather than being a measure of it (Segall 1988). Whilst improvement in competence cannot be demonstrated by CPD, the effect is most likely to be positive because of the important role played in exposing participants to formal learning experiences (Roper 1984; Edwards 1985; Segall 1988). However, McCormick & Marshall (1994) argued that individual practitioners must not assume that, because they have participated in CPD, they are doing all that is necessary to maintain their professional competence.

The next question that may arise is: can competence be taught? Apparently the answer is ‘no’ (Segall 1988). It will be difficult to teach competency although CPD has been purported to promote competency and as a necessary means of distributing new knowledge (Cervero 2001). Competence is also difficult to measure (Dubin 1972; Rockhill 1983; Evans 1985; Segall 1988). Dubin (1972, p. 493) expressed his view on measuring competence: ’Measuring and assessing professional competence is particularly knotty problem and one that has not yet been sufficiently explored’.

Furthermore, there is no widely accepted method to assure continued competency within professional groups (Segall 1988) and there is a lack of
evidence that CPD has been effective in producing a more competent professional (Grant 1994). Segall (1988) noticed that several competencies can be acquired only through experience and generally cannot be achieved before entry to the profession. These competencies or qualities include professional judgment, wisdom, honesty and perseverance and cannot be acquired by post-entry education. Hence, it is difficult to assess the effect of CPD on professional competency and it goes back to the notion that competence cannot be taught and measured or assessed. But again, as Edwards (1985) put it, it will be better to have a weak shield from ignorant and obsolete professionals than to have no shield whatsoever. In another words, for the professionals, undertaking CPD is better than not doing CPD at all.

2.3.3 CPD Engagement

According to Rothwell and Herbert (2007) CPD engagement is related to individual members’ level of commitment to their profession. This commitment, shown through engagement in CPD activities, is necessary in order to reassure society that professionals continue to be competent and up-to-date. CPD engagement across professions has also been investigated in a number of studies. The following sections discuss the literature on CPD engagement for general professions in terms of levels of participation, pattern of participation, preferences of participation and also obstacles to participation.
2.3.3.1 Levels of Participation

CPD is integral to professional bodies that develop and implement policy that is adhered to by members of the profession. Therefore, professionals should undertake CPD activities as required by the regulatory bodies that enforce the CPD policy. In order to obtain an insight into the effectiveness of CPD requirements, including the need for change, the levels of participation or the amounts of CPD undertaken should be investigated.

CPD at its basic form is aimed to keep the professionals up to date in their knowledge and skills and to remain competent; therefore, a couple of hours of compulsory CPD attendance for this purpose is a wise requirement (Segall 1988; Cantor 2006). Thus, the levels of participation is invaluable to be investigated in order to investigate CPD engagement of the professional accountants.

Actual need fulfilment is also important when examining levels of participation in CPD. Previous studies for professions in general (Grant 1994; Rapkins 1996; Grant 2002; Ingall 2009) suggest that CPD participants have their own actual needs to be fulfilled by CPD. However, there is a concern that analysing participants’ needs is a difficult task to accomplish and how to satisfy those needs is an even greater challenge (Segall 1988). There is also a possibility that if actual needs are not met, then this may influence participation in CPD. Ingall (2009) argued that CPD that is too general or irrelevant is considered impractical by the participants.

Satisfaction with the quality of CPD activities may also influence CPD participation. Investigating CPD for the legal profession, Ingall (2009) found that inadequate CPD activities can frustrate participants and make them sceptical.
about the benefits and necessity of undertaking CPD. Furthermore, Ingall (2009) explained that the poor qualities of CPD included: (1) boring presenters that just read from their paper, making it difficult to digest and remember; (2) obscure topics and sessions that are irrelevant to practical application; (3) long and boring sessions.

CPD monitoring is also critical for participation in CPD activities, especially when CPD is mandatory. Where mandatory CPD policies exist or where professional members are rewarded for engaging in CPD, a quota monitoring system is suggested in order to keep monitoring cost to a minimum (Rapkins 1996). Other studies (Friedman & Phillips 2004; Siddiqui 2009; Friedman 2012) also encourage a CPD monitoring system to be employed. Therefore, a monitoring system needs to be enforced by the professional bodies or other parties who benefit from CPD to ensure CPD participation.

In addition to CPD monitoring, compliance with CPD and consequences for CPD non-compliance are necessary if CPD is mandatory. According to Noon (1994), professions should be more concerned about enabling less willing professional members than about excluding them from the professions. Nevertheless, Noon (1994) also argued that if this kind of approach fails to produce the appropriate positive response then some effective sanctions may be able to persuade the disobedient minority. Therefore, enforcement of a sanction system is necessary to ensure participation in CPD especially when such CPD is a mandatory policy.

Despite the importance of monitoring CPD to maintain the credibility of professions, some problems with monitoring do exist (Taylor 1996; Friedman
Taylor (1996) criticised CPD monitoring because it may cause the professionals to make up CPD records just to satisfy their professional bodies, and to undertake CPD activities that are not really useful for their professional and personal development for the sake of producing plausible CPD records. Friedman (2012) found that while some professional bodies may want to project an image of compulsory participation in CPD, they are not serious in checking or following up those who do not comply.

However, Friedman (2012) argued that CPD is pointless without monitoring and thus, monitoring is needed for its legitimacy. He further argued that monitoring should be carried out to maintain CPD policy credibility, even if there are no penalties for noncompliance. Monitoring not only allows professional bodies to verify that individuals maintain their competence through engaging in CPD, it also allows them to report the success of the CPD program to their members and other stakeholders. Considering the importance of monitoring and the doubts surrounding the effectiveness of monitoring in increasing participation in CPD activities, CPD monitoring can be investigated to explain the levels of participation.

2.3.3.2 Pattern of Participation

It is worthwhile investigating the pattern of participation in CPD activities. Eraut (1985) explained that the improvement of continuing professional education is dependent on a broader view of what constitutes professional knowledge and know-how and a deeper consideration of how professionals learn. The pattern of
CPD activities undertaken by professionals can provide some insight into what they consider to be professional knowledge and also how they learn.

Before we discuss the pattern of CPD participation, it is helpful to distinguish CPD activities undertaken by professionals across the professions. The definition of CPD offered by the Construction Industry Council UK (2011) provides an explanation of what can be counted as CPD activities:

CPD is any activity engaged in by a qualified professional through which they continue to develop professionally. CPD is about learning and development that enhances the participant’s effectiveness in their professional role. This should maintain and enhance existing competences as well as developing new knowledge and skills. It should not be exclusively about formal courses or qualifications, and may involve development in both technical and non-technical areas. CPD includes a wide variety of activities such as open learning, private study, work experience and many more.

Another view of CPD activities came from the Royal College of Psychiatrists UK (2011):

CPD is a process of self-assessed, self-directed, lifelong learning that complements formal undergraduate and postgraduate education and training. It enables members to acquire new knowledge and skills as well as to maintain and improve their standards across all areas of their practice. It should also encourage and support specific changes in practice and career development. Ultimately, these activities are closely associated with enhancing the quality of care provided to patients.

From the accounting professional bodies, the Bahamas Institute of Chartered Accountants (2011) gives a specific measurement to the CPD activities:

CPD is continuing professional education measured by the hour and aims to ensure that the members and licensees remain knowledgeable in relation to the profession.
From the aforementioned explanation of CPD activities, it can be assumed that CPD activities undertaken by different professions in the world are quite diverse because different professional bodies prescribe diverse activities for their members. Some professional bodies appear to be more lenient by asking their members to self-direct and self-assess their CPD activities, while others require a specific measurement of CPD in terms of hours. Nevertheless, there seems to be no boundary for CPD activities for the professionals; hence, individual professionals have some degree of freedom in planning and undertaking their own CPD.

Rapkins (1996) asserted that options in CPD activities must be recognised and should include both informal and formal activities. Furthermore, she explained that CPD activities should meet the different learning needs, styles and opportunities of different professionals. CPD should also suit the individual professional and the employers’ needs. In other words, a certain amount of flexibility should characterise CPD activities. It is also worth noting that professionals may also be interested in other aspects of CPD apart from the usual technical knowledge and skills.

Various professions engage in CPD. Undoubtedly, each profession is unique and may prescribe what counts as CPD differently. CPD modes or the format of learning across profession also varies. For the General Practitioners in Australia, their CPD can include activities such as clinical audits, small learning groups, supervised clinical attachments, General Practitioners research, peer review journal articles, higher education courses relevant to general practice, and other related activities (RACGP 2013). In the physiotherapy profession, Gunn and
Goding (2009) found that active learning styles and formal course-based learning were the main CPD activities undertaken by the participants.

CPD for the nursing and midwifery profession in Australia may include participation in activities such as tertiary, vocational and other accredited courses including distance education; conferences, forums, seminars and symposia; short courses, workshops, seminars and discussion groups; mandatory learning activities in the workplace; service to the profession; and self-directed learning (Nursing Midwifery Board Australia 2015). CPD for social workers in the UK can include formal learning such as teaching, undertaking study, training, or courses and attending seminars; and informal learning such as work-based learning including supervision and discussions/learning with colleagues, involvement in a professional body and research, reading, and other related activities (British Association of Social Workers 2012).

2.3.3.3 Preferences of Participation

Ever since formal CPD became mandatory, learning forms and activities have moved to a whole new level. Dring (1992, p. 58) explained that ‘the most common form of CPD is by events. Within this category are workshops, seminars, conferences, colloquia, symposia, study visits and courses (including distance learning)’. Stagnitti et al. (2005) investigated CPD for the allied health professionals and they found that face-to-face was the most preferred method of CPD due to the added benefit of opportunities for networking.
Nevertheless, as technology develops, learning and development activities can be undertaken through many forms and channels. The Internet has enabled face-to-face interaction to be easily replaced by online forms such as e-learning and webinars. Klein and Ware (2003) found that online CPD is a profitable marketplace and has grown significantly in size, especially for the health professionals in the USA. Indonesia is a developing country; thus, the growth of online learning may not be as pervasive as developed countries such as the USA. Chinn and Fairlie (2010) argued that computer and Internet penetration rates among developing countries - including Indonesia - have substantially increased over the past several years. However, other studies (Hill & Sen 1997; Jussawalla 1999; Sriwindono & Yahya 2012) indicate a low rate of information and communication technology usage – including the Internet - among Indonesian people.

It can be concluded, hence, that previous findings in the literature on preferences of participation in CPD activities are still mixed and requiring further research. Therefore, it is worthwhile for this thesis to investigate the preferences of CPD participants regarding the format of CPD activities: face-to-face and online.

2.3.3.4 Obstacles to Participation

Professionals’ participation in CPD activities can be hampered by certain obstacles or deterrents. Such obstacles must first be identified in order to improve CPD for the professional accountants.
Laaksonen, Duggan and Bates (2009) in their study on pharmacists’ perceptions on CPD found that CPD participants perceived several obstacles to engagement in CPD. The obstacles included lack of information, lack of motivation and lack of time. The CPD participants suggested supply of more information, becoming self-motivated, and integrating CPD into work in order to overcome the obstacles to their engaging in CPD. The lack of time to undertake CPD as a constraint on learning is a problem that cannot be resolved easily (Slotte & Tynjala 2003).

Friedman (2012) argued that CPD has not been universally welcomed, particularly by more experienced professionals in traditional professions and those that are not related to rapidly changing scientific disciplines. Friedman (2012, p. 36) also contended that other reasons why some people are not participating in CPD may be associated with poor self-management as follows:

1. Being fuzzy, not sure of what they should do next
2. Being negative, thinking they are not the sort of person who will move on in their career no matter what they do
3. Putting other people’s priorities before their own
4. Procrastination and avoidance of difficult challenges

Considering the effect that participation obstacles have on CPD, it is beneficial to seek CPD participants’ opinion regarding what they perceive to be obstacles to their undertaking CPD. For CPD providers, any obstacles for the CPD participants should be seriously addressed and taken into account when planning and delivering CPD activities or programs.
2.4 CPD Drivers

For the purpose of this thesis, a CPD driver is defined as something that motivates an individual professional to undertake CPD. Sadler-Smith, Allinson and Hayes (2000, p. 253) argued that ‘learner motivation is an essential pre-condition for effective learning; in order to be motivated an adult learning must anticipate some benefit’. Research into CPD drivers will aid CPD providers in offering future CPD activities that match the benefit or outcome expected by the CPD participants.

The literature also suggested that individuals can have a variety of reasons for participating in learning with a broad distinction often being made between job-related or career development reasons and non-work related reasons, such as personal development (Maguire & Fuller 1996). Friedman (2012) explained that there are many different motives for undertaking CPD. Although some of the motivations can be self-interest, there are also altruistic motives such as the desire to better serve the clients and the general public.

Several possible drivers for CPD have been identified in the literature. According to a study by Friedman (2012), the predominant motivation for undertaking CPD is professional duty. He further explained that other motivations can also include: to improve performance in current role, a requirement from professional or regulatory bodies, to develop as a person, to further career in general, to further position with current employer, regular appraisal purpose, and for changing career. Sadler-Smith, Allinson and Hayes (2000) argued that the main motivations for undertaking CPD are updating, competence and enhancing mobility. Other possible motivations includes: ‘to avoid losing licence to practise,
to enjoy the experience itself, to make up for lost ground, to maintain one’s current position, to get ahead of the competition, and to sustain one’s identity as a good professional’ (Rothwell & Arnold 2005, p. 29).

According to Sadler-Smith, Allinson and Hayes (2000), learners’ motivation or drivers can determine the effectiveness of learning. CPD comprises the continuing learning and development activities undertaken by professionals; hence, it is worthwhile investigating the drivers that motivate professional to undertake CPD. There are four (4) drivers for CPD participation identified from the literature for the purpose of this study: (1) policy regulatory bodies’ requirements; (2) ethical requirements; (3) specialist skill; and (4) lifelong learning. Each of the drivers will be discussed further in the next section.

2.4.1 Policy Regulatory Bodies’ Requirements

The first driver discussed in this section is the accounting policy regulatory bodies’ requirements. This thesis will investigate the accounting profession and the rationale is discussed in section 2.7. Professions must adhere to the rules and regulation made by the policy regulatory bodies. Professionals have a vested interest in maintaining their position within the prevailing structure of power relations and as a result, the members of professional bodies are obliged to gain the recognition and confidence not only of clients but also, and crucially, the state (Parkin 1979). According to Dingwall and Fenn (1987), in general, professions are circumscribed by the state because they owe their existence to a framework of law which provides protection for their association.
In accounting context, the state or the principle of hierarchical control exercises interventions to accounting practice ‘to ensure that basic accounting principles are undertaken as a means of reducing the turbulence and uncertainties associated with the erratic discipline of the market’ (Puxty et al. 1987, p. 278). A similar stance is offered by West (2003) who maintained that occupational empowerment for the accounting profession is enabled by the state. He further elaborated as follows (West 2003, p. 145):

The creation of professional exchange value ultimately depends upon the state – or, more precisely, upon the state’s monopolistic appropriation of a social system of education and credentialing.

Thus, the accounting profession is regulated by the state since the state can provide a social system of education and credentialing in increasing the professional value, and in turn, empower the profession as an occupation.

Furthermore, it is also important to appreciate that the accounting profession may differ in different nations. Previous studies have shown that accounting practices cannot be separated from the kind of society in which they operates (Perera 1989; Hao 1999; Yee 2009; Yapa, Jacobs & Hout 2010; Pholkeo 2013).

A work by Perera (1989, p. 141) regarding accounting in developing countries shows that ‘accounting is a product of its environment, and a particular environment is unique to its time and locality’. Therefore, accounting practices in developing countries may be different from its counterparts around the world. The regulation of accounting in developing countries is often conducted by government bodies by establishing accounting principles and supervising of the accounting principles application throughout the economy. Strong government involvement in economic activity is a common phenomenon in every developing
country (Perera 1989). Thus, besides regulating the economy, the government also becomes an important user of accounting information.

Perera (1989) further argued that in many developing countries the accounting profession is not in a position to effectively regulate accounting and financial reporting. The reason is because in most developing countries, it is highly unlikely that an accounting profession will evolve as it did in the Western countries. Moreover, in developing countries the reliability of financial disclosures is not likely to reach any significant level unless legal disclosure standards are established by the government. Thus, in order to be able to provide much needed professional services, the development of accounting may have to be promoted through appropriate laws and regulations (Perera 1989).

particularly in Asia, the literature also shows that the state has a dominant position over the control of accounting education and entry to the profession, and by establishing accounting laws and regulations, it assists the accounting profession to develop (Hao 1999; Yee 2009; Yapa, Jacobs & Hout 2010; Pholkeo 2013). In China, Hao (1999) and Yee (2009) found that the state influence has been predominant and any step forward in the professionalisation process was directed by the state through new laws and regulations. Yapa, Jacobs and Hout (2010) found that in Cambodia there was evidence of the ongoing role and influence of the state, and the early emergence of accounting regulation was in the context of a centrally planned economy and their regulations were developed by the state. In Thailand, Pholkeo (2013) argued that the state played a dominant role in shaping the development trends in the accounting profession through introducing accountancy education in universities and announced several Acts to
oversee Thailand’s Certified Public Accountants and also to require accountants and auditors to undertake CPD programs. Hence, from the abovementioned discussion, it can be argued that the policy regulatory bodies’ requirements can act as a CPD driver for the professional accountants.

2.4.2 Ethical Requirements

An occupation and a profession have some characteristics in common, although an occupation is not necessarily a profession. Ethical conduct is fundamental to a profession to differentiate itself from an occupation. The ethical conducts as part of a profession implies that the very existence of a profession depends on the continuance of public confidence in the standards of its members, and the professional ethics of exist to serve and develop that confidence (Barradell 1969). Professionals also have certain responsibilities, integral to their status as professionals. Barradell (1969) also argued that what sets professionals apart from ordinary laymen or craftspeople is their willingness to accept responsibility for themselves, their clients, other members of the profession, and society.

Professionals’ code of ethics is created by the professions themselves. Behrman (1988) explained that society let professions set their own code of behaviour due to their expertise in a specialty area. In another words, professions establish the scope of their role and determine how the role shall be carried out to generally benefit society. High quality service given to society is at the heart of a code of ethics (Goode 1961; Behrman1988). However, it is worth noting that service means ‘dedication to knowledge rather than to clients’ (Goode 1961, p.
Therefore, in order to maintain the appropriate level of expertise in knowledge and skills, professionals are supposed to undertake CPD, or at least to keep themselves abreast of the latest practice (Behrman 1988).

Regarding competence, Bayles (1989) commented that it is not itself an ethical virtue, but the responsibility to keep current in practice development and not to undertake tasks in which one lacks competence. Similar to Bayles, Millerson (1964) and Bucher and Stelling (1969) argued that professionals must demonstrate professional competence and due care when delivering their services. This is where ethical requirements or a code of ethics play a significant role in driving CPD participation since CPD itself will help professionals to provide the best service possible to society, and doing the opposite will be considered unethical.

Professional bodies in general endorse CPD through their code of ethics. The Council of the Institution of Electrical Engineering (IEE) in its Rules of Conduct mentioned the specific responsibility of individual members to maintain and develop professional competence, making CPD an indispensable part of individual professional development (Dring 1992). In the health sector, the Allied Health professional members are required to undertake CPD in order to adhere to codes of professional conduct since engaging well in CPD can broaden the knowledge base of the profession, in autonomously and competently providing services and in being accountable (O’Sullivan 2006). The American Society of Civil Engineers also makes CPD compulsory in its code of ethics (Robinson et al. 2007, p. 106):
Engineers shall continue their professional development throughout their careers, and shall provide opportunities for the professional development of those engineers under their supervision. Engineers should keep current in their specialty fields by engaging in professional practice, participating in continuing education courses, reading in the technical literature and attending professional meetings and seminars.

A similar stance on participating CPD as part of code of ethics is offered by the Institute of Civil Engineers UK (Robinson 2007, p. 97): ‘All members shall develop their professional knowledge, skills and competence on a continuing basis and shall give all reasonable assistance to further the education, training and continuing professional development of others’. The Australian Counselling Association or ACA (ACA 2012, p. 3) also stated in its code of ethics that the members will ‘be committed to ongoing personal and professional development’.

Therefore, it can be concluded that various professional bodies acknowledge the importance of CPD for maintaining and developing competence of their members; hence, endorsed CPD in their code of ethics. Most importantly, undertaking CPD itself is an act of ethical conduct by professionals. Therefore, ethical requirements can be considered as a CPD driver. A statement from Friedman & Phillips (2001, p. 10) below clearly elaborates how professional ethics can drive CPD:

Finally there is an issue which may also become part of CPD and the rationale for CPD. This is that professional practice needs to be distinguished as practice under a moral code. Indeed, most professional associations do explicitly state in their codes of conduct or constitutions that professionals are expected, or obliged, to maintain and update their knowledge and practice. CPD is, in these associations, already a matter of professional ethics.

For the accounting profession, the literature provides ample support for code of ethics implementation (Carey & Doherty 1966; Cerf 1970; Loeb 1978; Windal
Corley 1980; Brooks 2000; Brooks & Dunn 2015). Cerf (1970) commented that a code of ethics is basic criterion in determining whether or not an occupation meet the standards necessary to be recognised as a profession. As a result, the professionals who ignore their responsibilities forfeit the right to be called a professional and can be denied professional status.

The fulfilment of professional responsibilities can be considered as an essential requirement that ensures the continuation of the profession and the services provided. The code of ethics also demonstrate a profession’s statement and commitment to the welfare of society; thus, ensuring a continuing public’s trust and maintenance of profession monopoly (Cerf 1970).

Loeb (1978) indicated that a code of ethics not only provides members of the profession with a guide on how to conduct their business, but acts as a moral guidance as well. Similarly, Carey and Doherty (1966) suggested that a code of professional ethics is a voluntary assumption of self-discipline above and beyond the requirements of the law. Furthermore, they asserted that ethical codes also provide members of the profession with guides to the type of behaviour that most likely promote public confidence to the profession.

Windal and Corley (1980) suggested three elements for the professional structure of the accounting profession: (1) professional associations; (2) code of ethics; and (3) technical standards. Undoubtedly, a code of ethics is important for the accounting profession development. Moreover, every professional accountant has certain responsibilities to the party or parties he or she serves (Millerson 1964; Windal & Corley 1980). The responsibilities of professional accountants are
indeed contained in the professional code of ethics. Similar to other professions, Brooks and Dunn (2015, p. 351) asserted that one of the duties expected of a professional accountant is the maintenance of competence in the field of expertise. To revisit IFAC (2004a, p. 83), CPD is ‘the learning activities for developing and maintaining the capabilities of professional accountants to perform competently within their professional environment’. Therefore, by undertaking CPD, the professional accountants have put an effort to fulfil one of their duties to society as prescribed in code of ethics.

CPD is indeed a fundamental ethical obligation for professional accountants, as defined in the Handbook of the Code of Ethics for Professional Accountants (IFAC 2010, para. 130.3):

> The maintenance of professional competence requires a continuing awareness and an understanding of relevant technical, professional and business developments. Continuing professional development enables a professional accountant to develop and maintain the capabilities to perform competently within the professional environment.

The Institute of Chartered Accountants in England and Wales (ICAEW 2011) is another accounting professional body that included CPD as part of its code of ethics. ICAEW (2011, para. 130.2-130.3) stated that:

> Competent professional service requires the exercise of sound judgment in applying professional knowledge and skill in the performance of such service. Professional competence may be divided into two separate phase: (1) attainment of professional competence; and (2) maintenance of professional competence. The maintenance of professional competence requires a continuing awareness and an understanding of relevant technical, professional and business developments. Continuing Professional Development enables a professional accountant to develop and maintain the capabilities to perform competently within the professional environment.
The auditing professional body in Indonesia, the IICPA (2012b, p. 302), stated the following in their code of ethics for their members:

Competency principal and professional competence and due care: Every practitioner must continuously maintain their knowledge and skills in certain level as required, so that clients or employers can get professional service that is competent and based on the latest development in practices, law and regulations, and methods of work implementation. Every practitioner must act professionally and conform to the Professional Standards and Professional Code of Ethics in providing professional services.

The inclusion of CPD in code of ethics for the professional accountants indicates that maintaining competence through continuously maintaining and developing knowledge and skills in order to provide high quality services is invaluable and more importantly, considered as an ethical conduct. Hence, it can be assumed that ethical requirements can drive the professional accountants to undertake CPD.

2.4.3 Specialist Skills

The concept of skills specialisation is not new to professions. Around forty years ago, Schein (1972) had already noted that most of the traditional disciplines had become so sophisticated and so differentiated into sub-disciplines that it was difficult for people in the profession to remain expert in more than a small corner of his or her field. Schein (1972) also argued that the knowledge explosion has three important consequences for professions (1972, p. 39): (1) It acts as a strong stimulant to specialisation; (2) To keep up in one’s speciality becomes more difficult as the field changes ever more rapidly, leading either to obsolete forms of practice or greater specialisation into even narrower area; (3) As specialisation is
increased, it becomes harder for professionals to work together on interdisciplinary teams because greater differentiation of fields and specialisation leads to sets of attitudes and concepts that can be easily shared only with fellow practitioners in the same or in a related discipline.

Schein’s (1972) explanations regarding the impact of knowledge development indicates that professionals must be able to keep up with the increasing demand of specialisation. If professionals can demonstrate that they do have specialist skills to compete, their business will undoubtedly thrive in the current economy. Thus, CPD is one of the means that can be utilised for obtaining, maintaining or updating the specialist skills needed in order to stay in the business.

In response to the growing demand for specialisation, CPD must be able to deliver the specialist skills needed by the CPD participants. Lowenthal (1981) maintained that people in the scientific and technological professions must continue to strive to follow the changes; and specialisation is the result of an effort to remain competent professionals in areas that are constantly moving. Therefore, it is not enough for CPD to provide only theoretical knowledge (Slotte & Tynjala 2003). They also argued that the pedagogical challenge for CPD providers is to provide learning that involved theoretical knowledge interpretation and translation for practical use and practical experience interpretation in view of this theoretical knowledge. By providing this kind of learning, the practical knowledge of professionals and the theoretical knowledge provided by the CPD providers can be integrated and can support expertise development.
Regarding the accounting profession, Carey and Doherty (1966) argued that as the scope of practice broadens with the accounting profession’s growth in response to the needs of business, specialisation will increase. As business expands, more specialist areas will be explored. This is especially true for the auditors since they handle various businesses that require different audit expertise.

Previous studies also report that professional accountants are in favour for specialism skills (Burton & Rezaee 1994; Gold 2008; De Lange, Jackling & Suwardy 2010). Burton and Rezaee (1994) in their study on internal auditors in the UK argued that internal auditors do have specialised needs and these needs should be met by CPD, especially by CPD speakers with recent practical experience in internal auditing. In her study in the US, Gold (2008) found that there is a growing demand by professional accountants to undertake CPD topics for niche industries such as banking, health care, construction and real estate. De Lange, Jackling & Suwardy (2010) investigated CPD for professional accountants in the Asia Pacific region and they found that specialised CPD was desirable and that the majority of the participants undertook CPD which contains technical and professional updated relevant to their area of work. Hence, it can be assumed that specialisation skills will give more flexibility to professional accountants rather than general accounting skills. This flexibility will undoubtedly aid in expanding the business and subsequently, ensuring the survival of the accounting profession as a whole. Therefore, specialist skills can be assumed as one of CPD drivers for professional accountants.
2.4.4 Lifelong Learning

Lifelong learning can also be identified as continuing learning. What does the word ‘lifelong’ in lifelong learning mean? Lifelong learning is ‘lifelong’ in the sense that it occurs from cradle to grave and encompasses all aspects of life and all contexts (Longworth 2003; Uggla 2008). Longworth (2003) added (p.11):

> It is not simply relevant to the adult part of our lives, and not only related to continuous professional development or the acquisition of skills and competencies for the workplace, though governments inevitably put the emphasis on the economic advantage to be gained by the fact of more people learning. There is much more than that.

Longworth (2003) also argued that ‘learning’ means doing things in a different way, requiring complete focus on the needs and demands of the learner, and giving learners the tools and techniques with which they can learn according to their own unique learning styles and needs. Thus, lifelong learning has a much wider scope than teaching and training.

In support of lifelong learning, the following quotation from Winston Churchill (in Houle 1980, p. 124) provides a strong encouragement: ‘The most important thing about education is appetite. Education does not begin with the university and it certainly ought not to end there’.

Learning is a lifelong process that cannot be separated from the rest of life’s activities and anyone who fails to learn is regarded as a living dead (Merriam 2010). According to Uggla (2008) lifelong learning is the new life narrative, which is constituted as a process of constant learning due to globalisation and the need to constantly learn in order to keep pace with a changing global job market. Learning is also very much the responsibility of the individual and lifelong
learning recognises that learning can and does occur outside of formal educational institutions (Jarvis 2007).

Learning continuously should be regarded as something natural for professionals. As one of the means of continuing learning, CPD is inseparable from lifelong learning. Lifelong education or lifelong learning has perhaps the most influential label associated with CPD (IFAC 2008). Lifelong learning is an important part of this process shifting the focus from education in institutional structures to individual participation and individual learning. What CPD shares with the notion of lifelong learning is the emphasis on individuals taking an active role in determining what they need in order to develop professionally. In helping professional to undertake lifelong learning, most professional bodies have a CPD program as well as a simple policy regarding the undertaking of CPD and specifying how much should be done (IFAC 2008).

There is also a demand for professionals to be able to nurture their intellectual ability throughout their professional lives or career. Campbell (1983, p. 255) asserted that each professional must continuously maintain an intellectual fitness using every means possible:

But the principle also carries with it the notion that the maintenance of that intellectual fitness is unlikely to be achieved in sporadic bursts. What that maintenance requires is a recognition that the process of learning should continue, regularly, throughout life. CPD is realistically to be seen as an activity, which is normal – a constant throughout one’s professional life and not merely a set of infrequent, remedial sessions designed to enhance a skill. The difference in view is profound.

Given the importance and benefits of lifelong learning for professionals, it is worthwhile investigating how lifelong learning can possibly be achieved.
Longworth (2003) maintained that learning can occur anywhere and anytime. For those professional who prefer a more structured way of doing lifelong learning, one of the avenues for them is through lifelong education. According to Knapper and Cropley (2000) lifelong education is a set of organisational and procedural guidelines for educational practice. The goal of lifelong education is lifelong learning – learning carried out throughout life. However, it must be differentiated that ‘learning’ here is not the spontaneous learning experienced in everyday life. The kind of lifelong learning that is the object of lifelong education is deliberate learning.

Knapper & Cropley (2000, p. 12) also explained that deliberate learning has the following characteristics: (1) it is intentional – learners are aware that they are learning; (2) it has specific goals and it is not aimed at vague generalization; (3) these goals are the reason why the learning is undertaken; and (4) the learner intends to retain and use what has been learnt for a considerable period of time. CPD activities are among the forms of deliberate learning, since the CPD participants are undertaking it in order to acquire knowledge and skills that they can utilise to maintain competency and eventually can be used for their future personal development.

Regarding directions of CPD, Todd (1984) argued that people will bring their own motivations to the learning experience, regardless of the intentions of those designing the educational program. As a consequence, the outcome of learning and development through CPD will largely depend on the individuals who participate in CPD activities.
Revisiting the IFAC (2004a) definition of CPD, IFAC elaborates that CPD is the learning activities for developing and maintaining the capabilities of professional accountants to perform competently within their professional environment. The abovementioned IFAC definition of CPD clearly emphasises on learning activities; thus, learning is the key to CPD and individuals. As a consequence, organisations that ignore lifelong learning or do not take it seriously will get left behind as patterns of work continue to change beyond expectations (Guest 2006). Again, it can be assumed that lifelong learning indeed drives professionals to undertake CPD.

More and more professionals are recognizing the importance of learning as a key element in their process of becoming empowered and legitimising themselves (Flagello 1998). Flagello (1998) elaborated further that learning ‘creates and builds confidence in one’s total abilities and not just one’s professional capabilities. Learning becomes the driver to grow these abilities and capacities to perform’ (Flagello 1998, p. 49). Therefore, learning must become more than just training activities; it must take one step further by distinguishing the activities that the professionals undertake.

Cantor (2006) argued that the driving force for professional CPD is society’s awareness of the need for lifelong learning in the professions to ensure currency and competency. Likewise, Young (1998) credits social and political forces rather than academic rationales as responsible for an increase in CPD enforcement. Young (1998, p. 135) further argued that this force is motivated by: (1) widespread public concern about professional competence and performance; (2) failure of the professions and their employers to police their incompetent and
impaired members and workers; (3) public perceptions of inflated costs for services rendered; and (4) unequal access to quality services.

Change is one of the few things that is a certainty, particularly in science and technology, which in turn changes the social system, law and economics (Lowenthal 1981, Flagello 1998). Therefore, in trying to fulfil what is required of a professional person, professionals must keep up with changes in their area of work. Learning as part of lifelong learning can also occur in the work environment (Hemmington 1999; AACN 2010). Hemmington (1999) explained that work-based learning is particularly useful since professionals are encouraged to capture the learning inherent in their work and the work environment. According to AACN (2010, p. 47) ‘effective workplace learning, based on current evidence, appears to show potential to prevent errors, support health professional reflection on practice and performance, foster ongoing professional development, and sustain improved individual and organization performance outcomes’.

Lifelong learning is also embraced by professional accountants and professional accounting bodies. Berg (2007) maintained that professional accountants must meet increased knowledge and skill expectations throughout their careers. Therefore, lifelong learning is critical in meeting those expectations. Zajkowski, Sampson and Davis (2007) stated that an important and generally accepted attribute of a profession is that its members engage in career-long CPD. In other words, lifelong learning is considered as one of the attributes of professions. Lindsay (2012) found that professional accountants engage in CPD due to the need to keep up to date and the desire for new skills and knowledge, thereby exhibiting the spirit of lifelong learning.
John Coglan, the President of Chartered Institute of Management Accountants or CIMA (2006) uttered the importance of lifelong learning as a commitment to undertake CPD:

Lifelong learning has always been at the heart of CIMA membership as a commitment to development following on from obtaining the CIMA qualification. New concepts of careers and expectations all call on professionals to maintain and develop their skills and knowledge.

Chartered Global Management Accountant or CGMA (2006) also emphasised the importance of lifelong learning for its members. They explained that continuing education and lifelong learning were crucial for the professional accountants who would like to stay ahead of the competition, to enhance their competencies and to integrate learning with working experiences. Furthermore, one of CGMA member explained the importance of lifelong learning (CGMA 2006):

If you’re not learning, you’re remaining stagnant at best. A commitment to lifelong learning ensures that I am challenging myself and continuing to develop skills that will be useful in my career for many years to come.

The aforementioned literature (Houle 1980; Lowenthal 1981; Campbell 1983; Flagello 1998; Young 1998; Hemmington 1999; Knapper & Cropley 2000; Longworth 2003; Cantor 2006; CGMA 2006; CIMA 2006; Guest 2006; Berg 2007; Jarvis 2007; Zajkowski, Sampson & Davis 2007; IFAC 2008; Uggla 2008; AACN 2010; Merriam 2010 and Lindsay 2012) demonstrates that lifelong learning, whether it is motivated by personal inclination or by social and technological forces, can indeed be a catalyst for CPD activities. While the goal of CPD to provide lifelong learning is clear, the next step is to identify and discuss the outcomes of CPD. The next section will discuss CPD outcomes that will be analysed in this study.
2.5 CPD Outcomes

CPD outcomes should be differentiated from CPD output. According to Friedman (2012), CPD output is whatever emerges or comes out from CPD activities, either individually or collectively; thus, CPD output is a broader term that includes CPD outcomes. In other words, outcomes are part of an output and also, outcomes are more specific than output. For CPD outcomes, Friedman (2012, p. 133) defined it as ‘the actual effect or impact of the CPD activity – how it has influenced: (1) knowledge, (2) attitudes, perceptions or emotions, behaviour, professional practice or organisational development’.

According to IFAC (2008, p. 1) the purpose of CPD are: (1) keeping up to date; (2) improving and broadening knowledge and skills; (3) developing personal qualities necessary to execute professional and technical duties. The CPD purposes articulated by IFAC (2008) are specific CPD output intended to be achieved by participating in CPD; hence, the purposes will become CPD outcomes. Moreover, from the literature it can be argued that other CPD outcomes can include sustainability of the profession as a whole (Buckley 1978; Carey 1978; Armstrong 1985; Dring 1992; Noon 1994; Slotte & Tynjala 2003; Cruess, Johnston & Cruess 2004; Birkett & Evans 2005). Consequently, sustainability of the profession as a whole can be considered as one of the outcomes of CPD.

Four CPD outcomes identified from the literature will be investigated in this thesis: (1) keeping up to date; (2) improvement and broadening of knowledge and skills; (3) development of personal qualities necessary to execute professional and technical duties; and (4) sustainability of the profession as a whole. The next section will discuss each of the CPD drivers in more detail.
2.5.1 Keeping Up to Date

The literature for general professions (Segall 1988; Dring 1992; Noon 1994; Friedman & Phillips 2001; Friedman & Phillips 2004; O’Sullivan 2006; Evans & Gbadamosi 2008; Friedman 2012; Alsop 2013) has indicated that keeping up to date is one of expected outcome of CPD. Professionals are expected, or obliged, to maintain and update their knowledge and skills for practice (Friedman & Phillips 2001). Professionals also regard CPD as a fundamental means of keeping up-to-date and they would just undertake CPD with or without a formal program (Friedman & Phillips 2004; Friedman 2012).

According to Segall (1988) CPD includes a formal or informal way of maintaining the existing knowledge base by updating the changes, the acquisition of new knowledge connected to the professional practice to broaden and strengthen the knowledge, sensitivity, or honing existing skills and knowledge to improve the standards of professional practice. Moreover, there is always a need for professionals to follow changes in their professions’ work area. Rapid technological, social, economic, political and cultural changes and developments are likely to influence the work practice of professionals (Evans 1985; Dring 1992; O’Sullivan 2006). Speaking of legal profession, Evans (1985) maintained that society has been profoundly changed by factors such as human rights and consumer movements; hence it is inevitable that professionals need to keep up to date in order to maintain their competence. Furthermore, Dring (1992) argued that the professional skills of professional engineers are important to the national economy and these skills must be kept up to date for the economy to prosper. In the health and social care professions, a number of significant government
developments and agendas, have emphasised the need for CPD as a means of keeping abreast of new knowledge, techniques and developments in practice (O’Sullivan 2006).

Evans and Gbadamosi (2008) argued that changes to the business environment are persistent and affects professional managers’ work. The world of work today is dynamic and turbulent and professionals must be able to adapt to their rapidly changing work environment. Alsop (2013) explained that CPD has been considered as a regulatory requirement for health and social care professionals to keep them up to date with their profession. Similarly, Noon (1994) argued that librarians as professional people should develop, change and adapt to changing circumstances in order to survive and grow; and survival and growth can be achieved by participating in some form of continuing development activity. Therefore, keeping up to date or staying abreast of changes and development in one’s work area by undertaking CPD is inescapable for members of professional bodies.

Keeping up to date as one of the outcomes of CPD for the accounting professionals is also articulated in the literature (Paisey & Paisey 1996; Guthrie 2004; Berg 2007; Paisey, Paisey & Tarbert 2007; Rothwell & Herbert 2007; Ciccotosto, IFAC 2008; Nandan & Smorfitt 2008; De Lange, Jackling & Suwardy 2010; Englund 2010; De Lange et al. 2012; Lindsay 2012; Udin et al. 2012). Berg (2007) and Englund (2010), for example, maintained that accounting is always a complex profession and new developments such as new standards and regulations, only increases the complexity and intricacies of the accounting profession and problems the profession faces.
The findings in the literature also demonstrate that CPD is useful in disseminating legislative updates and new accounting standards (Guthrie 2004), reading as a part of CPD is considered as the most popular updating strategy (Rothwell & Herbert 2007), undertaking CPD in order to keep up to dated is important for the professional accountants (Ciccotosto, Nandan & Smorfitt 2008), CPD offerings in technical updates is helpful for the professional accountants (De Lange, Jackling & Suwardy 2010), staying up to date is one of the primary motivations for undertaking CPD (De Lange et al. 2012; Lindsay 2012), and CPD is important to get updates on new standards such as the IFRS (Udin et al. 2012). Hence, it can be inferred from the professions generally, and from the accounting profession literature especially, that keeping up to date is indeed one of the desired outcomes of CPD.

2.5.2 Improvement and Broadening of Knowledge and Skills

Keeping professionals up to date is a well-known CPD purpose (Segall 1988; Dring 1992; Noon 1994; Friedman & Phillips 2001; Friedman & Phillips 2004; Guthrie 2004; O’Sullivan 2006; Paisey, Paisey & Tarbert 2007; Rothwell & Herbert 2007; Ciccotosto, Nandan & Smorfitt 2008; Evans & Gbadamosi 2008; IFAC 2008; De Lange et al. 2012; Friedman 2012; Lindsay 2012; Udin et al. 2012; Alsop 2013; De Lange, Jackling & Suwardy 2015); although CPD is also expected to produce other outcomes. Technologies, economics and regulatory changes and development are often new. As a consequence, the professionals have to develop new skills and knowledge that they do not currently have. Whilst
attention needs to be given to update professional or technical knowledge and skills, it is also important to extend and deepen current knowledge and skills (Rapkins 1996).

According to Elliott and Jacobson (2002), professions must focus on the body of knowledge since a service provider’s body of knowledge creates both advantages and vulnerabilities in the marketplace. The knowledge needed for most professions changes and typically overlaps with the knowledge needed for other professions. Furthermore, the body of knowledge itself is not defining, but society’s recognition of exclusive rights to apply that knowledge, usually by licensing, is defining. Elliott and Jacobson (2002, p. 78) expressed their view on licensing as follows:

The body of knowledge leads to the license and gives it meaning, not vice versa. Licenses indicate expertise; they do not create it. The license that does not signify unique knowledge does not signify a profession in any useful sense.

Elliott and Jacobson’s (2002) elucidation signifies the importance of knowledge and skills in providing meaning to the professionals’ licence to practise. Put simply, without strong and unique knowledge and skills behind a licence, a professional can no longer be called a professional. Therefore, improving and broadening of knowledge and skills that is, CPD is intended to support future professional development can be identified as one CPD drivers.

Young (1998) found that professionals support CPD for several reasons, one of which is the bridging and broadening of the career path. Likewise, Pijanowski (1998) noticed that professionals engage in CPD to maintain their current skills, to provide better services, to be challenged to think critically, to maintain a
professional identity; and to enhance their personal security. Studies investigating CPD benefits for librarians (Adanu 2007) and occupational therapists (Alsop 2001) reported that besides keeping up to date, CPD also helped the professionals in career or practice advancement. Rothwell & Arnold (2005) found that human resources professionals rated CPD highly in enhancing employability and career prospects.

In the accounting context, previous studies indicate that CPD helps to improve the knowledge and skills. Guthrie (2004) found that in the UK, employers of professional accountants believe that CPD helped to develop the extra skills that are important for career progression. Paisey, Paisey and Tarbert (2007) also conducted a study in the UK and found that the acquisition of new knowledge is the main reason for CPD attendance. Zajkowski, Sampson & Davis (2007) found that the members of accounting professional bodies undertake CPD in order to maintain the currency of their technical knowledge. In the USA, Wessels (2007) found that professional accountants considered highly the effectiveness of CPD in improving their current knowledge base. De Lange, Jackling and Suwardy (2015) found that in the Asia Pacific region, professional accountants considered that CPD helped them to maintain and improve their technical knowledge and professional skills.

Hence, it can be deduced from the literature (Rapkins 1996; Pijanowski 1998; Young 1998; Alsop 2001; Elliott & Jacobson 2002; Guthrie 2004; Adanu 2007; Paisey, Paisey & Tarbert 2007; Zajkowski, Sampson & Davis 2007; Wessels 2007; and De Lange, Jackling & Suwardy 2015) that the improvement and
broadening of knowledge and skills is one of the outcomes expected by professionals who undertake CPD.

2.5.3 Development of Personal Qualities Necessary to Execute Professional and Technical Duties

Friedman (2012) suggested that by including the development of personal qualities as well as professional development, CPD is more than just a means of keeping up to date. To some people, personal development is indeed a part of their professional development, even if it includes learning things that do not appear to be directly relevant to current practice. Friedman (2012, p. 13) elaborates on personal qualities as follows:

Including development of personal qualities as well as professional development particularly distinguishes the aims of CPD from merely keeping-up-to-date. To some, personal development is part of professional development, even if it involves things that do not seem to be directly relevant to current practice. However, personal development can be an essential support for trustworthiness of professionals: encouraging self-confidence, awareness of ethical pitfalls and openness to new ways of doing things. These relatively intangible aspects of CPD can be just as important to clients/patients, even if they are only aware of them by their absence, when barely conscious expectations are unfulfilled.

A study by Friedman and Phillips (2004) indicated that the development of personal qualities is important for CPD participants. Their study revealed that CPD is beneficial for CPD participants as it helps to increase one’s professional membership standing and protects or advances a career. Furthermore, personal development can enhance the trustworthiness of professionals by, for example,
encouraging self-confidence, awareness of ethical drawbacks or how to do things in new ways (Friedman 2012).

Professions in general also support the notion of CPD as a means developing the personal qualities necessary to execute professional and technical duties. The literature demonstrates that several of CPD benefits support business goals and personal development; and also support career planning and promotion procedures (Graham & Thomas 2006; Engineers Ireland 2015). In nursing profession, Wood (1998) found that CPD indeed contributes to personal qualities development. He found that among other things, CPD increases confidence, self-awareness, and awareness of professional issues; moreover it improves communication skills.

In the accounting context, previous literature suggests that accountants should possess certain personal qualities that enable them to fulfil their role as a professional (West 2003; Guthrie 2004; IFAC 2008; Kranacher 2010; ACCA 2012). West (2003, p. 161) explained the qualities necessary for professional accountants are as follows:

As well as imparting knowledge and fostering skills that are of direct relevance to the work environment, such (education) programmes are expected to contribute to the development of more general qualities that are essential for the effective discharge of a professional mandate. These include judgement, self-evaluation, adaptation, a preparedness to scrutinize conventional practice and challenge it when the evidence so demands, and a thorough comprehension of the role and consequences of professional work. A purely technical education cannot deliver these qualities.

Speaking of the auditing profession, Roslender (1992, p. 180) explained that:

Auditing is first and foremost a practical matter; it is predominantly about following procedures designed to achieve a specified end. These procedures form a rigorous framework and thus a discipline to be
embraced at all times. Auditing could easily be described as accountancy in microcosm which in turn could provide a sound rationale for more auditing training.

Roslender’s opinion indicates that auditors are professional accountants who need more training due to the rigorous nature of auditing work. Furthermore, Roslender (1992) also argued that auditors must possess certain personal qualities such as integrity, independence and objectivity. Integrity is necessary for professional people whose work involves signing an audit report. Roslender (1992, p. 190) further explained the personal qualities necessary for auditors:

An auditor is expected to exhibit an inquiring mind, to be ever vigilant and to develop the skill of knowing intuitively when something may be amiss. There is no point simply knowing all the standards and guidelines and mastering all the firm’s techniques if you can’t sense when things are wrong.

The development of personal qualities of professional accountants may be achieved through soft skills. Kranacher (2010) suggested that as well as technical skills, professional accountants must also be fluent in soft skills. Furthermore, she also argued that the introduction of International Financial Reporting Standards (IFRS) by the International Accounting Standard Board (IASB) has forced accountants to exercise professional judgment and be able to justify any decisions. Therefore, for the professional accountants who implement IFRS, soft skills such as critical thinking, problem solving, negotiation, and communication will be increasingly important (Kranacher 2010). Similarly, the findings from Asia and Australia by ACCA (2012) demonstrates that the majority of professional accountants consider soft business skills such as analysis skills, communication skills, presentation skills, report writing skills, and strategic business skills to be important skills in the future.
IFAC (2008) stated that the developing personal qualities necessary to execute professional and technical duties are one of the CPD outcomes for professional accountants. Hence, CPD is expected to assist accountants to develop the personal qualities necessary to successfully fulfil their role in the society.

Wessels (2007) found that CPD was important for the profession’s image, but there was less agreement about the benefits to professional accountants personally. In contrast to Wessels (2007), Guthrie (2004) in a study of professional accountants in the UK, found that CPD built a sense of self-worth and confidence to tackle new tasks and developed the extra skills that are necessary for progression.

To conclude, the literature has shown that the development of soft skills as part of personal qualities development is just as important as the development of technical skills. Nonetheless, there is also evidence that professional accountants might not consider CPD as beneficial to them personally. Therefore, the development of personal qualities necessary to execute professional and technical duties as one of the CPD outcomes is important to be investigated in this thesis.

2.5.4 **Sustainability of the Profession as a Whole**

CPD is one of the tools for the professions to keep its domain of work, in other words, to ensure the sustainability of the profession. Noon (1994) argued that in order to survive, grow and retain the trust of its service users, a profession must develop and adapt to changing circumstances and thus, some continuing development activity is needed. According to Cruess, Johnston and Cruess (2004) professions must acknowledge a commitment to competence and competence
requires a mastery of body of knowledge and skills. These commitments form the basis of a social contract between a profession and society, and as a result, society will grant professions with the monopoly to use their knowledge and skills, practise autonomy and self-regulation privileges. The acquisition of knowledge and skills monopoly, autonomy and self-regulation privileges through competence maintenance can contribute to sustainability of professions.

Freidson (1986) asserted that competition is likely to be an important power in the market for services, as well as in the labour market. Flagello (1998) maintained that, in order to compete effectively in today’s dynamic environment, professionals need to recognise the importance of CPD. Therefore, CPD can help professionals to prepare themselves to compete successfully in the rapidly changing global market. The ability to compete in the current market means that professionals can sustain their professions. Dring (1992) explained that initial qualifications are an important career achievement for professionals; however, the value of qualifications is only transient; in order to maintain their value, they need to be used as a foundation for CPD.

Knowledge is the production function of professionals because it is a scarce resource which members of a profession share (Buckley 1978). Without a knowledge set, a profession will be without a saleable product. Slotte and Tynjala (2003) maintained that the future of professionals is dependent on their skills, knowledge and abilities in the workplace. Knowledge is indeed a scarce resource to the extent that it is not available to all. CPD helps to meet the changing needs of clients, to meet any scientific development, and to fulfil the evolving requirements for registration and other requirements by professional bodies and
society (Psychology Board of Australia 2015). Therefore, by undertaking CPD, professionals will be able to provide high quality service to society and, as a result, they can gain monopoly in their expertise area and practise autonomy, maintain their privileges and, eventually, sustain the profession as a whole.

CPD can also help to sustain the accounting profession as a whole. Buckley (1978) suggested that accounting professions are not granted an everlasting tenure; but as their circumstances change; reorientation becomes a necessary act of survival. Buckley (1978) further explained that in seeking professional recognition, professionals offer a unique knowledge and skills and affirms that this knowledge will be used in the public interests. The public responds by granting autonomy to the profession. This exchange leads to an authority situation in which the public agrees to professional autonomy (Buckley 1978).

Speaking of the auditing profession, Carey (1978) argued that auditors have a greater responsibility compared to that of other professionals such as lawyers and doctors. Lawyers and doctors only have an obligation only to the individuals whom they serve. An auditor, however, must assume a moral responsibility not only to the clients who pay their fee, but in effect, to all those who might rely on his or her audit reports (Carey 1978). As CPD includes the maintenance and updating of knowledge and skills necessary for professionals, it can aid the accounting professionals to sustain the profession as a whole by convincing the public that they are up to date, competent, and ethical in conducting their business; and also have all the other personal and professional qualities that are necessary in the performance of their duties.
Within the context of sustainability of profession as a whole there is also an issue of inter-professional and intra-professional competition that must be taken into account by the accounting profession (Armstrong 1985; Birkett & Evans 2005). Armstrong (1985) explained that claims were being made for the territorial extension of the accounting domain. Amongst professional accountants themselves, some of the professional bodies are well aware that their members are in competition with other professions and with the members of other accounting professional bodies for positions of corporate power (Armstrong 1985). Birkett and Evans (2005) argued that generally, consumers in the market for professional services are becoming more sophisticated and knowledgeable, whilst many professional services are becoming more complex. They also maintained that factors such as globalisation, new technologies, service demand, competition, and consumer organisations may all influence the necessity for professional power in the services market. Birkett and Evans (2005, p. 114) further argued that ‘competition is likely to be a potent force in the market for services, as well as in the labour market’. Moreover, they also asserted that bureaucratic or corporate control over service provision might compete or be co- incidental with professional bodies’ control; and at the extreme, a type of service might be socially institutionalised, thereby evading associational control altogether.

Again, by keeping up to date, maintaining and improving knowledge and skills, and developing personal qualities necessary in performing their duties, professional accountants are ensuring public confidence in their profession and preparing themselves to face the fierce labour market competition. Hence, such action will significantly help to sustain profession as a whole. In view of the
importance of sustaining the accounting profession, this study will investigate whether or not the sustainability of the profession as a whole is one of the expected outcomes of CPD. The next section discusses the relationship of CPD with the accounting profession.

2.6 CPD and the Accounting Profession

New technologies, globalization, growing regulations and complexity of business transactions have created a dynamic environment that requires accounting professionals to continuously maintain and improve their knowledge and skills (Flint 1980; Most 1993; Paisey & Paisey 1996; Berg 2007; Rothwell & Herbert 2007; Englund 2010). The control over such knowledge and skills is an important criterion for maintaining professional jurisdiction (Paisey & Paisey 1996).

Accounting is a profession that is predominantly legislation or rule based; thus, technical knowledge is important. Furthermore, recent developments in the accounting profession have caused the introduction of new technical standards and legislation. The introduction of the Sarbanes–Oxley Act of 2002 due to major corporate and accounting scandals such as Enron and Worldcom, for example, have undoubtedly placed a heavy burden on firms and companies, as well as on individual accountants and auditors. Nevertheless, according to Most (1993, p. 11) ‘accounting is an international activity and trouble in the accounting profession is by no means confined to the United States’. Most (1993) further argued that regardless of how the accounting profession operates - self-regulation
or heavily regulated by law - audit failures can still occur and this has become a concern.

Flint (1980) argued that the accounting profession must deal with the rate and extent of the expansion of knowledge in the fields of accounting, business and finance due to the growing size and also complexity of businesses and administrative or governmental organisations. Thus, financial reporting has become a concern since users with different aims and interests rely heavily on financial reports for their decision-making. This has made accounting one of professions whose audiences are rather sophisticated and demanding (Flint 1980; Most 1993).

This is where CPD plays a critical role in enabling accounting professionals to face their ever-changing working environment. Coen (2004) explained that being a professional provides real differentiation in the market place and CPD is one of the tools that can help professionals to maintain the confidence to successfully meet their responsibilities.

On a similar note, accounting bodies also provide ample supports for CPD in order to survive in the current economy. The Hong Kong Institute of Certified Public Accountants (HKICPA 2010), for instance, provided the following argument:

The knowledge needed to function effectively as CPAs in public practice, industry, commerce, education and the public sector continue to expand and change at a rapid rate. CPAs face increased knowledge and skill expectations. They and their institutes also face unprecedented scrutiny about the quality of internal control, governance, financial statements and independent audits. These pressures apply to CPAs in both private and public sectors. In addition, the need to be competitive in a worldwide
economy has prompted a more intense focus on the role and responsibilities of CPAs in entities of all types. CPAs in all sectors have important contributions to make. Continued development of professional competence and lifelong learning are critical if CPAs are to meet these expectations.

CPD also shows increasing importance for the auditing profession in particular. Chen, Chang and Lee (2008) investigated association between CPD and financial performance of accounting firms and their findings indicate that there was a positive association between CPD and financial performance of the accounting firms. They also argued that auditors have provided assurance and other services to their clients for a long time and they are invaluable because of their knowledge, skills and independence, and also their ability in helping businesses to improve operations and internal controls. Chen, Chang and Lee (2008, p. 1735) provided a strong support for CPD as follows:

Therefore, human capital is the core production input of a public accounting firm, an expertise-intensive and labor-intensive service organization. The most cost-effective way to upgrade an auditor’s professional competence and skill is via CPE, which is the main component of human capital in a public accounting firm.

These statements from Flint (1980), Most (1993), Coen (2004), Chen, Chang and Lee (2008) and the HKICPA (2010) illustrate the importance of CPD in helping professional accountants to face the fast-paced business environment and demanding expectations of knowledge and skills in order to strive and sustain the profession as a whole.
2.7 CPD Engagement in the Accounting Context

Previous studies have shown various CPD engagements by professional accountants, although limited. Appendix 6 displays the key findings from previous studies on CPD for the accounting profession. The following sections discuss the literature on CPD engagement for accounting profession in terms of levels of participation, pattern of participation, preferences of participation and also obstacles to participation.

2.7.1 Levels of Participation

Rothwell and Herbert (2007) investigated the ACCA members’ attitudes and engagement to CPD. They found that both the perceived value of CPD and CPD engagement were most strongly related to how committed individual members were to the profession. Obviously, CPD should not be relegated to mere compliance to requirements or to accumulate CPD hours; but it must also inculcate lifelong learning habit among the professional accountants (De Lange, Jackling & Suwardy 2010; De Lange et al. 2012). Nonetheless, the first step towards lifelong learning culture of CPD should involve participation in CPD activities. Therefore, CPD engagement in terms of levels of participation is important to be investigated in this thesis. Levels of participation in this thesis are defined as how many hours a participant undertakes CPD.

The findings in the literature regarding the levels of participation in CPD activities by the professional accountants are still mixed. There are evidences that the professional accountants undertake CPD as required in terms of hours (Paisey,
Paisey & Tarbert 2007; De Lange, Jackling & Suwardy 2010; De Lange, Jackling & Suwardy 2015) and some even undertake more CPD hours than is required of them due to the need for maintaining the currency of their technical knowledge (Zajkowski, Sampson & Davis 2007); and there are professional accountants with low level of CPD participation (Chaston & Mangles 1991; Thomas & Qiu 2013).

In studying New Zealand and Australian accounting academics’ perceptions of CPD, Zajkowski, Sampson and Davis (2007) found that an important and generally accepted attribute of a profession was that its members engage in career-long CPD. De Lange, Jackling and Suwardy (2010) found that levels of CPD participation were high among the members of professional accounting bodies. Nonetheless, they also found compliance mentality among the professional accountants. The most recent study on CPD for the accounting profession conducted by De Lange, Jackling and Suwardy (2015) using sample from Asia Pacific region and they found that the accountants would have no difficulty in meeting CPD minimum requirements.

In their study in the UK, Chaston and Mangles (1991) found that levels of participation in CPD courses by the accounting technicians were quite low due to limited funding provided by the employers and also possibly because CPD was voluntary. There is also an evidence that the professional accountants levels of participation in CPD program was lower than other professions such as doctors, nurses, solicitors, and social workers due to lack of specific CPD hours requirement and accountants were generally less likely to engage in CPD as they get older (Thomas & Qiu 2013). Thomas and Qiu (2013) compared CPD for five professions, including professional accountants, in the UK. Their professional
accountant respondents represent four UK accountants associations: the Institute of Chartered Accountants in England and Wales (ICAEW), the Institute of Chartered Accountants of Scotland (ICAS), the Association of Chartered Accountants (ACCA) and the Chartered Institute of Management Accountants (CIMA). The study by Thomas and Qiu (2013) also suggests that professional accountant respondents’ participation in CPD declined over time compared with other professions investigated. The reason might be the profession’s absence of time targets, with ACCA as the only professional accountants’ association that prescribed CPD requirements of 40 hours annually, of which 21 must be verifiable by evidence such as course materials, notes or certificates (Thomas & Qiu 2013). Furthermore, they explained that while all accountant associations in the UK require their members to keep a record of activity which can be requested for audit, they leave much to individual discretion and the Financial Policy Committee as regulatory body for the professional accountants in the UK, has no discernible policy on CPD.

Levels of participation in CPD may be influenced by several reasons. One possible reason is knowledge of CPD requirements. A study by De Lange, Jackling and Suwardy (2010) suggests that there were professional accountants who did not know the CPD requirements by their professional bodies.

Actual need fulfilment is also important in examining levels of participation in CPD. Previous studies (Chaston & Mangles 1991; Burton & Rezaee 1994; Gold 2008; De Lange, Jackling & Suwardy 2010) suggest that CPD participants have their own actual needs to be fulfilled by CPD. Professional accountants need to keep up to date, to improve their knowledge and skills; and also to develop
their personal qualities in order to perform well in their duty to the profession and the society. Those needs can influence their levels of participation in CPD.

In their study in the UK, Chaston and Mangles (1991) found that CPD needs of accounting technicians include technical skills and interpersonal skills. Burton and Rezaee (1994) investigated CPD for the internal auditors in the UK and their findings demonstrated that the professional accountants had specialist skills need that should be met by CPD. Therefore, they suggested that industry, business community and accounting profession bodies should provide facilities for the professional accountants to participate in the CPD program. The findings by De Lange, Jackling and Suwardy (2010) suggest that professional accountants prefer CPD activities that will benefit their own needs, whether it is short-term (current work requirements) or long-term (personal developmental) needs.

Satisfaction may also influence levels of CPD participation. De Lange, Jackling, Suwardy (2015) found that professional accountants in developing economies scored lowest for their overall satisfaction with their CPD experiences compared to professional accountants in developed countries. Halabi (2014) found satisfaction towards cost effectiveness, duration, expert contacts and networking aspect of CPD organised by rural professional body.

CPD monitoring is also important to ensure levels of participation. ACCA (2011) explained that in a highly-competitive marketplace, professional bodies need to safeguard its reputation and that of its members by requiring that the highest professional and ethical standards are adhered to. Thus, ACCA needs to monitor CPD conducted by their members because it is important to promote public confidence in professional accountants (ACCA 2011).
Consequences for CPD non-compliance may also influence levels of participation. Thomas and Qiu (2013) found that low level of CPD participation among professional accountants might be influenced by lack of enforcement by authorities that regulate the professional accountants. The IICPA members are heavily regulated by the policy regulatory bodies in Indonesia; thus, compliance and consequences for CPD non-compliance are important to be investigated in this thesis.

2.7.2 Pattern of Participation

Pattern of participation in this thesis is defined as the kind of CPD activities and topics that are undertaken by the professional accountants. Lindsay (2012) investigated pattern of learning of members of the ICAEW in the UK and found that formal and informal learning activities in CPD were equally important. According to Lindsay (2012), one form of informal learning is situated learning such as working with colleagues and learning from other people. Lindsay (2012) also found that as accountants moved through their careers, their learning activities became increasingly focused on remaining competent in their current roles with future career aspirations becoming of decreasing importance.

Previous studies on CPD for the accounting professionals indicate that technical and professional updates were the most undertaken CPD topics (De Lange, Jackling & Suwardy 2010; De Lange, Jackling & Suwardy 2015). The second most undertaken CPD topics are soft skills (De Lange, Jackling & Suwardy 2010; ACCA 2012); and practical solution to real cases (De Lange,
The findings by De Lange, Jackling and Suwardy (2010) also indicate that CPD topics that support specialist skills were also desirable. The previous studies also indicate that self-directed learning such as reading was the types of CPD activities most undertaken by the professional accountants (Paisey, Paisey & Tarbert 2007; Rothwell & Herbert 2007; De Lange, Jackling & Suwardy 2010; Udin et al. 2012; Halabi 2014).

To conclude, the pattern of participation is important to be investigated in this thesis in order to reveal what CPD topics are considered to be beneficial for professional accountants.

2.7.3 Preferences of Participation

Preferences of participation in this thesis are defined as the choice of CPD format by the participants. Preferences for participating in CPD are varied. They can be ranging from attending in-house CPD to external CPD, from half-day attendance to all-day attendance, from residential to non-residential courses, and from face to face to online format.

In their study on CPD for the accounting technicians, Chaston and Mangles (1991) found that external CPD were much preferred compared to in-house CPD and that the most preferred attendance for CPD was all-day non-residential CPD courses. Regarding CPD format preference, professional accountants seem to be showing favour to face-to-face format. Previous studies on CPD for professional accountants by Zajkowski, Sampson and Davis (2007), Ciccotosto, Nandan and
Smorfitt (2008), De Lange, Jackling and Suwardy (2010), ACCA (2012), De Lange et al. (2012), Lindsay (2012), Ross and Anderson (2013), Halabi (2014), and De Lange, Jackling, Suwardy (2015) indicated that face-to-face delivery was the preferred CPD format.

In 2012 ACCA conducted a study on behalf of the ASEAN (Association of South East Asian Nations) Federation of Accountants (AFA) with the aim of understanding the current and future training needs of accountants in the region. ACCA (2012) conducted a study to support professional accountancy bodies within ASEAN in order to develop their own training and development programmes for their members and to also understand trends across ASEAN which would support their members’ aims for greater cross-border transactions and business activities. The ACCA study is particularly relevant to this thesis since the participants were professional accountants in South East Asia and thus far, is the closest group of accountants to the Indonesian auditors. The professional bodies included in the ACCA (2012) study were: members of ASEAN Federation of Accountants (AFA): CPA Australia, Brunei Institute of Certified Public Accountants and Auditors, the Indonesian Institute of Accountants, Malaysian Institute of Accountants, Myanmar Accountancy Council, Philippines Institute of Certified Public Accountants, Institute of Certified Public Accountants of Singapore, and Vietnam Association of Accountants and Auditors. ACCA (2012) study found that face-to-face training was the most popular CPD format and short technical CPD seminar was the most popular format of delivery.
Despite the popularity of the face-to-face format of CPD, Englund (2010) found that there are some accountants who prefer to have online CPD. Englund (2010) also found that the online format by using a webcast platform has improved the levels of participation, the learning effectiveness and flexibility of CPD. Englund (2010) also explained that online learning allowed for learning design that addressed and tested individual knowledge instead of group knowledge; hence the participants were more engaged and learning satisfaction improved.

The studies by Lindsay (2012) and Halabi (2014) also indicate rather mixed results. Although the face-to-face delivery was the most preferred CPD format in those studies, accessing the Internet for information was considered as the highest-rated relevant learning activity for professional accountants (Lindsay 2012); and there was a high demand for future online learning and webinars (Halabi 2014).

Another interesting finding is informed by De Lange, Jackling and Suwardy (2010) Their study revealed that although the chance to interact with experts and peers during CPD activities was not rated highly by the professional accountants, face-to-face CPD activities were perceived to be more effective because there were opportunities for interaction and experience sharing.

It can be concluded from the previous studies on CPD for professional accountants that preferences of participation are still mixed between face-to-face and online deliveries. Thus, it is worthwhile to investigate the preferences of participation in CPD activities in this thesis.
2.7.4 Obstacles to Participation

Obstacles to undertake CPD also needs to be taken into account when designing CPD programs. Wessels (2007) argued that although there might be a disagreement about what made a CPD program effective; if the participants did not view the program as effective, they would not actively participate in the program. Wessels (2007, pp. 367-368) explained that there are four types of deterrents that are obstacles to the undertaking of CPD activities:

1. Situational: constraints that inhibit participation and are beyond the individual’s control. Situational deterrents may include cost, work constraints, family constraints.

2. Dispositional: factors that hinder participation and represent internal obstacles based on personal attitudes towards CPD. It can be an individual’s perception that further learning activities are a waste of time. Another type of dispositional deterrent is the individual's disengagement or apathy toward further education. There is also some evidence that more experienced professionals are more likely to resist participation in CPD activities.

3. Institutional: practices and procedures of the CPD providers that inhibit participation in continuing education. Some of the institutional deterrents identified in the literature include the quality of course offerings, location, scheduling, relevance, and ease of registration.

4. Informational: obstacles to participation relating to a lack of information about the available courses or a lack of information from which to judge the appropriateness of a CPD course.
Furthermore, as stated by Wessels (2007), obstacles in undertaking CPD can be associated with decreased effectiveness of mandatory CPD programs. The professionals who experienced various obstacles may respond to the pressures exerted by the obstacles by enrolling in only the easy courses, choosing inappropriate courses or selecting inexpensive courses in convenient locations. Hence, such professionals are less likely to perceive that the overall CPD programs or activities are effective (Wessels 2007).

Cost as an obstacle in undertaking CPD for professional accountants was reported by Chaston and Mangles (1991), Sawyer and Munn (1998), Guthrie (2004), Paisey, Paisey and Tarbert (2007), Wessels (2007), De Lange, Jackling and Suwardy (2010), De Lange et al. (2012), Lindsay (2012) and Wines et al. (2013). Time was also considered as an obstacle to participate in CPD activities according to studies by Sawyer and Munn (1998), Guthrie (2004), Paisey, Paisey and Tarbert (2007), De Lange, Jackling and Suwardy (2010), De Lange et al. (2012), Lindsay (2012) and Wines et al. (2013). Paisey, Paisey and Tarbert (2007) also found that location was one of obstacles to CPD participation. According to Wessels (2007), the quality of CPD courses could also hindered the participants in undertaking CPD. Accommodation and lost time to attend CPD activities were also considered as obstacles (Wines et al. 2013).

Furthermore, failure of speakers and lack of qualified facilitators were found to be the key obstacles to CPD participation (De Lange, Jackling & Suwardy 2010; Udin et al. 2012). The suitability of topics presented in CPD programs could also influence the levels of participation (Udin et al. 2012; Wines et al. 2013).
Apart from the apparent obstacles to undertake CPD, there is also evidence from the literature (De Lange, Jackling & Suwardy 2010) that the wrong mindset among the senior and/or more experienced professionals could hamper participation in CPD activities. They found that there were senior professional accountants with high positions who had the mindset that they were qualified people with years of experience so they did not think that they actually needed to undertake CPD. This finding by De Lange, Jackling and Suwardy (2010) is particularly interesting since constant changes in accounting rules, standards and legislation, and also in the business environment, have made it inevitable for professional accountants, regardless of their age or years of experience, to keep on learning and updating in order to avoid obsolescence.

In conclusion, with the exception of De Lange et al. (2012), ACCA (2012), Udin et al. (2012), and De Lange, Jackling and Suwardy (2015), the previous studies on CPD engagement have concentrated on the accounting profession in developed countries. Although studies regarding CPD for professional accountants in developing countries have somewhat discussed CPD engagement of professional accountants, the link between CPD engagement, CPD drivers and CPD outcomes has not been investigated. This is discussed in Chapter 6.
2.8 Theoretical Framework

This thesis develops a theoretical framework to understand and analyse CPD participation of the members. The accountants who will be investigated are members of IICPA and the rationale for this is discussed in Section 2.10. Figure 2 below shows the theoretical framework.

2.9 Indonesian Context

The discussion thus far has revolved around the role and nature of CPD for professional members and in particular, for professional accountants. Moreover, a theoretical framework to underpin this relationship has been developed. This
thesis will investigate this conceptual framework by investigating CPD for the members of the Indonesian Institute of Certified of Public Accountants (IICPA).

2.9.1 Background

Indonesia is located in Southeast Asia between the Indian Ocean and the Pacific Ocean (Kusuma 2005). Indonesia is the largest archipelago in the world. It consists of five main islands – Java, Sumatra, Sulawesi, Kalimantan, Maluku and Papua – and a total of 13,677 islands. The total land mass is approximately 1,919,440 square kilometres. With a total population of 249.9 million in 2013, Indonesia is the world’s third most populous country (World Bank 2014).

Recent data from the World Bank (2014) showed that Indonesia is one of the Asian countries that enjoy a steady economy growth of around 6 per cent per year, despite the impacts of the global economic crisis in 2007 and 2008. Its GDP in 2013 is US$868.3 billion. Indonesia GDP growth was 6.3 per cent in 2012, 5.8 per cent in 2013 and is forecasted to be 5.3 per cent in 2014; hence, it emerges as a confident middle-income country (World Bank 2014). Indonesia continues to post significant economic growth. The country’s gross national income per capita has steadily risen from $2,200 in the year 2000 to $3,563 in 2012. In terms of macroeconomic stability, Indonesia has managed to fulfil many of its fiscal targets, including a significant drop in Debt-to-GDP ratio from 61 per cent in 2003 to 24 per cent in 2012 (World Bank 2014).

According to the World Bank (2014) Indonesia has formulated a long-term
development plan, which spans from 2005 to 2025. It is segmented into five-year medium-term plans, each with different development priorities. The current medium-term development plan covering 2009-2014 is the second phase and focuses on the:

1. Promotion of quality of human resources;
2. Development of science and technology; and

Currently in Indonesia, around 35 million people are middle-income earners; hence, it offers lucrative markets, including for accounting firms (Sinaga & Wahyuni 2014). Sinaga and Wahyuni (2014) also explained that Indonesia has about 45,000 corporations, over 450 of which are listed on the Indonesian Stock Exchange. The data from the Ministry of Finance (2012) also indicates that around 337 thousand organisations need to be audited. Overall, based on this data on Indonesia economy, it can be inferred that Indonesia is indeed a lucrative market for accounting firms as these firms provide auditing services to the public. Indonesia’s untapped market potential for accounting firms, together with Indonesian’s development plan in strengthening economic competitiveness provides ample opportunities for the auditing profession in Indonesia.

Indonesia is also one of countries that adopted the International Financial Reporting Standards (IFRS). Indonesia’s adoption of IFRS was aimed at obtaining international recognition from the international community and also to strengthen Indonesia’s financial infrastructure especially to improve financial information transparency (Aprilicia 2013). The IFRS adoption stage in Indonesia occurred between 2008 and 2010, then the final preparation stage was conducted in 2011 -
this stage included gradual implementation some of the IFRS-based Indonesian Financial Accounting Standards or IFAS – and the total implementation of the IFRS-based IFAS took place in 2012 (Zamzami 2011; Aprilicia 2013).

2.9.2 Accounting Profession in Indonesia

The accounting policy regulatory bodies in Indonesia comprise the Ministry of Finance (MoF), the Capital Market and Financial Institutions Supervision Agency, the Central Bank and the Indonesian Institute of Accountants (Kusuma 2005). The MoF and the Capital Market and Financial Institutions Supervisory Agency regulate through the requirements of the stock market. The Central Bank regulates banks and other financial institutions. The Indonesian Institute of Accountants (IIA) regulates by establishing the accounting standards. Public companies are required to follow the regulations of the Ministry of Finance (MoF), the Capital Market and Financial Institutions Supervision Agency, the Indonesian Central Bank and the IIA.

Accounting practice and profession in Indonesia had been mainly shaped by the issues of colonialism’s legacy since Indonesia had a long history of colonialism (Enthoven 1977; Abdoelkadir 1982; Briston & Yunus 1993; Sukoharsono & Gaffikin 1993; Diga & Yunus 1997).

During the Dutch occupation of 350 years, the Indonesian economy was taken over and completely restructured (Abdoelkadir 1982; Sukoharsono & Gaffikin 1993). Abdoelkadir (1982, p. 28) explained a brief history of the beginning of accountancy in Indonesia:
Accountancy in Indonesia can be traced back to 1642, the year in which the Dutch Governor General of the Nederlands East Indies (a colony which included most of present-day Indonesia) issued a regulation concerning the administration of cash receipts, receivables and the budget for garrisons and ship-dockages in Batavia (now Jakarta) and Surabaya.

He further explained that the first public accounting firm in Indonesia was opened in 1918 by a Dutchman and during the early years of World War II almost all of the important jobs in the Ministry of Finance (MoF) were held by the Dutch inhabitants. After the Japan occupation in Indonesia in 1942, there were a large number of vacancies in the MoF due to the Dutch people deportation from Indonesia by the Japanese. After gaining its independence in 17 August 1945, the Indonesian government still hired Dutch accountants to work at the MoF. The usage of Accountant title in Indonesia came under regulation in Indonesia with the enactment of the Law Number 34 in 1954 (Abdoelkadir 1982; Diga & Yunus 1997).

In the 1980s, the Indonesian government was aware that accounting education and training had to be improved in order for Indonesian accountants to meet the needs of industry and related economic development program (Abdoelkadir 1982; Enthoven 1983). However, problems regarding the accounting standards and the accounting profession in Indonesia were still present. One of the problems was: ‘Indonesia suffered from an acute shortage of well qualified accountants during the post-independence period as a result of inconsistent and uncoordinated adoption of the Anglo-Saxon systems in its economy’ (Yapa, 2003, p. 279).

Enthoven (1983, p. 115) indicated that the problems with the accounting profession education in Indonesia were: (1) an inadequate number of competent
teachers; (2) an inadequate programs at educational institutions; (3) the absence of a carefully laid-out accountancy development plan based on an inventory of existing and projected supplies and demands; (4) a lack of effective coordination between educational institutions, on the one hand, and public and private practice, on the other, which prevented gearing the training and the supply of accountants to meet the country's needs.

Despite the problem with accounting professional education, Indonesia adopted mandatory CPD policy quite early with the enactment of Ministry of Finance Regulation Number 43/KMK.017/1997 regarding Public Accountant Service (MoF 1997), whereby the public accountants must undertake CPD in order to maintain their licence to practice.

The accounting profession in Indonesia is administered nationally by the IIA (Kusuma 2005). The IIA was formed in 1957 and initially it had only 30 members; its membership reached 17, 649 in 2014 (IIA 2014). Initially the IIA had four sections, which its members could join: Public Accountant section, Accounting Educators section, Management Accountants section, and Public Sector Accountants section (Kusuma 2005). The Public Accountant compartment was the section dedicated for the people in the auditing profession. On 23 May 2007, the IIA held an Extraordinary Congress and one of the results of the Congress was that the Public Accountant section became an independent public accountant association by the name of Indonesian Institute of Certified Public Accountants or IICPA (IICPA 2011). The move by the IICPA to be an independent body is a response to globalisation and an attempt to enable the Association to independently develop the auditing profession.
IICPA membership includes public accountants and non-public accountants. A public accountant title in Indonesia is strictly reserved for auditors who work in government-registered accounting firms and who meet the public accountant licence holder requirement from the Ministry of Finance (MoF) which grants the licence. To become a public accountant in Indonesia, a person must pass the Certified Public Accountant examination and have a Public Accountant licence to practise from the Ministry of Finance (MoF). The non-public accountant members of the IICPA consist of honorary members, Certified Public Accountant certificate holders and other staff who have not yet passed their Certified Public Accountant examination (IICPA 2011).

The Indonesian government introduced a new law, the Public Accountant Act (Act Number 5 of 2011) regarding public accountants. The Act states that the IICPA is the only public accountant association recognised by the government and the IICPA is the sole provider of CPD for public accountants. Public accountants can undertake CPD offered by other organisations; however, CPD materials must be approved and recognised by the IICPA and the CPD credit points are adjusted accordingly. One credit point of CPD for the IICPA members equals 50 minutes of CPD learning activity.

The IICPA in its by-law (IICPA 2012a) states that CPD is a continuous learning that is compulsory for its members in order to maintain, improve and develop their professional competencies. The IICPA by-law (2012a) stipulated that violations of the IICPA Code of Ethics, Public Accountant Professional Standards, and / or Association rules and regulations may be sanctioned as follows:
1. Receipt of warning letters
2. Refusal of access to members’ administration services
3. Association membership will be frozen
4. Cancellation of Public Accountant’s certificate
5. Termination of Association membership

2.9.3 CPD Requirements for the IICPA Members

Various accounting policy regulatory bodies in Indonesia prescribe CPD requirements for IICPA members. Table 2.1 shows the different CPD requirements and the number of CPD credit points that IICPA members are required to accumulate each year.

The Ministry of Finance requires the public accountant members of the IICPA to undertake CPD and report their CPD activity yearly. The Public Accountant Act or Act Number 5 of 2011 (MoF 2011) article 25 states that it is compulsory for the public accountants to undertake CPD. According to article 34 of the Regulation of Finance Minister No. 17 of 2008 (MoF 2008) public accountants must acquire 30 credit points of CPD per year and at least contained: (1) four credit points of CPD in monitoring and supervision of Public Accountants; and (2) four credit points of CPD in auditing and accounting.

According to the Decision of the Chairman of the Capital Market and Financial Institutions Supervisory Agency number 41/BL/2008 (CMFISA 2008), the auditors who are listed with the CMFISA must undertake five credit points of CPD per year and the CPD topics should relate to capital market accounting and
the rules and regulations pertaining to the Indonesian Stock Exchange. The IICPA by-law (IICPA 2012a) requires the public accountant members of the IICPA who are also listed with the CMFISA to meet the requirements stipulated by the Ministry of Finance and the CMFISA.

As stated in the circular letter no. 3/32/DPNP of 2001, the Central Bank also required the public accountants who are registered with them to undertake CPD. Although the Central Bank does not mention specific CPD credit points as a requirement for the auditors who are registered with the Central Bank, the IICPA in its CPD rules (IICPA 2012b) has decides that five credit points of CPD in banking rules and regulations is a requirement for its members who are registered with the Central Bank.

As stated in the IICPA CPD rules, the IICPA made CPD compulsory for all IICPA members, whether or not they held a public accountant licence (IICPA 2011, 2012b). Non-public accountant members must undertake CPD as part of their membership obligations and they must obtain at least 30 credit points per year including: (1) four credit points of CPD in monitoring and supervision of Public Accountants; and (2) four credit points of CPD in auditing and accounting (IICPA2011, 2012b). Therefore, the CPD obligations to the non-public accountant members of the IICPA are the same as for the public accountant members who are not registered with the CMFISA and the Central Bank.

Furthermore, the IICPA in its by-law (IICPA 2012a) states that CPD is a continuous learning that is compulsory for its members in order to maintain, improve and develop their professional competencies. Moreover, CPD for the
IICPA members aims to maintain and develop professional competencies required of each member in providing better services to clients, as well as to employers or to various stakeholders of the profession; that the member is able to perform the role as a public accountant or other roles competently; and also to protect the public interest and enhance public confidence in the profession (IICPA 2013).

Table 2.1 CPD Requirements

<table>
<thead>
<tr>
<th>No.</th>
<th>Organisation Registration</th>
<th>Regulations</th>
<th>CPD credit points required per year</th>
<th>Additional CPD credit points required per year</th>
<th>Total CPD credit points required per year</th>
</tr>
</thead>
</table>
| 1.  | Ministry of Finance (MoF) only – for Public Accountant (PA) | – The Public Accountant Act (Act No. 5 of 2011) article 25  
  – The Regulation of Finance Minister No. 17 of 2008  
  – The IICPA CPD Rules 2011 & 2012 | 30 (minimum four in accounting & auditing and four in monitoring and supervision of Public Accountants) | - | 30 |
  – The Regulation of Finance Minister No. 17 of 2008  
  – The Decision of the Chairman of the Capital Market and Financial | 30 (minimum four in accounting & auditing and four in monitoring and supervision of Public Accountants) | 5 in capital market accounting and rules and regulation of the Indonesian Stock Exchange | 35 |
<table>
<thead>
<tr>
<th>No.</th>
<th>Organisation Registration</th>
<th>Regulations</th>
<th>CPD credit points required per year</th>
<th>Additional CPD credit points required per year</th>
<th>Total CPD credit points required per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>Organisation Registration</td>
<td>Regulations</td>
<td>CPD credit points required per year</td>
<td>Additional CPD credit points required per year</td>
<td>Total CPD credit points required per year</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>------------------------------------</td>
<td>-----------------------------------------------</td>
<td>----------------------------------------</td>
</tr>
</tbody>
</table>

5. IICPA – Non PA

2.10 **Research Question Formulation**

As discussed earlier, professional accountants’ engagement in CPD is essential if the accounting profession wants to reassure the public that its members remain competent and relevant. To date studies on CPD for the professional accountant in
Indonesia are scarce; hence, this thesis intends to investigate CPD for the auditing profession in Indonesia, especially for the members of the Indonesian Institute of Certified Public Accountants (IICPA). CPD engagement of IICPA members need to be investigated in order to ascertain whether IICPA members understand and engage in CPD activities. To follow the literature, the IICPA members’ understanding and engagement in CPD will be investigated through their level of CPD participation, pattern of CPD participation, CPD preferences and obstacles to CPD participation. After CPD engagement has been determined, CPD drivers and CPD outcomes must also be investigated since they can be the factors that influence IICPA members’ commitment to CPD. Based on the aforementioned discussion the research questions of this thesis can be formulated as follows:

*RQ1: To what extent do the IICPA members understand and engage in CPD?*

*RQ2: How do the CPD drivers and CPD outcomes influence the engagement of the IICPA members in CPD?*

### 2.11 Conclusion

CPD is an integral part of the accounting profession because it maintains the knowledge base of professionals. The control over such knowledge is an important criterion for maintaining professional jurisdiction since much of accountancy practice is based on legislation or professional regulations. Furthermore, the level of technical knowledge required has increased substantially. Clearly, an accountant who does not update his or her knowledge will not inspire confidence. Furthermore, CPD cannot be separated from lifelong
learning and adult learning. CPD gives the incentive to expand knowledge and sharpen the skill of intellectual inquiry; moreover it provides the opportunity for regular professional exchange of ideas and creates an educational habit. It is also important to protect the public from lazy, uninterested and incompetent practitioner. Although there is inadequate evidence that CPD really protects the public, it has a positive effect, acting as a shield to protect the public and the profession from ignorance and obsolescence.

The IICPA members as part of the auditing profession in Indonesia must adhere to the prescribed CPD requirements. Hence, it is important to discover the extent of CPD engagement by the IICPA members. This thesis investigates the IICPA members’ understanding and engagement in CPD through their level of CPD participation, pattern of CPD participation, preferences of CPD participation and also obstacles in CPD participation. After CPD engagement is determined, CPD drivers and CPD outcomes are also investigated since they can be the factors that influence the IICPA members’ commitment to CPD.
3.1 Introduction

This chapter explains the key aspects of the research method employed to answer the research questions set out in Chapter 1. The qualitative research method is employed in this thesis. The data collection method employed is semi-structured interviews conducted with the participants. This chapter outlines the reasons for choosing the qualitative research design, explains the qualitative procedures used, describes the sample and how participants were selected for inclusion in the study sample, presents the data analysis method and the reliability and validity of data.

3.2 Research Paradigms

Before discussing the research approach used in this thesis, it is helpful to distinguish between qualitative and quantitative approaches to research. Several scholars (Flick 2002; Collis & Hussey 2003; Bryman & Bell 2003; Creswell, 2009; David & Sutton 2011; Hennink, Hutter & Bailey 2011; Eatough 2012; Denzin & Lincoln 2013) have tried to identify the differences between quantitative and qualitative approaches. Creswell (2009), for example, maintained that qualitative research is a means of exploring and understanding the meaning that individuals or groups attribute to a social or human problem. He further explained that the process of research involves emerging questions and procedures. Data typically are collected in the participant’s setting; data analysis
is inductively built from particulars to general themes; and the researcher makes interpretations of the meaning of the data.

Another discussion regarding quantitative and qualitative approaches has been presented by Hennink, Hutter and Bailey (2011). They also explained that quantifying a research problem, measuring and counting issues and generalising these findings to a broader population are the aims of quantitative research. Additionally, the generalisation of the findings of quantitative research can be achieved easily because of the random sampling of respondents and a large sample size, which represents the whole population. Quantitative research usually enables the identification of statistical trends, patterns, averages, frequencies or correlations, while the purpose of qualitative research is to understand or explain behaviour and beliefs identify processes and understand the context of people’s experiences (Hennink, Hutter & Bailey 2011). Table 3.1 below displays the main differences between quantitative and qualitative research (Hennink, Hutter & Bailey 2011, p. 16):

**Table 3.1 Qualitative and Quantitative Research Differences**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Qualitative Research</th>
<th>Quantitative Research</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To gain a detailed understanding of underlying reasons, beliefs, motivations</td>
<td>To quantify data and extrapolate results to a broader population</td>
</tr>
<tr>
<td>Purpose</td>
<td>To understand why? How? What is the process? What are the influences or</td>
<td>To measure, count, quantify a problem. How much? How often? What proportion? Relationships</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Qualitative Research</td>
<td>Quantitative Research</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>contexts?</td>
<td>in data</td>
<td></td>
</tr>
<tr>
<td>Data</td>
<td>Data are words (called textual data)</td>
<td>Data are numbers or numerical data</td>
</tr>
<tr>
<td>Study Population</td>
<td>Small number of participants or interviewees, selected purposively (non-randomly)</td>
<td>Large samples size of representative cases</td>
</tr>
<tr>
<td>Data Collection Methods</td>
<td>In-depth interviews, observation, group discussions</td>
<td>Population surveys, opinion polls, exit interviews</td>
</tr>
<tr>
<td>Analysis</td>
<td>Analysis is interpretive</td>
<td>Analysis is statistical</td>
</tr>
<tr>
<td>Outcome</td>
<td>To develop an initial understanding, to identify and explain behaviour beliefs or actions</td>
<td>To identify prevalence, averages and patterns in data. To generalise to a broader population</td>
</tr>
</tbody>
</table>

Source: Hennink, Hutter and Bailey (2011, p. 16)

Furthermore, the sampling process in qualitative research methodologies is different from quantitative research in purpose and method of sampling. The conduct of quantitative data collection requires a clear and pre-emptive specification of the key concepts and their translation into measurable categories and variables (David & Sutton 2011). In contrast to quantitative research, qualitative research tends to be more interpretive and exploratory.

The smaller sample size in qualitative research compared to quantitative research is subject to criticism. Nonetheless, in qualitative research,
generalisability is not the issue (McCracken 1988; Shank 2002; Bryman & Bell 2003). McCracken (1988) argued that the purpose of interview in qualitative research is not to investigate how many, and what kinds of, people share a certain characteristic. The findings of qualitative research are used to generalise to theory rather than to populations (Bryman & Bell 2003). Furthermore, the aim of generalisation is to obtain the breadth of the population, whilst qualitative research is much more concerned with depth rather than breadth (Shank 2002; Collis & Hussey 2003, Hennink, Hutter & Bailey 2011).

This thesis investigated CPD for members of the IICPA. The qualitative methodology was chosen since this thesis did not aim to generalise its findings to the whole population of the auditing profession in Indonesia or all of the IICPA members, but to provide an insight into CPD for the auditing profession in Indonesia. The insight into CPD investigated in this thesis included CPD understanding and engagement, CPD drivers, CPD outcomes and the influence of CPD drivers and CPD outcomes to CPD engagement by the IICPA members.

The qualitative approach to research in accounting is also encouraged since accounting is now ‘a pluralistic discipline that includes people who use qualitative methods to explore a broad range of issues’ (Lee & Humphrey 2006, pp. 190-191). The literature also shows some support for including the qualitative method in an investigation of CPD for professions in general (Wood 1998; Friedman & Phillips 2004) and for accounting professions (Guthrie 2004; Rothwell & Herbert 2007; Ciccotosto, Nandan and Smorfitt 2008; De Lange, Jackling & Suwardy 2010; De Lange et al. 2012).
Furthermore, the literature supports the choice of qualitative methodology for exploring CPD for professionals. Friedman and Phillips (2004) argued that the qualitative approach has been found to give an accurate impression of issues related to CPD. Another support for applying the qualitative methodology to studies on CPD comes from Wood (1998) who maintained that qualitative data is valuable since the humanistic approach in exploring CPD may offer a better insight into the realities of practice.

Considering all of the above arguments, qualitative methodology is most appropriate for this thesis because the methodology can assist in answering the research questions formulated in this thesis.

3.3 Qualitative Research Design

There are many different approaches (or paradigms) to qualitative research. Prasad (2005) identified four different approaches in qualitative research practice:

- The interpretive approach includes paradigms such as symbolic interactionism, hermeneutics, dramaturgy and dramatism, ethnomethodology, ethnography and phenomenology
- Deep traditions, including paradigms such as semiotics and structuralism
- Critical traditions, including paradigms such as historical materialism, critical theory, feminism, structuration and praxeology
- Post traditions including paradigms such as postmodernism, post-structuralism and post-colonialism
The interpretive paradigm is generally described as having emerged during the 1970s as a reaction to positivism, which was the dominant paradigm in the social sciences at the time (Prasad 2005). Prasad (2005) further explains that the aim of the interpretive traditions is to understand these processes of subjective reality construction in all aspect of social life. Interpretive traditions also emphasise the social dimensions of reality constructions. Prasad explains the reality constructions in interpretive paradigm as follows (2005, p. 16):

That is, even while we are individually engage in acts of sense making, these acts are significantly mediated by the cognitive schema and language that we obtain from our wider societies. Thus, although an infinite number of personal interpretations are technically possible in a given situation, our tendency is to resort to fewer but most commonly shared ones… In actual social practice, therefore, subjectivity becomes somewhat limited, with individuals tacitly moving forward toward common agreements and understandings of reality. It is this tendency to arrive at common constructions and shared interpretations of reality that is often referred to as intersubjectivity and that is the core concern of the interpretive traditions.

From Prasad’s (2005) statement above, it can be concluded that interpretive traditions are concerned with intersubjectivity, which is the common agreements and understanding of reality because subjectivity is quite limited in social reality.

Deep traditions started to gain popularity in the 1960s (Prasad 2005) and undoubtedly were quite separate from interpretive traditions. This tradition encompasses various theories such as structuralism, semiotics or semiology. The similarity between the theories is the notion that the appearances of social reality on their own do not tell the researcher much. For a true understanding of social forms, the deep underlying structures need to be differentiated. Prasad (2005) elaborates that structure in deep traditions refers to the ways in which elements of
any system formally relate to each other. Prasad (2005, p. 94) explains the difference between deep tradition and interpretive tradition as follows:

Structuralism is solely interested in unearthing the core abstract principles behind social forms and gives very little weight to subjective experiences and interpretations. It also does not believe with individuals have much autonomy in sociocultural situations, given that their actions are severely circumscribed by underlying deep structures. These stances are strikingly different from those held by the interpretive traditions.

Then there is the critical tradition. According to Prasad (2005, p. 109) this tradition can be seen as: ‘a set of intellectual positions that examine social arrangements through the lenses of power, domination and conflict’. Although the critical tradition shares a common belief with the interpretive traditions that the worlds are socially constructed, the critical tradition also considers that the constructions themselves are mediated by power relations and conflicting interests in any given society. As a repercussion, although the critical traditions believe the socially constructed nature of all reality, it is more sceptical than interpretive traditions in regard to the role of individual interests and collective action.

The last paradigm of qualitative research discussed by Prasad (2005) is the post traditions. This tradition was developed in reaction to and as a reflection of great changes in material and ideological conditions over the last few decades. Prasad’s comment (2005, p. 218) below shed further light on this tradition:

In one way or another, postmodernism, poststructuralism, and postcolonialism are all coming to terms with the left over hopes and disappointments of modernity. In particular, they grapple with the disenchantment over communism, the harmful excesses of fast capitalism and the painful realization that many of the grand meta-narratives of post-Enlightenment Western civilization such as individualism, progress and liberal humanism have not only failed to materialize into a promised empowerment, but may well have resulted in lasting damage to certain cultural and environmental resources.
By discussing the four paradigms or approaches to qualitative research, this thesis can select one paradigm or approach that is the most appropriate for the formulated research questions. This thesis seeks the answers to know the extent to which IICPA members understand and engage in CPD, and how CPD drivers and outcomes influence the commitment of the members to CPD. Therefore, this thesis relies on the experiences and interpretations of the members concerning the CPD offered by the IICPA. Since the deep traditions do not place much importance on subjective experiences and interpretations; they do not suit the aim of this thesis. Furthermore, according to the critical traditions, the construction of social meanings is mediated by power relations and conflicting interests. This thesis does not seek to investigate power relations and conflicting interests experienced by members in undertaking CPD; thus, the critical tradition approach cannot be applied. Finally, the post traditions are also not suitable for this thesis since the purpose of this thesis is not to investigate CPD for members based on changes in ideological conditions. For the abovementioned reasons, this thesis employed the interpretative approach when investigating CPD for IICPA members.

There is also a concern regarding what can be constructed from qualitative research. According to Bogdan and Taylor (1975, p. 4) qualitative methodologies refer to ‘research procedures, which produce descriptive data: the written or spoken words of the participants and their observable behaviour’. Furthermore, they also explained that the qualitative methodology does not reduce the subject of the study, whether it is an organisation or an individual, to an isolated variable or hypothesis, but instead, the subject is regarded as part of a whole. Therefore, by
not reducing the subject of the study to mere numbers, the subjective nature of human behaviour can be taken into account (Bogdan & Taylor 1975). Thus, the qualitative research approach employed in this thesis allowed this investigator to personally interact with the participants studied and to better comprehend the subjectivity involved in the data collection process.

The qualitative research is also approach enabled this investigator of this thesis to examine participant’s experiences with CPD in order to identify issues from the perspective, and to understand the meanings and interpretations that they give to their behaviour. CPD is about continuing learning and developing activities undertaken by professional people. Hence, the qualitative approach chosen for this thesis is appropriate since it allowed for a detailed account of experiences regarding CPD to emerge.

Hennink, Hutter and Bailey (2011) also explained that qualitative methods are typically useful in providing an in-depth understanding of the research issues that involved the perspectives of the study population and the context in which they live. As a result, qualitative research is most suitable for addressing ‘why’ questions in order to explain and understand issues and ‘how’ questions that describe certain processes or behaviour. In this thesis, the investigation of levels, pattern, preferences and obstacles to participation in CPD activities by using the qualitative approach assisted to determine how members of IICPA engaged in CPD and the reason for the engagement. Additionally, the qualitative approach also supported this thesis in investigating CPD drivers and CPD outcomes in order to explain why the IICPA members participated in CPD activities and also the outcomes they anticipated by participating in those activities.
Qualitative research is also useful for exploring new topics or understanding complex issues; explaining people’s belief and behaviour; identifying the social or cultural norms of a culture or society; and understanding an area where little was known or where previously offered understanding appeared inadequate (Hennink, Hutter & Bailey 2011; Hesse-Biber & Leavy 2010; Richards & Morse 2013). As discussed in Chapter 1, research on CPD for the accounting professionals is scarce and under-developed. In order to contribute to the body of knowledge of CPD in the accounting profession context, especially CPD for the IICPA members, this thesis endeavoured to investigate the levels, pattern, preferences and obstacles to participation of the IICPA members in CPD activities, CPD drivers and CPD outcomes, and how CPD drivers and CPD outcome influence CPD engagement.

Furthermore, due to the in-depth nature of qualitative research, few study participants are needed, as the purpose is to achieve depth of information (rather than breadth) by mining each participant deeply for his or her experiences related to the research topic (Collis & Hussey 2003; Hesse-Biber & Leavy 2010; Hennink, Hutter & Bailey 2011). Working with a small number of participants enabled this investigator to obtain rich and in-depth data. This is in accordance with Denzin and Lincoln (2013)’s view that qualitative researchers believe that rich descriptions of the world are invaluable, whereas the quantitative researchers are less concerned with such a detailed account of the world.

The epistemological assumption in this thesis is concerned with the study of knowledge and what is accepted as being valid knowledge. This involves an examination of the relationship between the researcher and that which is being researched (Collis & Hussey 2003). In the qualitative approach, the researchers
actually interact with the study participants (Collis & Hussey 2003; Hennink, Hutter & Bailey 2011). Semi-structured interviews were conducted in this thesis; hence, interaction with the participants could occur easily. By interacting directly and face-to-face with the participants, it was easier for this investigator to understand the topic being researched from the participants’ point of view.

To conclude, the interpretive approach was employed in this thesis since it suited the purpose of this thesis which sought to investigate the IICPA members’ understanding of and engagement in CPD; and also how CPD drivers and CPD outcomes influence the IICPA members’ engagement to CPD.

3.4 Interview Method of Data Collection

According to Hennink, Hutter and Bailey (2011) in qualitative research, people’s experience can be investigated by using a specific set of research methods such as interviews, focus group discussions, observation, content analysis, visual methods and life histories or biographies. Interviewing involves asking people questions and also listening carefully to their answers (David & Sutton 2011). Interviews in qualitative research are also designed to elicit “deep” information or knowledge (Johnson 2002). Furthermore, Johnson (2002) stated that what makes an interview a qualitative interview is the formatting of the questions and the scope made available for the interviewees to answer. This thesis was meant to capture the study participants’ (CPD participants and CPD provider) rich experiences and knowledge regarding CPD for the IICPA members; hence, it was appropriate to use the interview as a means of gathering data.
With the qualitative research approach, the research is usually conducted in the field. The field refers to a natural location as opposed to an artificial location and the researcher does not try to control any aspects of the phenomenon (Collis & Hussey 2003; Hesse-Biber & Levy 2010). Therefore, the interviews in this thesis are conducted in the participants’ natural settings. Interviews took place in the participant’s office or at CPD venues. The interviews conducted in this thesis were scheduled first with the participants in order to suit their working schedule. The allocated time for each interview was one hour. Some of the participants were willing to talk for more than one hour; however, some could only talk for less than one hour due to their busy working agenda.

This thesis employed semi-structured interviews with the CPD participants and CPD provider for the IICPA members. The interview format used in this thesis was the semi-structured interview whereby all of the participants are asked the same set of questions (Howitt & Cramer 2008; Hesse-Biber & Leavy 2010). Semi-structured interviews offer a more flexible approach to interview process than structured interviews (Bryman & Bell 2003; Ryan, Coughlan & Cronin 2009). The interviewer in a semi-structured interview usually has some freedom to ask further questions; hence, spontaneous issues raised by the interviewees can be explored (Ryan, Coughlan & Cronin 2009). Finally, a semi-structured interview allows for a greater degree of comparison between interviews because the resulting data has a higher degree of standardisation (Hesse-Biber & Leavy 2010). In this thesis, this investigator as the interviewer has acted consistently during all interviews and asked the same questions. As a result, comparisons
between participants can be made. Furthermore, interviews used in this thesis enable the words and perspective of the participants to emerge.

This investigator relied on an interview guide in order to bring the conversation back to the interview questions if the participants strayed from the topic at hand, or made some interesting but irrelevant comments. An interview guide is a set of topical areas and questions that the interviewer brings to the interview (Hesse-Biber & Leavy 2010). According to Weiss (1994), the interview guide is a list of topics with or without specific questions under each topic that speak to the lines of inquiry suggested during the initial drafting of the guide. An interview guide is essential to a successful interview and the preparation of an interview guide is particularly helpful for novice interviewers (Howitt & Cramer 2008; Hesse-Biber Leavy 2010). Furthermore, Hesse-Biber and Leavy (2010) argued that a pilot interview is an opportunity for researchers to test out the effectiveness of their interview guide. This thesis tested the interview guide during the pilot study and made amendments as necessary to the interview guide in order to improve the interviews with the participants.

The interviews conducted in this thesis used Bahasa Indonesia as the delivery language since English is not the official language of the Republic of Indonesia and thus, is not widely used by Indonesian people. This investigator translated the pre-approved interview questions from English to Bahasa Indonesia and then translated the interview transcripts from Bahasa Indonesia back to English. In order to ensure the accuracy of translation process, a random sample of the interview transcripts were checked by an independent person who is fluent in both Bahasa Indonesia and English. The resultant feedback received from this person
was then used to correct the transcripts’ translation from Bahasa Indonesia to English. Table 3.2 below provides an example of the revision made by this investigator based on the feedback received:

Table 3.2 Revised Interview Transcripts’ Translations to English

<table>
<thead>
<tr>
<th>No.</th>
<th>Fragment of transcript in Bahasa Indonesia</th>
<th>Original translation to English</th>
<th>Revised translation to English</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ini dari yang sudah saya rangkum dari literature, jadi driver PPL ada empat: (1) ketentuan dari pengatur regulasi akuntansi, (2) ketentuan kode etik, (3) pentingnya keahlian khusus, (4) pembelajaran seumur hidup atau lifelong learning</td>
<td>This is what I got from the literature; there are four drivers of CPD: (1) policy regulators’ requirements, (2) ethical requirements, (3) specialist skills, (4) lifelong learning.</td>
<td>Feedback received: Do not use the word ‘got’ and use the word ‘summarised instead. New translation is: This is from what I have summarised from the literature review, so there are four drivers of CPD: (1) policy regulators’ requirements, (2) ethical requirements, (3) specialist skills, (4) lifelong learning.</td>
</tr>
<tr>
<td>2.</td>
<td>Itu berdasarkan urutannya?</td>
<td>Is that in order or what?</td>
<td>Feedback received: The sentence needs to be softened. New translation is: That’s sequence-based?</td>
</tr>
</tbody>
</table>

3.5 Interview Questions Types

According to David and Sutton (2011) interview questions might include a number of different types. This section explains the different question types employed. This thesis used warm up questions to establish trust and rapport with the participants. These questions included an introduction to the participants and
briefly described this investigator’s background and rationale for choosing the CPD topics. Hesse-Biber and Leavy (2010) suggested that informed consent should be explained in advance and executed either in advance or at the interview. Given the importance of informed consent, the participants in this thesis were given an explanation about the Participant Informed Consent Form (PICF) before the interview and what would occur during and after the interview. Moreover, the participants were also given ample opportunity to ask questions regarding this thesis and its expected findings.

Secondly, demographic questions were used in this thesis to elicit factual information about the participants such as age, position/level in the organisation, working experience, the size of their accounting firm, the particular industry, and participants’ registration with certain policy regulatory bodies such as the CMFISA and the Central Bank. The demographic questions were then followed by the core interview questions intended to address the key themes of the thesis, which in this instance is CPD for the IICPA members. The core interview questions, thus, were the third type of questions used in this thesis.

When conducting the interviews, this investigator also used the probing technique to obtain additional information related to a core question. Kahn and Cannell (1957, p. 208) stated that probing has two aims: (1) to motivate the respondent to communicate more fully- amplify a previous statement, clarify statement, or provide the context of a statement; (2) to control the interaction between interviewer and respondents by focusing it on the content objective of the interview. The aim of probing is to increase the interaction’s efficiency and effectiveness by directing the participants to what is relevant and irrelevant (Kahn
& Cannell 1957; Olson & Peytchev 2004). Therefore, probing helps to reduce or eliminate conversation that is not aligned with the purpose of the interview. For example, in order to ask the participants about their preferred format for CPD activities; the probes used in this thesis were ‘face-to-face’ and ‘online’.

The fourth type of interview question used in this thesis was the clarifying question. According to David and Sutton (2011) clarifying questions are intended to check the meaning of a response; the question is structured differently but the meaning is essentially the same. This was important for the interviews conducted for this thesis in order to accurately capture the participants’ viewpoints; hence, clarifying questions were invaluable as a means of avoiding any misunderstanding and misrepresentation.

3.6 Data Collection

Prior to conducting the fieldwork, ethics approval was sought from the RMIT Business College Human Ethics Advisory Network (BCHEAN). This ethics approval was received on 15 October 2011. A participant consent and information form (PICF) was distributed to the participants prior to interview in order to explain the nature of the thesis being conducted. The PICF is available in Appendix 1. Since the commencement of the fieldwork of this thesis in October 2011, some changes were made to this thesis. Additional participants were included and the title of the thesis was changed. During the fieldwork which was conducted from October to November 2011 this investigator conducted interviews with public accountant members of IICPA only. During the fieldwork which was
conducted from August to September 2012, this investigator interviewed non-
public accountant members of IICPA. After the data analysis of this thesis was
concluded, a decision to change the title of the thesis was made jointly by this
investigator and the research supervisors. The previous title of the thesis was *A
Framework of Continuing Professional Development for the Public Accounting
Profession: Evidence from Indonesia* and later the title was changed to *Continuing
Professional Development for the Auditing Profession: Evidence from Indonesia*
in order to make it clear that this thesis is not just about a framework of CPD. It
should be noted that the PICF attached to this thesis is the PICF distributed to the
participants during the fieldwork in October to November 2011; therefore it bears
the previous title of this thesis and mentions only public accountant in its sample.

This data collection section explains the data collection process conducted for
this thesis. In particular, sample selection, sample description, interview questions
construction and pilot study will be discussed.

### 3.6.1 Sample Selection

The sample utilised in this thesis is framed within the context of IICPA members
as the CPD participants. Two groups comprise this thesis, CPD participants and
CPD provider. The CPD participants are the members of the IICPA who
undertake CPD and the CPD provider is the IICPA representatives who organise
CPD. It is worthwhile to investigate CPD engagement from the point of view of
both the CPD participants and the CPD provider since the provider’s statement
can support and confirm the participants’ answers.
This thesis investigated CPD for the IICPA members from the point of view of both CPD participants and provider. Therefore, the selection of research participants in qualitative research should be made accordingly (McCracken 1988; Weiss 1994). It is more important to work longer, and with greater care, with a few people than more superficially with many of them, as McCracken in his book *The Long Interview* (1988, p. 17) put it: ‘For many research projects, eight respondents will be perfectly sufficient.’

The sampling method used in this thesis is snowball sampling which is one form of convenience sampling (Bryman & Bell 2003) to select the CPD participants, and purposive sampling to select the representatives from the CPD provider. The semi-structured interview format employed in this thesis allowed this investigator to determine a future direction and who would be the next interviewee. This kind of sampling is called snowball sampling whereby one participant can assist this investigator to obtain more participants. Purposive sampling is a type of sampling that is characteristics of qualitative research since there are no rules that govern the size of the sample population in a qualitative study (Kaczynski, Salmona & Smith 2014). They further argued that purposive sampling involves deliberately selecting information-rich cases that provide unique knowledge regarding issues of central importance to the purpose of the inquiry.

Snowball sampling in this thesis started when an interviewee recommended another person or other persons to be interviewed. In total, 87 people were contacted as potential interviewees, although only 48 people met the following criteria: (1) had undertaken CPD provided by the IICPA in the last 12 months and
(2) were willing to be interviewed for this thesis. One year or 12 months is deemed as an adequate period for the CPD participants to have had some experiences of CPD activities. During the first set of the interviews conducted from October to November 2011, 36 public accountant members of the IICPA were available to participate in this thesis as CPD participants. During the second set of the interview conducted from August to September 2012, 12 non-public accountant members of the IICPA participated in this thesis.

In deciding the number of participants, this thesis used the saturation method informed by Flick (2002), Bryman and Bell (2003), and David and Sutton (2011). Therefore, the size of the sample used in this thesis was considered as adequate when no new information or behaviours were elicited from the interviews, which was when the responses or behaviour of the next person could be predicted.

Purposive sampling was employed when choosing CPD provider participants. The official CPD provider for the IICPA members is the IICPA itself. Therefore, the representatives selected from the IICPA were the persons who were directly involved with the organisation and were monitoring of CPD activities. For the CPD provider, three people from the IICPA were selected. The IICPA representatives were selected due to their role in organizing CPD and monitoring CPD engagement by the IICPA members. The representatives from the IICPA were: (1) the Chief Professional Education Officer who is responsible for organising CPD activities for the auditing profession in Indonesia; (2) a member of Education Implementation Agency, the agency is responsible for overseeing and monitoring the organisation of CPD by the Professional Education Officer;
and (3) the Chief Education Implementation Agency. To protect the identity, the IICPA representatives are identified in this thesis as Interviewee 1, Interviewee 2, and Interviewee 3, respectively. Apart from the CPD provider, one participant from the policy regulatory body was interviewed in this thesis. This person was the Head of Public Accountant and Business Supervision, Accountant and Appraiser Supervisory Center and acted as a representative for the Ministry of Finance (MoF), who grants practice licences to the public accountant members of the IICPA and supervises them. This person from the MoF was given the same set of interview questions as those given to the CPD provider.

One representative from the Central Bank of Indonesia and one representative from the Capital Market and Financial Institutions Supervisory Agency were also interviewed during the field work. However, the interview results showed that both of those institutions were not CPD provider since they handed over CPD implementation for the public accountants to the IICPA. Their duty with regards to CPD was to monitor CPD activities by the public accountants registered with their institutions. Furthermore, the Capital Market and Financial Institutions Supervisory Agency also gives sanction for CPD non-compliance, but not the Central Bank. Based on a discussion between this investigator and the research supervisors, representatives from the Central Bank of Indonesia and the Capital Market and Financial Institutions Supervisory Agency’ interviews should not be used in this thesis since they are not the CPD provider and/or the authority who grants Public Accountant practice licence.

Marshall and Rossman (1989) stated that in a qualitative research, the researcher must be able to defend the credibility and trustworthiness of the
findings and poor sampling decisions may threaten the findings. In order to avoid a poor sampling decision, the sample selected should reflect the widest possible range of variations in a phenomenon, settings, or people under study (Marshall & Rossman 1989). The CPD participants used as the sample in this thesis were selected based on the referral from other interviewees; whether or not they had undertaken CPD organised by the IICPA in the last 12 months; willingness to participate in this thesis and also on the range of variation of people. The CPD participants selected to be interviewed for this thesis came from different age group, working experience, gender, firm size, level in the organisation, and industry. The range of variation of the CPD participants interviewed in this thesis reflects the widest possible range of variation, thereby strengthening the credibility and trustworthiness of the thesis findings.

3.6.2 Sample Description

This section discusses the demographic of the IICPA members who were interviewed as CPD participants and also the CPD provider’s representatives. For the CPD participants, a participant identifier table is presented in Table 3.3. Table 3.4 describes the CPD participants in terms of age, working experience, gender, firm size and level in the organisation. As shown in the Table 3.4, the age of the majority of CPD participants’ (20 people) range from 41 to 50 years. The second largest age group is between 31 to 40 years old. The average age for the CPD participants participating in this thesis is 46 years old. In regard to years of working experience, the majority of the CPD participants have 11 to 20 years of
experience in auditing. The second largest category of working experience is between 21 to 30 years. Table 3.4 also indicates that the majority of CPD participants in this thesis are male (46 out of 48 people). Although there are currently no official statistical data from the Ministry of Finance or the IICPA regarding the demographic of the auditors in Indonesia, the gender imbalance implies that the auditing profession in Indonesia is likely to be a male dominated profession.

For the purpose of identification, the accounting firms where the CPD participants work are classified into three groups: Big Four, second-tier and small firms. The Big Four firms are the four largest international professional services networks, offering audit, assurance, tax, consulting, advisory, actuarial, corporate finance, and legal services. They handle the large majority of audits for publicly traded companies as well as many private companies, creating an oligopoly in auditing large companies. The Big Four firms comprise PricewaterhouseCoopers, Deloitte, Ernst & Young, and KPMG. Second-tier accounting firms are local accounting firms that are affiliated with foreign accounting firm services network and small accounting firms are local firms that have no affiliation with foreign accounting firm services networks. At the moment, the MoF and the IICPA do not officially differentiate accounting firms’ size based on the affiliation or network; thus, the figures for the actual number of second-tier and small accounting firms are not available. The firm size information demonstrates that the majority of the CPD participants in this thesis came from second-tier firms (20 people). The second largest group of the CPD participants came from small firms (18 people). The CPD participants from Big Four accounting firms are the smallest in number.
(10 people) compared to those who are from second-tier and small accounting firms.

Table 3.4 indicates that the majority of the CPD participants are partners in their accounting firms (36 people). Generally, partners are the highest level or highest ranking people in any accounting firms; senior manager and associate are one level below partner, and managers are one level below senior managers or associates. All of the partners interviewed in this thesis were also holders of a public accountant licence which means that by law they must undertake CPD in order to keep their licence. The senior manager or associates and manager interviewed in this thesis were not public accountant license holders; hence they were not required by the law (the Public Accountant Act, Act number 5 of 2011) to undertake CPD. Nevertheless, they were members of the IICPA and according to the IICPA CPD rules (2011, 2012b), the IICPA members are required to undertake CPD in order to maintain their membership.
<table>
<thead>
<tr>
<th>CPD Participants</th>
<th>Age (yo)</th>
<th>Experience (Years)</th>
<th>Gender</th>
<th>Firm Size</th>
<th>Level</th>
<th>Industry</th>
<th>Professional Membership</th>
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<td>IICPA &amp; IIA</td>
<td>Both</td>
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<td>Both</td>
</tr>
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<td>The CMFISA</td>
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<td>The CMFISA</td>
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<td>Experience (Years)</td>
<td>Gender</td>
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<td>Level</td>
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<td>Experience (Years)</td>
<td>Gender</td>
<td>Firm Size</td>
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Table. 3.4 CPD Participants Description

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<th>Percentage (%)</th>
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<td></td>
<td>&gt; 60 years old</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>51-60 years old</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>≤ 30 years old</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>2.</td>
<td>Working Experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11-20 years</td>
<td>25</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>21-30 years</td>
<td>12</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>≤ 10 years</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>31-40 years</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>&gt; 40 years</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>3.</td>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>46</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>4.</td>
<td>Firm Size</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Second-Tier</td>
<td>20</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>18</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Big Four</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>5.</td>
<td>Level in the Organisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partner</td>
<td>36</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>Senior</td>
<td>6</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>Manager/Associate</td>
<td>6</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
The next category for CPD participants’ demography is industry specialisation as shown in Table 3.5. Industry specialisation in this thesis refers to the specific industry in which the IICPA members tend to focus more because they possess more expertise, knowledge and skills regarding that particular industry; and as a result, are able to provide quality, specialised service for their clients. Table 3.5 demonstrates that the majority of the CPD participants (18 people) are in various industries such as technology, media, telecommunication, plantation, non-profit organisation, consumer goods industry, services industry, governmental bodies, trading, manufacturing, insurance and co-operation. The second largest group of industry specialisation for the CPD participants is the stock exchange with 11 people out of 48 specialising in that area. The next largest group comprises the CPD participants with no specific industry specialisation (eight people). Moreover, there are six people that specialise in both banking and stock exchange; three people specialise in both energy and stock exchange; and two people specialise in banking only.

Table 3.5 Industry Specialisation of the CPD Participants

<table>
<thead>
<tr>
<th>No.</th>
<th>Industry Specialisation</th>
<th>Number of Participants</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Other</td>
<td>18</td>
<td>37.5</td>
</tr>
<tr>
<td>2.</td>
<td>Stock exchange</td>
<td>11</td>
<td>22.9</td>
</tr>
<tr>
<td>3.</td>
<td>No specific industry</td>
<td>8</td>
<td>16.7</td>
</tr>
<tr>
<td>4.</td>
<td>Banking and stock exchange</td>
<td>6</td>
<td>12.5</td>
</tr>
<tr>
<td>5.</td>
<td>Energy and stock exchange</td>
<td>3</td>
<td>6.2</td>
</tr>
<tr>
<td>6.</td>
<td>Banking</td>
<td>2</td>
<td>4.2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>48</td>
<td>100</td>
</tr>
</tbody>
</table>
The last category of CPD participants comprises registration with policy regulatory bodies. As explained in Chapter 2, the IICPA membership consists of public accountant and non-public accountant. The public accountant members of the IICPA can register as auditors for the policy regulatory bodies such as the Capital Market and Financial Institutions Supervisory Agency (CMFISA), Central Bank or both. Registration with the Ministry of Finance (MoF) is irrelevant to be discussed since public accountant licence is granted by the MoF. Out of the 48 CPD participants in this thesis, 36 of them are public accountants. Table 3.6 below shows the number of CPD participants in this thesis who are also public accountants and are registered with either policy regulatory bodies; and also the number of public accountants who are not registered with both of the policy regulatory bodies. It can be seen from Table 3.5 that the majority of the public accountants in this thesis (25 people) are registered with the CMFISA and the second largest group of the public accountants in this thesis (six people) are not registered with both the CMFISA and the Central Bank.

**Table 3.6 Public Accountants’ Registration with Policy Regulatory Bodies**

<table>
<thead>
<tr>
<th>No.</th>
<th>Policy Regulatory Bodies</th>
<th>Number of Participants</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CMFISA only</td>
<td>25</td>
<td>69.4</td>
</tr>
<tr>
<td>2.</td>
<td>None</td>
<td>6</td>
<td>16.7</td>
</tr>
<tr>
<td>3.</td>
<td>Both CMFISA and Central Bank</td>
<td>3</td>
<td>8.3</td>
</tr>
<tr>
<td>4.</td>
<td>Central Bank only</td>
<td>2</td>
<td>5.6</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
For CPD providers, three representatives from the IICPA are interviewed in this thesis as shown in Table 3.7 below. To protect the identity of the IICPA representatives, they are identified simply as Interviewee 1, Interviewee 2 and Interviewee 3. The term ‘interviewee’ is used in this thesis in order to distinguish CPD provider from CPD participants.

Table 3.7 The IICPA Representatives’ Profile

<table>
<thead>
<tr>
<th>No.</th>
<th>Identifier</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Interviewee 1</td>
<td>Chief Professional Education Officer</td>
</tr>
<tr>
<td>2.</td>
<td>Interviewee 2</td>
<td>Member of Education Implementation Agency</td>
</tr>
<tr>
<td>3.</td>
<td>Interviewee 3</td>
<td>Chief Education Implementation Agency</td>
</tr>
</tbody>
</table>

3.6.3 Interview Questions Construction

This section explains how the interview questions are derived from the literature and support the research questions of this thesis. Table 3.8 below displays the literature background for each of the interview questions addressed to the CPD participants for answering Research Question 1: *To what extent do the IICPA members understand and engage in CPD?* The list of interview questions used in this thesis can also be found in Appendix 2.

Table 3.8 CPD Participants’ Interview Questions Construction: Research Question 1

<table>
<thead>
<tr>
<th>Background</th>
<th>Interview Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>RQ1: To what extent do the IICPA members understand and engage in CPD?</td>
<td>Do you know CPD requirements from the government/accounting</td>
</tr>
<tr>
<td>Background</td>
<td>Interview Questions</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>whether or not they understand their obligation in undertaking CPD. Their knowledge of CPD requirement is then linked to the levels of CPD participation, which is used to answer RQ1.</td>
<td>policy regulatory bodies that apply to you? What are they?</td>
</tr>
<tr>
<td>Compliance towards CPD requirement is essential if the IICPA members want to keep abreast of changes and to maintain competence in knowledge and skills; also to maintain their professional bodies’ membership and their practice license (Paisey, Paisey &amp; Tarbert 2007; Zajkowski, Sampson &amp; Davis 2007; De Lange, Jackling &amp; Suwardy 2015). The information regarding CPD requirements compliance and consequences for non-compliance can then be linked to the levels of CPD participation, which is useful to answer RQ1.</td>
<td>Do you always meet the CPD requirements? What are the consequences if you do not meet them?</td>
</tr>
<tr>
<td>Professionals have their own specific needs that must be fulfilled by CPD (Segall 1988; Chaston &amp; Mangles 1991; Burton &amp; Rezaee 1994; Grant 1994; Rapkins 1996; Flagello 1998; Grant 2002; Gold 2008; Ingall 2009; De Lange, Jackling and Suwardy 2010). If the purpose of CPD is competence and quality improvement of services, it is necessary to meet the various gaps in the knowledge and skills of professionals. The responses received from the CPD participants can then be linked to the levels of CPD participation, which is part of efforts to answer RQ1.</td>
<td>Do you perceive that the current CPD offerings meet your actual needs in terms of knowledge and skills?</td>
</tr>
<tr>
<td>Individuals who have experienced a high degree of one or more of obstacles are less likely to participate in CPD and obstacles in undertaking CPD can be associated with</td>
<td>What are your main obstacles in undertaking CPD?</td>
</tr>
<tr>
<td>Background</td>
<td>Interview Questions</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>decreased effectiveness of mandatory CPD programs (Wessels 2007; Friedman 2012). Previous studies on CPD for professional accountants (Sawyer and Munn 1998; Guthrie 2004; Paisey, Paisey &amp; Tarbert 2007; Wessels 2007; De Lange, Jackling &amp; Suwardy 2010; De Lange et al. 2012; Udin et al. 2012) show that there are obstacles that can hamper CPD participation. The responses received from the participants are useful in investigating their engagement towards CPD activities, which helps to answer RQ1.</td>
<td>Do you have any preferences for your CPD activities?</td>
</tr>
<tr>
<td>The findings regarding CPD format preference for the accounting professional in the literature are still mixed and divided between face-to-face format of CPD (ACCA 2012; De Lange et al. 2012; Ross &amp; Anderson 2013; Halabi 2014) and online format of CPD (Englund 2010; Lindsay 2012). The responses received from the CPD participants can then determine the preferences of participation by the CPD participants, which is useful to answer RQ1.</td>
<td>Can you describe your CPD activities during the last 12 months?</td>
</tr>
</tbody>
</table>

Rapkins (1996) argued that CPD activities options must be recognized and includes both informal and formal activities and professionals may also be interested in topics other than the usual technical knowledge and skills. Previous studies on CPD for the accounting professionals indicate that technical and professional updates is the most undertaken CPD topics (De Lange, Jackling & Suwardy 2015); soft skills is considered important (ACCA 2012); and technical updates, soft skills and practical solution to real cases are equally
<table>
<thead>
<tr>
<th>Background</th>
<th>Interview Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>important CPD topics (De Lange, Jackling and Suwardy 2010). The responses from the CPD participants are used for determining the pattern of CPD participation by the CPD participants and assists of answering RQ1.</td>
<td>Are you satisfied with the current CPD offerings? If yes, in what way? If not, why not?</td>
</tr>
<tr>
<td>Ingall (2009) found that poor qualities of CPD activities can frustrate the participants and lead them to doubt the necessity to undertake CPD. This question is asked in order to determine whether or not the satisfaction of CPD participants can be associated with their levels of CPD participation, and eventually address RQ1.</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.9 below indicates the literature background for each of the interview question addressed to the CPD provider in order to answer Research Question 1: *To what extent do the IICPA members understand and engage in CPD?* The IICPA representatives, as the CPD provider, were asked questions regarding their knowledge of the current government laws and regulations pertaining to public accountants and non-public accountant members of the IICPA, the CPD requirements applied to all of the IICPA members, the monitoring of CPD participation and the measurement of the IICPA members’ actual needs.
Table 3.9 CPD Provider’s Interview Questions Construction: Research

Question 1

<table>
<thead>
<tr>
<th>Background</th>
<th>Interview Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>RQ1: To what extent do the IICPA members understand and engage in CPD?</td>
<td>To your knowledge, what are the current government laws and regulations regarding public accountants and non-public accountants?</td>
</tr>
<tr>
<td>The CPD provider is asked this question in order to investigate their knowledge regarding the rules and regulations pertaining to the IICPA members. The responses received can then be used to determine the levels of CPD participation as part of an effort to answer RQ1.</td>
<td>To your knowledge, what are the current government laws and regulations regarding CPD for public accountants and non-public accountants?</td>
</tr>
<tr>
<td>This question is addressed to the CPD provider in order to investigate their knowledge of CPD requirements for the IICPA members. The responses received can then be used to determine the levels of CPD participation to help answer RQ1.</td>
<td>What processes does your organisation have in place for monitoring CPD for public accountants and non-public accountants?</td>
</tr>
<tr>
<td>This question is asked because CPD monitoring is also critical for participation in CPD activities, especially when CPD is mandatory. A consequence of mandatory CPD policy is the requirement of CPD monitoring by the relevant authorities or by professional bodies. A monitoring system needs to be enforced by the professional bodies or other parties who benefit from CPD to ensure CPD participation (Rapkins 1996; Friedman &amp; Phillips 2004; Siddiqui 2009; ACCA 2011; De Lange et al. 2012; Friedman 2012). The responses received can be used to determine the link between CPD monitoring and levels of CPD participation.</td>
<td></td>
</tr>
</tbody>
</table>
This question is asked since the analysis of needs is indeed a big task, and finding the means by which those needs are met is even a greater task (Segall 1988). It is therefore important that efforts be made to assess and evaluate the need for practitioners to determine CPD activities offered to the professionals. The responses received are used to determine the link between levels of CPD participation and fulfilment of actual needs of the CPD participants.

How does your organisation gauge the needs of public accountants and non-public accountants for CPD, in terms of knowledge and skills?

Table 3.10 below demonstrates the construction of the interview questions addressed to the CPD participants in relation to Research Question 2. These questions are based on the theoretical framework depicted in Figure 2.1; hence, the questions relate to CPD drivers and CPD outcomes.

**Table 3.10 Background for CPD Participants’ Interview Questions for Research Question 2**

<table>
<thead>
<tr>
<th>Background</th>
<th>Interview Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>RQ2: How do the CPD drivers and CPD outcomes influence the engagement of the IICPA members in CPD?</td>
<td>This study perceived four drivers of CPD: accounting policy regulatory bodies’ requirements, ethical requirements, specialist skills, lifelong learning. To what extent do you agree or disagree with those CPD drivers? Do you perceive other drivers of CPD that this study has not yet covered?</td>
</tr>
<tr>
<td>CPD drivers need to be investigated because learners’ motivation is an essential pre-condition for effective learning; in order to be motivated, an adult learning must anticipate some benefit (Sadler-Smith, Allinson &amp; Hayes 2000). The responses received from the CPD participants can be used to determine the CPD drivers for the IICPA members as</td>
<td></td>
</tr>
</tbody>
</table>
CPD outcomes are important to be investigated because CPD outcomes indicate the actual effect or impact of the CPD activity – how it has influenced: 1) knowledge, 2) attitudes, perceptions or emotions, behaviour, professional practice or organisational development (Friedman 2012, p. 133)

The responses received from the CPD participants can be used to determine CPD outcomes for the IICPA members as shown in the theoretical framework in Figure 2.1.

<table>
<thead>
<tr>
<th>Background</th>
<th>Interview Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPD outcomes are important to be investigated because CPD outcomes indicate the actual effect or impact of the CPD activity – how it has influenced: 1) knowledge, 2) attitudes, perceptions or emotions, behaviour, professional practice or organisational development (Friedman 2012, p. 133) The responses received from the CPD participants can be used to determine CPD outcomes for the IICPA members as shown in the theoretical framework in Figure 2.1.</td>
<td>This study perceived four outcomes of CPD: keeping up to date, improvement and broadening of knowledge and skills, development of personal qualities necessary to execute professional and technical duties and sustainability of the profession as a whole. To what extent do you agree or disagree with those CPD outcomes? Do you perceive other outcomes of CPD that this study has not yet covered?</td>
</tr>
</tbody>
</table>

### 3.6.4 Pilot Study

A pilot study was conducted as part of this thesis in order to fine-tune the data collection instrument before the actual data collection began. According to David and Sutton (2011), a pilot study is important since the interview questions provide the basis for the researcher’s interaction with their interviewees. The first step in the pilot study process in this thesis involved submitting provisional research themes and questions to research supervisors for their critical review. After revising the pilot questions according to the feedback received from the research supervisors, the second step was to consider the potential study participants. David and Sutton (2011) commented that interviewing a small number of people from a target population is important. The pilot study for the CPD participants was conducted with auditors who had undertaken CPD organised by the IICPA.
but were not included in the sample. For the CPD provider, the pilot study conducted with a person from the Ministry of Finance who had knowledge regarding CPD for the auditing profession in Indonesia but was not involved as a participant in this thesis.

Language used in an interview is important since it is the medium through which qualitative interview data are generated and collected (David & Sutton 2011). Therefore, it is essential that questions be asked in a language that the interviewee can make sense of, and which is understood in the sense that the interviewer intends. The pilot study conducted in this thesis used Bahasa Indonesia and the interview questions were translated from English to Bahasa Indonesia.

The pilot study also enabled this investigator to rehearse the interview and to ask the participants whether or not they understood each question. Understanding the question and wanting to answer are not the only potential weak points in an interview because there is a possibility that questions might address things that the interviewee is unable to answer or they might not have access to certain kinds of information (David & Sutton 2011). As a response, during the pilot study the participants were also asked whether or not they felt the interview was biased in any way. The answers and feedback received from the pilot study participants were very helpful in revising the prompt and probes used in this thesis. Lastly, the pilot study also gave this investigator an idea about how long the duration of the interview would be. The knowledge regarding the duration of the interview was valuable when arranging interview appointments with the participants.
The pilot study was conducted with two CPD participants who worked in different accounting firms and who were available for the pilot study. As a result of the pilot study, some of the sentences’ structures used in the interview questions were changed a little in order to make it easier for the participants to answer the interview questions. The first revised interview question concerned the current CPD regulations for IICPA members. The original question was unclear and the pilot study participants did not immediately understand the question correctly the first time and needed to hear the question again in order to understand. As a result, the question was changed to make it clearer and unambiguous. The second interview question that was revised after the pilot study was the question asking whether or not CPD offerings met the needs of the CPD participants in terms of knowledge and skill. The original interview question asked only whether or not the CPD participants received CPD for special skills relevant to their specialty areas, whereas the question was intended to find out whether or not the CPD participants’ actual needs of skills and knowledge - including specialist skills’ needs - were met. Thus, the interview question was changed to better reflect the purpose of the question and to obtain a more in-depth answer from the CPD participants. Table 3.11 below shows the changes made to the interview questions for the CPD participants before and after the pilot study:

**Table 3.11 Interview Question Changes after Pilot Study**

<table>
<thead>
<tr>
<th>No.</th>
<th>Original questions before pilot study</th>
<th>New questions after pilot study</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Are you aware of the current Indonesian government regulations enforced via the Indonesian Institute</td>
<td>Do you know CPD requirements from the government/accounting policy regulatory bodies that apply to you?</td>
</tr>
<tr>
<td>No.</td>
<td>Original questions before pilot study</td>
<td>New questions after pilot study</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td></td>
<td>of Certified Public Accountants (IICPA) regarding CPD?</td>
<td>What are they?</td>
</tr>
<tr>
<td>2.</td>
<td>Do you get CPD on skills that are relevant to your specialty area?</td>
<td>Do you perceive the current CPD offerings meet your actual needs in terms of knowledge and skills?</td>
</tr>
</tbody>
</table>

3.7 Data Analysis

This section elaborates the data analysis conducted in this thesis. The discussion of this section starts with thematic analysis as a chosen data analysis tool, coding, and the data analysis process.

3.7.1 Thematic Analysis

For the data analysis, thematic analysis was chosen as the analysis tool for this thesis. Jones and Forshaw (2012) explained that thematic analysis involves coding texts, reading and rereading them and noticing various words or concepts that seem to be recurring. The words or concepts then become codes and on further reading these codes can be adapted and modified, either by joining some codes together under a new theme or splitting them into two different themes (Jones & Forshaw 2012).

Boyatzis (1998) explained that thematic analysis is a process for encoding qualitative information because the encoding required an explicit code. This process of encoding of qualitative information involves code that may be a list of
themes; a complex model with themes, indicators, and qualifications that are causally related; or something in between these two forms (Boyatzis 1998).

According to Howitt and Cramer (2008), a thematic analysis is an analysis of textual material that reveals a major theme within it. A theme is ‘a subject or topic on which a person spoke, wrote, or thought’ (Howitt & Cramer 2008, p. 336). Similarly, Braun and Clarke (2006) defined thematic analysis as a method for identifying, analysing and reporting patterns (themes) within data and it assists in organising and describing a data set in rich detail.

In the qualitative approach to research there are other methods similar to thematic analysis in the sense that these methods analyse text and identify themes. Grounded theory is one of these qualitative methods. Grounded theory, however, is intended as a means of generating theory, which is closely tied to the data; whereas theory development is not the purpose of thematic analysis (Braun & Clarke 2006; Howitt & Cramer 2008). Moreover, thematic analysis is not aligned with any particular theory or method although it is presented from a qualitative approach to research which is data-led (Howitt & Cramer 2008). Because the purpose of this thesis is not to construct a theory, thematic analysis is more appropriate.

In the literature, thematic analysis demonstrates its usefulness in investigating CPD for the professional accountants. De Lange, Jackling and Suwardy (2010) in their research in the Asia Pacific region commented that themes are important when examining the professional accountants’ perception of CPD activities. De Lange et al. (2012) conducted a study of the CPD framework for the professional
accountants in Singapore, South Africa, Australia, Europe and the USA and they also used thematic analysis because thematic analysis enabled them to extract message from the interviews. Moreover, examination of the themes generated from data analysis produced a number of insights regarding CPD offerings from the perspectives of key stakeholders in the accounting profession (De Lange et al. 2012).

Thematic analysis has other advantages. These, taken from Braun and Clarke (2006, p. 97) are displayed in Table 3.12 below. Themes emerging from thematic analysis can also have sub-themes. Sub-themes are themes-within-a-theme and they can help to ‘give structure to a large and complex theme and also for demonstrating the hierarchy of meaning within the data’ (Braun & Clarke 2006, p. 92). The advantages of thematic analysis fit well with this thesis. Thematic analysis is really useful in helping to summarise and describe the data set gathered in this thesis. The data set consists of 48 interviews with CPD participants, three interviews with representatives from the IICPA as the CPD provider and one interview with a representative from the Ministry of Finance. A total of 52 semi-structured interviews were conducted. Therefore, a qualitative data analysis method that can summarise, describe, highlight similarities and differences across the data set was needed and thematic analysis was most appropriate to be used. Furthermore, the findings of this thesis are intended to inform a better future CPD policy and activities for the IICPA members; thus, thematic analysis was a viable option.
### Table 3.12 Thematic Analysis Advantages

<table>
<thead>
<tr>
<th>No.</th>
<th>Thematic Analysis Advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Flexibility</td>
</tr>
<tr>
<td>2.</td>
<td>Relatively easy and quick method to learn, and do</td>
</tr>
<tr>
<td>3.</td>
<td>Accessible to researchers with little or no experience of qualitative research</td>
</tr>
<tr>
<td>4.</td>
<td>Results are generally accessible to educated general public</td>
</tr>
<tr>
<td>5.</td>
<td>A useful method for working within participatory research paradigm</td>
</tr>
<tr>
<td>6.</td>
<td>Can usefully summarise key features of a large body of data, and/or offer a thick description of the data set</td>
</tr>
<tr>
<td>7.</td>
<td>Can highlight similarities and differences across the data set</td>
</tr>
<tr>
<td>8.</td>
<td>Can generate unanticipated insights</td>
</tr>
<tr>
<td>9.</td>
<td>Allowed for social as well as psychological interpretations of data</td>
</tr>
<tr>
<td>10.</td>
<td>Can be useful for producing qualitative analyses suited to informing policy development</td>
</tr>
</tbody>
</table>

Three stages of thematic analysis were conducted in this thesis and the stages followed Boyatzis (1998), Braun and Clarke (2006), Howitt and Cramer (2008), and Jones and Forshaw (2012):

- Transcribing textual material. This process is based on the qualitative data collection method employed in this thesis, which is the semi-structured interview. Reading and transcribing the data increased this investigator’s familiarity with the materials. In other words, the transcription process was part of the process of analysis. The whole process from interview to
translation of interview texts assisted this investigator to become familiar with the text early and this continued throughout the data analysis.

- Analytic effort. This refers to the amount of work or processing that this investigator applies to the text in order to generate the final themes, which are the end-point of thematic analysis (Braun & Clarke 2006; Howitt & Cramer 2008). The analytic efforts conducted in this thesis were: (a) this investigator became increasingly familiar with the text via semi-structured interviews, and transcribing and translating the interview texts, so that understanding could be achieved, thereby avoiding partial knowledge of the data; (b) this investigator worked to obtain the details of the data, both by analysing each sentences and entire passages from the study participants’ answers, in order to summarise the overall themes; (c) this investigator processed and reprocessed the data in order to achieve as close a fit of the analysis to the data as possible; (d) assistance was sought from the research supervisors of this thesis to address a number of difficulties that emerged during the course of the data analysis; (e) this investigator, together with the research supervisors checked and rechecked the fitness of the data analysis process.

- Identifying themes and sub-themes. According to Braun and Clarke (2006), researchers differ considerably in terms of how and how carefully they choose to refine the themes, which emerge from their analysis. Therefore, this investigator worked closely with the research supervisors to decide on appropriate coding for the data and on the useful and employable themes that emerged from those data. This investigator
continued with this process until the research supervisors deemed that this investigator had gone as far as possible. This process of continuing with analysis in qualitative methodology until one can go no further is known as ‘saturation’ (Richards 2009; Hennink, Hutter & Bailey 2011; Jones & Forshaw 2012).

3.7.2 Coding

In order to analyse the qualitative data obtained for this thesis, a manual coding process was conducted. This is the process of applying codes to the data so that the data can be interconnected to highlight the similarities and differences within and between texts (Bernard 2011; David & Sutton 2011). According to David and Sutton (2011) a code is the key word, theme or phrase that may or may not correspond to the actual requirements in the text being analysed. Furthermore, coding enables data reduction. David and Sutton (2011, p. 102) explained how coding helps the qualitative researcher:

By flagging up those pieces of text where key themes seem to recur, researchers were able to narrow their focus of attention of the entire text of the only areas that they think are important. By identifying whether there is a pattern between pieces of code to a particular theme, researchers can test the strength of potential accounts, descriptions and/or explanations.

Before commencing the coding process, the data of this thesis was organised on a spread sheet then pre-coded by highlighting the data in bold colours. According to Lofland (2006), the highlighted data could become key pieces of the evidentiary warrant to support propositions, assertions, or theory, and served as illustrative examples throughout a study report. The pre-coding step was very
useful for this thesis since it enabled the investigator to focus on striking and important fragments or pieces from the interview transcripts.

Saldana (2013, p. 3) explained that: ‘a code in qualitative inquiry is most often a word or short phrase that symbolically assigned a summative, salient, essence-capturing, and/or evocative attribute for a portion of language-based or visual data’. Similarly, Miles, Huberman and Saldana (2014) explained that codes are labels that assign symbolic meaning to the descriptive or inferential information compiled during a study. Furthermore, codes are usually attached to data “chunks” of different size and can take the form of a straightforward, descriptive label or a more suggestive and complex one. In other words, coding is the data analysis in qualitative research. Coding is a deep reflection about, and, therefore an in-depth analysis and interpretation of the meaning of the data. Codes are primarily, but not exclusively, used to retrieve and categorise similar data chunks so the researcher can quickly find, extract and cluster the segments relating to particular research questions, hypotheses, constructs or themes (Miles, Huberman & Saldana 2014). The clustering and display of condensed data helps to set the stage for further analysis and inferences from the data analysed.

Saldana (2013) also explained that to codify means to organise or to categorise data in a systematic order, to make something part of a system or classification. Therefore, coding is a method that enables organisation and grouping of similarly coded data into categories because they share some characteristics, which signal the beginning of a pattern; and thus, assisting in identifying the most recurrent themes in the data (Saldana 2013).
This thesis employed First Cycle and Second Cycle coding as informed by Saldana (2013) to analyse the data. In his book: “The Coding Manual for the Qualitative Researcher” Saldana (2013) divided coding into two major stages: First Cycle and Second Cycle Coding. First Cycle coding methods are the process of assigning codes that are initially assigned to the data chunks. First Cycle coding is very similar to the Boeije (2010) definition of open coding. Boeije (2010) explained that open coding is the process of breaking down, examining, comparing, conceptualising and categorising data.

After the First Cycle coding is conducted, Second Cycle coding is then employed in this thesis. Saldana (2013) explained that Second Cycle coding is an advanced way of reorganising and reanalysing data coded through First Cycle methods. The aim of Second Cycle coding is ‘to develop a sense of categorical, thematic, conceptual, and/or theoretical organisation from an array of First Cycle codes’ (Saldana 2013, p. 207). Hence, the Second Cycle coding helped this thesis to identify the themes that can be inferred from the data.

Two types of coding were employed during First Cycle coding and Second Cycle coding in this thesis. The first type of coding is in vivo coding, one of the most frequently used methods of qualitative coding. Saldana (2013) explained that in vivo coding uses words or short phrases from the participant’s own language as a code in the data record. He further argued that in vivo coding can be used for almost all qualitative studies, but is useful mainly for qualitative researchers as a means of learning how to code the data, and in studies that prioritise and respect the voices of participants. The second type of coding used in this thesis is focused coding. According to Saldana (2013), focused coding searches for the most
frequent or significant codes in order to develop the most salient categories in the
data corpus and requires decisions about which initial codes make the most
analytical sense. Focused coding is particularly helpful to Second Cycle coding
where it reduces any overlapping codes; hence, as a result, more streamlined
themes can emerge from the data.

3.7.3 Data Analysis Process

This section explains the data analysis process in order to answer the research
questions posed in this thesis. The research questions of this thesis are:

*RQ1*: To what extent do the IICPA members understand and engage in CPD?

*RQ2*: How do the CPD drivers and CPD outcomes influence the engagement of
the IICPA members in CPD?

The data analysis process carried out in this thesis will be explained in as
much detail as possible in order to improve the quality of the thematic analysis.
The importance of giving a detailed account of thematic analysis reporting is
explained by Howitt and Cramer (2008, p. 348):

> It improves a report of thematic analysis if detail of the method used by
> the researcher is included. It is insufficient (and perhaps misleading) to
> merely say that a thematic analysis was carried out and that certain themes
> ‘emerged’ during the course of the analysis. This gives no real indication
> of how the analysis was carried out or the degree to which the researcher is
> active in constructing the themes which their report describes.

Howitt and Cramer (2008, p. 348) also stated that ‘a good thematic analysis can
be quantified in terms of the rates of the prevalence and incidents of each of the
themes’. Prevalence is the number of participants who say things relevant to a particular theme and incidence is the frequency of occurrence of the theme throughout the dataset (Howitt & Cramer 2008). In this thesis the number of participants who say things relevant to a particular theme (prevalence) will be presented in Chapter 4 and Chapter 5. Frequency of occurrence of the theme throughout the dataset (incidence) of this thesis will be presented in Appendix 7 and the number of quotes included under each theme in this thesis will be presented in Appendix 8.

3.7.3.1 CPD Understanding and Engagement

This section discussed the data analysis for Research Question 1: \textit{To what extent do the IICPA members understand and engage in CPD?} The data analysis for RQ1 was conducted according to the steps in Figure 3 below:
Table 3.13 below provides an overview of the themes found from the data analysis on CPD understanding and engagement by the participants:
### Table 3.13 Overview of CPD Understanding and Engagement Themes and Sub-Themes

<table>
<thead>
<tr>
<th>No.</th>
<th>CPD Understanding and Engagement</th>
<th>Themes</th>
<th>Sub-Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Levels of Participation</td>
<td>Less than required, More than required, Meet the requirements</td>
<td>- Five credit points short, - 10 credit points short, - More than 10 credit points short, Five credit points surplus</td>
</tr>
<tr>
<td></td>
<td>Reasons for less than required participation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Knowledge of CPD requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Actual needs fulfilment by CPD</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Satisfaction with the quality of CPD activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Pattern of participation</td>
<td>Accounting practice and standards, industry specialisation and regulations</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Preference of activities</td>
<td>Face-to-face, To have interactive discussion</td>
<td>- Seminars, - Workshops, - No specific face-to-face format, - Discussions</td>
</tr>
<tr>
<td></td>
<td>Reasons for face-to-face preferences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Obstacles to participation</td>
<td>- Time</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>CPD Understanding and Engagement</td>
<td>Themes</td>
<td>Sub-Themes</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------</td>
<td>----------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No obstacles</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Big seminar format</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Location</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Cost</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Quality of speaker</td>
<td></td>
</tr>
</tbody>
</table>

3.7.3.1 Levels of Participation in CPD Activities

In attempting to answer Research Question 1, this thesis investigated the levels of participation in CPD activities. Hereafter, the term ‘participants’ refers to CPD participants only. Firstly, in the First Cycle coding, information about self-reported credit points was identified from interview transcripts using in vivo coding. Secondly, the levels of participation were determined by comparing the self-reported credit points gathered by the participants with their credit point requirements. CPD credit points were used in this thesis instead of CPD hours since the policy regulatory bodies in Indonesia measure CPD by the number of credit points allocated to CPD activities. One credit point equals to 50 minutes of activity (IIA 2012). The credit points required for each of the IICPA members are listed in Table 2.2.

After comparing the self-reported CPD credit points obtained by the participants with their credit point requirements, then a level of participation in CPD activities could be decided during Second Cycle coding by using focused coding. Three themes emerged from the coding cycle regarding levels of participation: (1) meet the requirements; (2) more than required; (3) less than required. The participants with more CPD than required have excess of five CPD credit points and the participants with less CPD than required were five CPD
credit points short, 10 CPD credit points short and more than 10 CPD credit points short.

In order to investigate why there were participants who did less CPD than was required of them, several item from research questions were also analysed using the same data analysis process as described in Figure 3.1: (1) knowledge of CPD requirements, from both the participants and provider point of view; (2) actual need fulfilment by CPD from both the participants and provider point of view; (3) satisfaction with the quality of CPD activities from the participants’ point of view; (4) CPD monitoring, from the provider (IICPA) and a policy regulatory body (MoF) point of view; (5) compliance and consequences from the participants’ point of view.

3.7.3.1.2 Pattern of Participation in CPD Activities
The pattern of participation in CPD activities in this thesis was investigated by examining the actual CPD activities undertaken by the CPD participants. In order to investigate this pattern, the participants were asked about the topics of their CPD activities for the last 12 months. CPD activities offered and recognised by the IICPA were all in face-to-face format; therefore, the pattern was determined by the topics of CPD activities and not the format of activities. The CPD activities undertaken by the participants were then coded according to the nature of the topics. Firstly, the information on actual CPD activities was identified from interview transcripts. Secondly, First Cycle coding was employed using in vivo coding; and subsequently, Second Cycle coding was employed using focused
coding in order to narrow down the codes from the First Cycle coding. The Second Cycle coding produced the major theme for the pattern of CPD participation, which comprised accounting practice and standards, industry specialisation and regulations. Codes employed to build the aforementioned themes were: (1) IFRS, (2) financial statement, (3) accounting standards, (4) accounting policies, (5) entities without public accountability, (6) banking, (7) stock exchange, (8) local government election audit, (9) insurance, (10) sharia (Islamic) accounting, (11) biological assets, (12) plantation, (13) forestry, (14) state audit, (15) new law for public accountants, and (16) rules and regulations from the MoF.

3.7.3.1.3 Preferences of Participation in CPD Activities

The preference for types of CPD activities was investigated in this thesis to determine the participants’ preferred formats for CPD activities. Thus far, the IICPA provides only a face-to-face format of CPD for its members. Unlike other professional accountants from developed countries or advanced economies, the IICPA members were not familiar with other formats of CPD; hence, probes were needed to help the participants to identify their preferences. Probes used in the interview question of this thesis regarding CPD preferences were online format and face-to-face format; thus, the participants’ answers related only to online and face-to-face preferences.

By understanding the participants’ preferred CPD activities, the CPD provider can design CPD activities based on those preferences, and eventually,
this will increase levels of participation in CPD activities. The information about preferences regarding participation in CPD was identified from interview transcripts. First Cycle coding was employed using in vivo coding and subsequently, Second Cycle coding was also employed using focused coding in order to narrow down the codes from the First Cycle coding. The Second Cycle coding produced the major theme for preferences of CPD participation which is face-to-face CPD format. The next step was to investigate the type of face-to-face CPD format that the participants prefer. Again, the First Cycle and Second Cycle coding were employed and the major sub-themes that emerged were face-to-face seminars, face-to-face workshops, no specific face-to-face format and face-to-face discussion. The data analysis also investigated the reasons why the IICPA members preferred face-to-face format. From the First Cycle and Second Cycle coding used, the major theme emerged was interactive discussion. Thus, it can be inferred that the IICPA members preferred face-to-face CPD in order to have interactive discussion. The codes used to build interactive discussion theme are: (1) case study discussion, (2) interactive, (3) interactive direct discussion, (4) to hear directly from the speakers, (5) to have live discussion, (6) to hear feedback from other participants, (7) direct interaction, (8) direct communication, (9) not just one way teaching, (10) discuss current issues and development updates, (11) intensive discussion, (12) sharing experiences, (13) question and answer sessions, and (14) deep discussion.
3.7.3.1.4 Obstacles to Participation in CPD Activities

Obstacles to participation in CPD activities are investigated in this thesis in order to discover the factors that can possibly deter the participants from undertaking CPD activities. After identifying these obstacles from interview transcripts, the First Cycle coding is employed using in vivo coding. The First Cycle coding is then followed by Second Cycle coding using focused coding. From the Second Cycle coding, time emerged as the major theme for obstacles to participation in CPD activities followed by no obstacles, big seminar format, location, cost, and quality of speaker. In building the time theme, the codes employed were: (1) difficult to find time, and (2) difficult to sit in for a whole day due to busy working schedule. For the no obstacles theme, the codes employed were: (1) no significant obstacles, and (2) no obstacles at all. Codes employed for the location theme were: (1) location in a traffic-jammed area, (2) location is too far from office, and (3) location is too far and in a traffic-jammed area. For the big seminar format, codes employed were: (1) number of seminar participants should be limited, (2) too many participants make it difficult to concentrate, (3) small classes are needed in order to encourage intense discussion, (4) limited question and answer session in big seminars, and (5) big seminar is not effective for learning. For cost, codes employed were: (1) cost is too high, (2) CPD fee is not covered by firms, (3) accommodation costs are incurred when staying overnight, and (4) must fly to Jakarta to attend CPD events. To construct the quality of speaker theme, the codes employed were: (1) CPD speakers were lacking of authority, and (2) speakers are not the right people to deliver CPD materials.
3.7.3.2 **CPD Drivers and CPD Outcomes**

This section discusses the data analysis for Research Question 2: *How do the CPD drivers and CPD outcomes influence the engagement of the IICPA members in CPD?* The data analysis conducted to investigate RQ2 was slightly different due to the nature of the interview questions addressed to the participants. The participants were asked whether or not they agreed with CPD drivers and CPD outcomes as described in the theoretical framework of this thesis (please refer to Figure 2). The answers received from the participants were a straightforward ‘agree’ or ‘disagree’; hence, First Cycle coding using in-vivo coding was considered adequate for the analysis. The next step was to investigate why the participants agreed or disagreed. In other words, sub-themes of the agreement or disagreement needed to be investigated. Therefore, Second Cycle coding using focused coding was employed for more in-depth investigation and to uncover the sub-themes. The data analysis for RQ2 was conducted according to the steps in Figure 4 below:
Figure 4 Data Analysis Process for RQ2

For the CPD drivers and CPD outcomes according to the participants, Table 3.14 and 3.15 below show the themes and sub-themes, respectively.
### Table 3.14 Overview of CPD Drivers Themes

<table>
<thead>
<tr>
<th>No.</th>
<th>CPD Drivers</th>
<th>Themes</th>
<th>Sub-Themes</th>
</tr>
</thead>
</table>
| 1.  | Policy regulatory bodies’ requirements | Agreed | - Compliance  
- Still undertake CPD without regulation out of necessity |
| 2.  | Ethical requirements | Agreed  
Disagreed | - Maintain competency as a professional  
- No relationship between ethical requirements and CPD  
- CPD is driven more by the professional body requirements  
- CPD is driven more by the policy regulatory bodies’ requirements  
- Not sure with ethical requirements as a CPD driver |
| 3.  | Specialist skills | Agreed | - Business focus/needs |
| 4.  | Lifelong learning | Agreed | - Keeping up to date  
- The nature of the profession  
- Keep on learning |

### Table 3.15 Overview of CPD Outcomes Themes

<table>
<thead>
<tr>
<th>No.</th>
<th>CPD Outcomes</th>
<th>Themes</th>
<th>Sub-Themes</th>
</tr>
</thead>
</table>
| 1.  | Keeping up to date | Agreed | - To obtain updates on accounting standards/IFRS  
- To be not left behind  
- To maintain professional image |
| 2.  | Improvement and broadening of knowledge and skills | Agreed | - Providing a quality service to clients  
- Technical skills other than IFRS  
- IFRS |
<table>
<thead>
<tr>
<th>No.</th>
<th>CPD Outcomes</th>
<th>Themes</th>
<th>Sub-Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>Development of personal qualities necessary to execute professional and technical duties</td>
<td>Agreed</td>
<td>- Added insight can increase self-esteem</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Sharing with and learning from other people during CPD</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Compliance with rules and regulations</td>
</tr>
<tr>
<td>4.</td>
<td>Sustainability of the profession as a whole</td>
<td>Agreed</td>
<td>- Being up to date through undertaking CPD</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- CPD helped to organise the profession better</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- CPD helped to ensure the sustainability of the business</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- CPD could promote trust towards the profession</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- CPD helped the auditors to compete</td>
</tr>
</tbody>
</table>

### 3.7.3.2.1 CPD Drivers

There are four CPD drivers being investigated in this thesis, all of which are derived from the literature. The drivers analysed in this thesis are: (1) policy regulatory bodies’ requirements; (2) ethical requirements; (3) specialist skills; and (4) lifelong learning.

#### 3.7.3.2.1.1 Policy Regulatory Bodies’ Requirements

The first driver that will be discussed in this section is the policy regulatory bodies’ requirements. The theme developed was agreement with the policy regulatory bodies’ requirements as a CPD driver. Afterwards, the reason for this agreement was investigated. The sub-themes for agreement with the policy
regulatory bodies’ requirement as a CPD driver were: (1) compliance; and (2) still undertake CPD without regulation out of necessity. The codes employed to construct the compliance sub-theme were: (1) public accountants are monitored by the MoF; (2) CPD is compulsory according to the policy regulatory bodies; (3) CPD is compulsory for the IICPA members; and (4) compulsory 30 credit points per year. For still undertake CPD without regulation out of necessity sub-theme, the codes employed were: (1) the policy regulatory bodies’ requirements is the least driver because CPD is a necessity; (2) have to keep improving knowledge and skills regardless of CPD requirements; and (3) accountants must upgrade themselves.

3.7.3.2.1.2 Ethical Requirements

The next driver to be investigated was the ethical requirements. The themes developed were agreement with the ethical requirements as a CPD driver and disagreement with the ethical requirements as a CPD driver. Afterwards, reasons for the agreement and disagreement were also investigated. The sub-theme for agreement with the ethical requirements as a CPD driver was to maintain competency as a professional. The codes employed to construct to maintain competency as a professional sub-theme were: (1) competency is a must, (2) need to maintain competency, (3) code of ethics required accountants to be competent, and (4) must improve knowledge and skills for serving clients. Furthermore, the sub-theme for disagreement with the ethical requirements as a CPD driver were: (1) no relationship between the ethical requirements and CPD; (2) CPD is driven more by the professional body requirements; (3) CPD is driven more by the policy
The codes used to construct no relationship between the ethical requirements and CPD sub-theme were: (1) the ethical requirements have nothing to do with CPD, and (2) not yet a CPD; thus, cannot see the connection. The codes used to construct CPD is driven more by the professional body requirements sub-theme were: (1) the IICPA members must undertake CPD; and (2) the IICPA members must be competent. The codes used to construct CPD is driven more by the policy regulatory bodies’ requirements sub theme were: (1) CPD is required by the MoF; and (2) Public accountants must undertake CPD. The codes used to construct not sure with the ethical requirements as a CPD driver sub-theme were: (1) not sure with the ethical requirements; and (2) does not know the ethical requirements for the IICPA members.

3.7.3.2.1.3 Specialist Skills

The next CPD driver being investigated in this thesis is specialist skills. The theme developed was agreement with specialist skills as a CPD driver and the sub-theme for agreement with specialist skills was business focus/needs. The codes employed to construct business focus/needs sub-theme were: (1) to serve clients better; (2) CPD is important to enter specific industries; (3) changes in industries’ rules and regulations; and (4) must perform audit for specific industries.
3.7.3.2.1.4 *Lifelong Learning*

This section explains the themes regarding whether or not lifelong learning is one of the CPD drivers. The theme that emerged was agreement with lifelong learning as a CPD driver and the sub-themes emerged were: (1) keeping up to date; (2) the nature of the profession; and (3) keep on learning. The codes employed in constructing keeping up to date sub-theme were: (1) need to keep abreast with latest development; and (2) obtain updates on regulations. The codes employed in constructing the nature of the profession sub-theme were: (1) continuing learning is a must for auditors; (2) to keep on learning is the nature of the profession; (3) public accountants must keep updating with current development; (4) public accountants must avoid stagnation; and (5) the profession needs to keep developing. The codes employed in constructing keep on learning sub-theme were: (1) need to keep on learning; (2) learning does not stop at college level; and (3) continuous learning is a positive thing.

3.7.3.2.2 *CPD Outcomes*

This section explains data analysis for CPD outcomes. CPD outcomes analysed in this thesis are: (1) keeping up to date; (2) improvement and broadening of knowledge and skills; (3) development of personal qualities necessary to execute professional and technical duties; and (4) sustainability of the profession as a whole.
3.7.3.2.2.1 Keeping Up to Date

The first CPD outcome being investigated is keeping up to date. The theme emerged was agreement with keeping up to date as a CPD outcome. Furthermore, the sub-themes for agreement regarding keeping up to date as a CPD outcome were: (1) to obtain updates on the accounting standards/IFRS; (2) to be not left behind; and (3) to maintain professional image. The codes employed to construct the sub-theme to obtain updates on the accounting standards/IFRS were: (1) updating on IFRS, (2) IFRS implementation, and (3) to know new accounting and auditing standards. The codes employed to construct the sub-theme to be not left behind were: (1) accounting is keep developing; (2) to be aware of professional and regulation development to be not left behind; and (3) looking for current issues. The codes employed to construct the sub-theme to maintain professional image were: (1) to appear capable in front of clients; (2) maintaining professional image; and (3) public accountants are required to learn new things continuously to face the globalisation.

3.7.3.2.2.2 Improvement and Broadening of Knowledge and Skill

The second CPD outcome being investigated is the improvement and broadening of knowledge and skills. The theme emerged was agreement with the improvement and broadening of knowledge and skills as a CPD outcome. The data analysis also indicates that the sub-themes for agreement with the improvement and broadening of knowledge and skills as a CPD outcome were: (1) providing a quality service to clients; (2) technical skills other than the IFRS; (3) the IFRS. The codes used to construct providing a quality service to clients
sub-theme were: (1) by not updating or not having extensive knowledge, auditors will provide poor services to clients; (2) it is important to add knowledge and skills to serve clients; (3) need to undertake CPD activities based on clients’ industries; and (4) firm can be developed and obtain more clients through undertaking CPD. The codes used to construct technical skills other than the IFRS sub-theme were: (1) CPD helps to understand audit working papers better; (2) CPD helps to understand IFAS number 50 and 55; (3) CPD on stock exchange and taxation is helpful; and (4) CPD on financial statement currency is invaluable. The codes used to construct the IFRS sub-theme were: (1) updating knowledge on the IFRS can thrive business; (2) skill on CPD will be increased by undertaking CPD; and (3) become aware of the IFRS implementation.

3.7.3.2.2.3 Development of Personal Qualities Necessary to Execute Professional and Technical Duties

The third CPD outcome under investigation was the development of personal qualities necessary to execute professional and technical duties. The theme emerged from data analysis was agreement with development of personal qualities necessary to execute professional and technical duties as a CPD outcome. The data analysis also indicates that the sub-themes for agreement with the development of personal qualities necessary to execute professional and technical duties as a CPD outcome were: (1) added insight can increase self-esteem; (2) sharing with and learning from other people during CPD; and (3) compliance with rules and regulations. The codes employed for added insight can increase self-esteem sub-theme were: (1) experiences alone are not enough, (2) CPD makes
auditors one step ahead, (3) get new knowledge and perspectives that can increase self-esteem, (4) trustworthy and image can be enhanced by undertaking CPD. To construct sharing with and learning from other people during CPD sub-theme, the codes used were: (1) CPD enables networking and discussions with other auditors; (2) can share problems with other auditors to get solution; (3) CPD enables to build relationship with other auditors; (4) obtains more knowledge through sharing and having discussion with more experienced auditors; (5) learning from other people experiences was very useful; (6) CPD materials can be shared with other people in the office; and (7) enables to know other people views. The codes used to construct compliance with rules and regulations sub-theme were: (1) public accountants will be more selective in accepting clients in order to comply with law and regulations; (2) by updating on rules and regulations personal quality will be develop; (3) CPD helps to understand due care and integrity; (4) CPD helps to understand code of ethics; and (5) CPD encourages auditors to adhere to minimum audit fee set by the IICPA.

3.7.3.2.2.4  Sustainability of the Profession as a Whole

The last of the CPD outcomes investigated in this thesis is whether or not sustainability of the profession as a whole is a CPD outcome according to the participants. The theme that emerged was agreement with the sustainability of the profession as a whole as a CPD outcome and the sub-themes that emerged together with this agreement were: (1) being up to date can sustain the profession; (2) CPD helps to organise the profession better; (3) CPD helps to ensure business sustainability; (4) CPD fosters trust in the profession; and (5) CPD helps auditors
to compete. The codes employed for being up to date can sustain the profession were: (1) keep updating knowledge and quality through CPD; (2) without CPD, the profession cannot keep up with current development and international standards; and (3) by not keeping up to date, accounting firms would not thrive and develop. The codes for CPD helps to organise the profession better were: (1) CPD ensures the profession’s viability; (2) without CPD auditors must find information about current developments for themselves; (3) without CPD members of the profession will offer services that vary in quality due to the lack of directions from the authorities; (4) without CPD, the auditors’ perception will differ from one another; and (5) CPD helps to maintain professional standards. The codes employed for CPD helps to ensure business sustainability were: (1) to be in the business, auditors must maintain competence through CPD; (2) more confident in maintaining clients; (3) by not undertaking CPD, their business will stagnate; (4) if auditors are not updated, clients will leave, and (5) CPD aids small firms to improve quality control. The codes for CPD can promote trust towards the profession were: (1) without awareness to undertake CPD, society will look down on auditors; and (2) CPD is needed to maintain public trust and recognition. Codes for CPD helps auditors to compete were: (1) CPD improves competency, enabling auditors to be competitive, (2) CPD gives a competitive edge to Indonesian auditors when competing with foreign auditors; and (3) without CPD, auditors will be left behind and be unable to compete.
3.8 Reliability and Validity

Interviews can answer the question of validity since interviewing a number of participants enables the researcher to connect their experiences and check the comments of one participant against those of others and there are records that can be looked to for corroboration (Weiss 1994; Seidman 2013). Moreover, the goal of the interview process is to understand how the participants understand and make meaning of their experiences (Seidman 2013). Seidman (2013) further argued that if the interview runs in the way that enables the participants to make sense to themselves as well as to the interviewer, then the interview is on the right track towards validity. Weiss (1994, p. 150) commented that: ‘Despite all the ways in which interview material can be problematic, richly detailed accounts of vividly remembered events are likely to be trustworthy’.

In this thesis, this investigator relied on the quality of the interviewing for the validity of the materials. Preparation before interview such as carefully drafted interview questions, the use of audio recording, interview guide and also allocating a minimum of one hour for each interview helped this investigator to conduct good quality interview. Building a rapport with the participants during the interviews was also crucial in this thesis. This investigator also tried to gather as many stories as possible from the participants in order to understand and to make meaning of their experiences and understanding regarding CPD. This investigator also followed the interview guide to ensure that the interviews ran smoothly and in the right direction. After all, ‘the best guarantee of the validity of interview material is careful, concrete level, interviewing within the context of a good interviewing partnership’ (Weiss 1994, p. 150).
In the literature, there is also a discussion regarding reliability and validity of interview knowledge. Kvale and Brinkmann (2009) explained that reliability in interview pertains to the consistency and trustworthiness of research findings and it is often treated in relation to the issue of whether or not a finding is reproducible at other times and by other researchers. They further argued that interviewer reliability is of particular importance in relation to leading questions, which when they are not a deliberate part of an interviewing technique, may inadvertently influence the participants’ answers. Hence, in order to maintain the reliability and trustworthiness of the participants’ answers, the interviews conducted did not contain leading questions that were not part of the interview technique.

Another issue that may arise pertaining to the reliability of interview knowledge is transcription reliability. Transcriptions are constructions from an oral conversation to a written text. Kvale and Brinkmann (2009) explained that one way to address the reliability question of transcription reliability is to have two persons independently transcribe an interview and then compare the two transcripts of the same interview. In this thesis, this investigator selected random anonymous interview recordings to be checked by another independent professional person who speaks Bahasa Indonesia and English fluently to transcribe the same transcripts. The transcripts produced by the other person were then used to improve the transcripts produced by this investigator.

Another issue to consider is interviewer reliability when interpreting interview transcripts. According to Kvale and Brinkmann (2009) this issue implies the main question of whether there is one correct interpretation of a
literary text or whether there is a legitimate multiplicity of interpretations. Nonetheless, Kvale and Brinkmann (2009, p. 213) emphasized that we must distinguish between biased subjectivity and perspectival subjectivity:

A biased subjectivity simply means sloppy and unreliable work; researchers noticing only evidence that supports their own opinions, selectively interpreting and reporting statements justifying their own conclusions, overlooking any counterevidence. A perspectival subjectivity appears when researchers who adopt different perspectives and pose different questions to the same text come up with different interpretations of the meaning. When the readers’ different perspectives on a text are made explicit, the different analyses should also become comprehensible. Subjectivity in this sense of multiple perspectival interpretations will then not be a weakness, but testify to the fruitfulness and the vigour of interview research.

Similar to Kvale and Brinkmann (2009), Boyatzis (1998) argued that reliability is consistency of judgment that protects against or lessens the contamination of projection. Boyatzis (1998, pp. 146-147) explained that consistency of judgment with qualitative information appears in two basic forms: (1) consistency of judgment among various viewers; and (2) consistency of judgment over time, events, and settings. Consistency among various viewers is achieved when different people observing or reading the information see the same themes in the same information. Consistency of judgment among multiple viewers or observers is also called interrater reliability. Nonetheless, consistency of judgment among viewers is dependent on the access of the multiple coders to the raw information (Boyatzis 1998). Thus, the reliability, not to mention the validity, of information obtained in qualitative research is directly influenced by the way the information is recorded and the choice of what is recorded.
In order to increase consistency of judgment, the use of audiotape and videotape recordings helps to reduce variations in observations by creating a consistent source of the qualitative information (Peräkylä 1997; Boyatzis 1998). This thesis used a voice recorder to record the interviews with the study participants, except for those who refused to have their interviews recorded. Out of 48 CPD participants, three representatives from CPD provider and one representative from the MoF interviewed in this thesis, only three people from CPD participants refused to be recorded. The answers obtained from these three interviews were captured only in handwritten field notes. For this thesis, other means employed to increase consistency of judgment among multiple viewers or observers included the coding of the data of this thesis independently checked by the research supervisors in order to obtain the consistency of the themes employed in the data analysis stage. In addition to that, as previously mentioned, before the data analysis began, the interview transcripts’ translation from Bahasa Indonesia to English was independently and randomly checked by a professional person who is fluent in both languages.

Consistency of judgment over time, events, and settings was also considered important in this thesis. Consistency of judgment over time, events, and settings can be achieved when a person makes the same observation at two different times or in two different settings, and this is usually called test-retest reliability (Boyatzis 1998). Nevertheless, the test-retest reliability does not seem appropriate for qualitative research as Boyatzis (1998, p. 148) points out below:

Given that the intention of qualitative research was often to discover something about the phenomenon or its uniqueness or to investigate the
rich variety of experience inherent in a setting, the question of stability of the phenomenon over time seemed almost inappropriate to ask. Accordingly, this thesis did not employ rigorous test-retest reliability to test the stability of the phenomenon under study. However, the interviews’ transcripts - once completed - were shown to the participants via e-mail or face-to-face in order to confirm their accuracy and ensure the participants’ agreement that the transcripts were correct and truly reflected their interview. The confirmation process, hence, was aimed to achieve consistency over time, events and settings of this thesis.

For validity, this thesis followed a guide provided by Kvale and Brinkmann (2009). According to Kvale and Brinkmann (2009), there are three ways in which validity of interview knowledge can be achieved: (1) validity as quality of craftsmanship; (2) communicative validity; and (3) pragmatic validity. This thesis opted to use the concept of validity as quality of craftsmanship. Validity of craftsmanship means that validation rests on the quality of the researcher’s craftsmanship throughout an investigation, and on continually checking, questioning and theoretically interpreting the findings. When ascertaining validity – that is whether or not a study investigates what it seeks to investigate – the content and purpose of the study precede questions of method.

The interview questions used in this thesis were designed to answer the research questions of the thesis. Additionally, the findings of this thesis were repeatedly checked, questioned and interpreted theoretically by the investigator and compared with other studies in CPD for the accounting profession. The findings also demonstrate that the answers received from the participants
categorically reflect the extent to which the members of the IICPA understand and engage in CPD activities, and the effects of CPD driver and CPD outcome to the engagement of the members of the IICPA in CPD activities. Hence, interview knowledge validity of this thesis as the quality of craftsmanship could be established.

The other types of validity discussed by Kvale and Brinkmann (2009) are the communicative validity and pragmatic validity. Communicative validity means that the researchers must make their interpretations available for discussion (agreement and debate) among legitimate knowers (others in the social scientific community); and pragmatic validity deals with how the research findings have an impact on those who participated in the research and also on the wider social context in which the research occurred (Kvale & Brinkmann 2009; Hesse-Biber & Leavy 2010).

Regarding communicative validity, this investigator had already made the research findings available to others. The preliminary findings of the thesis had been presented at the British Accounting and Finance Association (BAFA) Accounting Education Special Interest Group (SIG) Conference in 2012 and also at the RMIT Accounting Educators Conference in 2012. Thus, the research findings were available for discussion among others in the social science community. For pragmatic validity, the aim of this thesis was to investigate the extent to which the members of the IICPA understand and engage in CPD activities, and the effects of CPD drivers and CPD outcomes to the engagement of the members of the IICPA in CPD activities. In doing so, this thesis contributes to the literature on CPD for the accounting profession, especially regarding CPD for
the members of the IICPA. It is anticipated that this knowledge will eventually assist the IICPA as the Indonesian auditors’ professional association and the CPD provider for the auditing profession in Indonesia and the Ministry of Finance as a policy regulatory bodies that supervises and grants public accountant licence and also a part of Indonesian government that relies on the service of the auditing profession in enhancing good corporate governance in Indonesia. Thus, pragmatic validity can be achieved through the abovementioned knowledge that is of value to interested parties of CPD.

3.9 Conclusion

This thesis is a qualitative study using interpretive approach and the data collection method chosen was the semi-structured interview. This type of interview was chosen because the method allows the participants to have authority over their own stories, which means that they were seen as experts on the subject being investigated. This is important since CPD for the members of the IICPA in particular is a rarely investigated area; thus, a great deal of information needed to be gathered to answer the research questions of this thesis. Semi-structured interviews were conducted with 48 participants who were all members of the IICPA and worked in various accounting firms in Indonesia and undertook CPD in the last 12 months; with three representatives from the IICPA as the CPD provider and auditing profession association in Indonesia; and one representative from the Ministry of Finance as one of the policy regulatory bodies for the auditing profession in Indonesia.
A pilot study was also conducted prior to the interview stage to ensure that the interview questions were clear and unambiguous. The data analysis in this thesis employed thematic analysis as informed by Boyatzis (1998), Braun and Clarke (2006), Howitt and Cramer (2008) and Jones and Forshaw (2012).

The coding of the data of this thesis followed the guidelines for qualitative coding given by Boeije (2010), Saldana (2013) and Miles, Huberman, Saldana (2014). The First Cycle coding and the Second Cycle coding (Saldana 2013) were used to analyse the data in order to find the perfect fit. Both of the cycles coding were very helpful in identifying various themes that emerged in this thesis.

Furthermore, this thesis used several techniques to increase the reliability and validity of the findings. For reliability, this thesis followed guidelines by Weiss (1994), Peräkylä (1997), Boyatzis (1998), Seidman (2013) and Kvale and Brinkmann (2009). This thesis avoided asking leading questions that were not part of interview technique used, and also aimed to obtain consistency of judgment among various viewers by making raw data (the recorded interviews), available to be verified by another person who is fluent in both English and Bahasa Indonesia, and by having the coding process independently checked by the research supervisors in order to obtain the consistency of the themes employed in the data analysis stage. Additionally, in order to ensure consistency of judgment over time, events, and settings, the interview transcripts were confirmed back with the participants in order to ascertain that the transcripts were correct and accurately reflected their interviews. For validity, this thesis followed the guidelines provided by Kvale and Brinkmann (2009). This investigator of this thesis relied on the quality of the interview process for the validity of the materials.
interviewing a number of participants in order to be able to verify one another’s answers, and employing validity in terms of quality of craftsmanship, communicative validity and pragmatic validity.
CHAPTER 4
FINDINGS: UNDERSTANDING OF AND ENGAGEMENT IN CONTINUING PROFESSIONAL DEVELOPMENT

4.1 Introduction

This chapter presents the findings of this thesis for Research Question 1: To what extent do the IICPA members understand and engage in CPD? The research question will be answered by investigating levels of participation in CPD activities, pattern of participation in CPD activities, preferences regarding CPD formats and obstacles to CPD participation. A discussion of the findings will be presented in Chapter 6.

4.2 Levels of Participation in CPD Activities

This section discusses the participants’ levels of participation in CPD activities. These members must adhere to CPD requirements prescribed by the policy regulatory bodies in Indonesia. For convenience, Table 2.1 regarding CPD requirements is reproduced here as Table 4.1.
<table>
<thead>
<tr>
<th>No.</th>
<th>Policy Regulatory Bodies Registration</th>
<th>Regulations</th>
<th>CPD credit points required per year</th>
<th>Additional CPD credit points required per year</th>
<th>Total CPD credit points required per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Ministry of Finance (MoF) only – for Public Accountant (PA)</td>
<td>-The Public Accountant Act (Act No. 5 of 2011) article 25</td>
<td>30 (minimum 4 in accounting &amp; auditing and 4 in monitoring and supervision of Public Accountants)</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-The Regulation of Finance Minister No. 17 of 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-The IICPA CPD Rule (IICPA 2011, 2012b)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-The Decision of the Chairman of the Capital Market and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-The Regulation of Finance Minister No. 17 of 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Policy Regulatory Bodies Registration</td>
<td>Regulations</td>
<td>CPD credit points required per year</td>
<td>Additional CPD credit points required per year</td>
<td>Total CPD credit points required per year</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------------------</td>
<td>-------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------</td>
</tr>
</tbody>
</table>
| 3.  | The MoF & the Central Bank – for PA   | - The Public Accountant Act (Act No. 5 of 2011) article 25  
- The Regulation of Finance Minister No. 17 of 2008  
- The IICPA CPD Rule (IICPA 2011, 2012b) | 30 (minimum 4 in accounting & auditing and 4 in monitoring and supervision of Public Accountants) | 5 in banking rules and regulations | 35 |
<table>
<thead>
<tr>
<th>No.</th>
<th>Policy Regulatory Bodies Registration</th>
<th>Regulations</th>
<th>CPD credit points required per year</th>
<th>Additional CPD credit points required per year</th>
<th>Total CPD credit points required per year</th>
</tr>
</thead>
</table>
| 4.  | The MoF & the Capital Market and Financial Institutions Supervisory Agency (the CMFISA) & Central Bank – for PA | -The Public Accountant Act (Act No. 5 of 2011) article 25  
-The Regulation of Finance Minister No. 17 of 2008  
-The Decision of the Chairman of the Capital Market and Financial Institutions Supervisory Agency number 41/BL/2008  
- The IICPA CPD Rule (IICPA 2011, 30 (minimum 4 in accounting & auditing and 4 in monitoring and supervision of Public Accountants) | 10 | 40 |
<table>
<thead>
<tr>
<th>No.</th>
<th>Policy Regulatory Bodies Registration</th>
<th>Regulations</th>
<th>CPD credit points required per year</th>
<th>Additional CPD credit points required per year</th>
<th>Total CPD credit points required per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>The IICPA – Non PA</td>
<td>- The IICPA CPD Rule (IICPA 2011, 2012b)</td>
<td>30 (minimum 4 in accounting &amp; auditing and 4 in monitoring and supervision of Public Accountants)</td>
<td>-</td>
<td>30</td>
</tr>
</tbody>
</table>

The summarised results of the data analysis of levels of participation by the participants are presented in Table 4.2 below. These results indicate that the themes for levels of participation are: less than CPD credit point requirements, met the CPD credit point requirements and more than CPD credit point requirements. The data analysis indicates that 20 people undertook less CPD than required, 20 people undertook CPD as required, and eight people undertook more CPD than required.

In investigating CPD engagement by the participants, it is important to investigate participants who did less CPD than required. For a comparison purpose only, CPD engagement by the members who did more CPD than required is also presented in this chapter. This thesis focuses on members who did less CPD because it can be assumed that for the participants who met their CPD requirements, the additional CPD credit points are not necessary.
requirements and who did more CPD than required, they were already engaged in CPD as required.

**Table 4.2 Levels of Participation**

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Less than CPD credit point requirements</td>
<td>20</td>
</tr>
<tr>
<td>2.</td>
<td>Met the CPD credit point requirements</td>
<td>20</td>
</tr>
<tr>
<td>3.</td>
<td>More than CPD credit point requirements</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

In order to find out more regarding shortage of credit points, sub-themes pertaining to less than CPD credit point requirements needed to be investigated. Table 4.3 illustrates the shortage of credit points for the people who did less CPD than required. The sub-themes that emerged are: five credit points short with seven people mentioned it, 10 credit points short with three people mentioned it, and more than 10 credit points short with three people mentioned it.

**Table 4.3 CPD Credit Points Shortage**

<table>
<thead>
<tr>
<th>No.</th>
<th>Sub- Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Five credit points short</td>
<td>7</td>
</tr>
<tr>
<td>2.</td>
<td>10 credit points short</td>
<td>3</td>
</tr>
<tr>
<td>3.</td>
<td>More than 10 credit points short</td>
<td>3</td>
</tr>
</tbody>
</table>

For the participants who undertook more CPD than was required, it is also useful to investigate how many surplus credit points they had accumulated. Table
4.4 below suggests that the sub-theme that emerged for credit point surplus is five credit points with three people mentioned it.

**Table 4.4 CPD Credit Points Surplus**

<table>
<thead>
<tr>
<th>Sub-Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five credit points surplus</td>
<td>3</td>
</tr>
</tbody>
</table>

It is also interesting to look at the profile of those participants who undertook less CPD than was required of them and those who undertook more CPD than required. Table 4.5 below displays the firm size and role or level in the organisation of the participants who did less CPD than required of them. From Table 4.5, it can be observed that the level of compliance with CPD requirements is consistent irrespective of firm size. Furthermore, most of the participants with less CPD are partners in their organisation and are aged between 40 to 49 years, and have 10 to 19 years of working experience.

**Table 4.5 Profile of Participants with Less CPD**

<table>
<thead>
<tr>
<th>No.</th>
<th>Profile</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Firm Size:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Big Four</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Second-Tier</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>Level in the Organisation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partner</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Associate/Senior Manager</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Manager</td>
<td>4</td>
</tr>
<tr>
<td>3.</td>
<td>Age</td>
<td></td>
</tr>
<tr>
<td></td>
<td>20-29</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>5</td>
</tr>
</tbody>
</table>
Table 4.6 below displays the profile of the participants who undertook more CPD than was required. The profile indicates that most of them are from small and second tier firms, are partners in their firm, and are aged between 40 to 49 years and 60 to 69 years. Most of them have 10 to 19 years of working experience and 20 to 29 years of working experience respectively.

### Table 4.6 Profile of Participants with Surplus CPD

<table>
<thead>
<tr>
<th>No.</th>
<th>Profile</th>
<th>Number of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Firm Size:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Second-Tier</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Big Four</td>
<td>2</td>
</tr>
<tr>
<td>2.</td>
<td>Level in the Organisation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partner</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Associate/Senior Manager</td>
<td>1</td>
</tr>
<tr>
<td>3.</td>
<td>Age</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>60-69</td>
<td>2</td>
</tr>
<tr>
<td>4.</td>
<td>Years of Experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1-9</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>10-19</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>20-29</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>1</td>
</tr>
</tbody>
</table>
In order to investigate why the participants undertook less CPD than required, it is helpful to investigate the following: (1) the knowledge of CPD requirements from both participants’ and provider’s perspectives; (2) actual needs fulfilment by CPD from the participants’ and provider’s point of view; (3) satisfaction with the quality of CPD activities from the participants’ point of view; (4) CPD monitoring from both participants’ and provider’s point of view; and also from the policy regulatory representative’s point of view; and (5) compliance and consequences from the participants’ point of view.

4.2.1 Knowledge of CPD Requirements

The provider, which in this case is the IICPA, should know the specific CPD requirements for its members and the members should be informed of these. Interviewee 1, 2 and 3 all mentioned the Public Accountant Act, Act Number 5 of 2011 (MoF 2011) and the Regulation of Finance Minister No. 17 of 2008 (MoF 2008) as their references for CPD requirements for IICPA members. Interviewee 2 stated:

The latest public accountants’ (CPD requirements) is the Act No. 5 of 2011 regarding Public Accountant and before that; it was the Regulation of Finance Minister No. 17 of 2008. Well, in that act and regulation, a public accountant is required to maintain his/her competence, one of the requirements is that they must undertake CPD. The regulations require a minimum of 30 credit points - we call it credit point, yes - when one is not practicing as a capital market auditor or registered with the Central Bank.
If a person practices as an auditor in the capital market then there is an additional five (credit points) and if (a person) is registered with the Central Bank, there is also an additional five (credit points).

Although Interviewee 2 gave a thorough explanation of the current CPD requirements for public accountants in Indonesia, she omitted to mention the details of the compulsory 30 credit points of CPD that need to be accumulated. Interviewee 3, on the other hand, did not know the exact requirements that applied to public accountants:

You know that the regulatory of public accountants is the Ministry of Finance, don’t you? So you can ask them specifically there, okay? Firstly, you can see on their website. Secondly, they have already appointed a special unit called the Accountant and Appraiser Supervisory Center; well you can browse for it. So, the Ministry of Finance, the Finance Minister published, a long time ago, related to practice licence, how many (CPD) requirements per year. But for the number (of CPD credit points) I don’t really remember it exactly.

Similar to Interviewee 3, Interviewee 1’s answer below indicates that he did not understand the current requirements for public accountants and pointed out that the regulation from the MoF requires public accountants to accumulate only 30 credit points of CPD:

Well, the regulation is rather…not rigid, not…what’s the term for it? It’s still unclear. If you’re asking me, whether or not the extra (CPD) for the Central Bank and the Capital Market and Financial Institutions Supervisory Agency can be included in the (compulsory) 30, yes, it can be. Is that an extra? Yes, it can be. The most important thing is 30 (credit points). Isn’t it? The regulation from the Ministry of Finance says 30.

When asked questions regarding their CPD requirements, the participants who did less CPD also gave a similar response about their requirements. Table 4.7 below indicates that 19 people out of 20 participants who did less CPD did not know how much CPD was required of them.
Table 4.7 Knowledge of CPD Requirements for Participants with Less CPD

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not know their CPD requirements</td>
<td>19</td>
</tr>
</tbody>
</table>

Participant 22 (51 years old, small) is one of the participants who did less CPD but held a public accountant licence. Below is his explanation regarding additional CPD requirements as they apply to him:

> There are some of my colleagues who are confused. The CMFISA (CPD) is the additional (credit points) to (the compulsory) 30 credit points. For the Central Bank (CPD) I’m not sure whether it’s an extra or already included (in the mandatory 30 credit points), well usually it’s included.

Participant 36 (44 years old, second-tier) undertook less CPD than was required and stated the following:

> The (compulsory CPD) credit point is 30 and that 30 (credit points) will be allocated as follows: The MoF (CPD) is four credit points, then the stock market (the CMFISA’s CPD) is five (credit points) and the remaining (credit points) are in technical nature. If I’m not mistaken, in total, (my) CPD requirement is 30 credit points per year.

Participant 36 is registered with the CMFISA; hence, he needed to accumulate five more credit points according to the CMFISA rules and regulations in addition to the 30 credit points. In total, he had to accumulate 35 credit points per year. Although he adhered to the CMFISA’s CPD requirements by undertaking five credit points as per the regulations, by accumulating only 30 credit points per year, he would be in breach of the regulations that apply to him as a public accountant and as an IICPA member.

The above findings indicate that some participants were unsure about the CPD requirements that applied to them. They were not sure whether or not CPD
for the CMFISA and the Central Bank was extra, or whether it was already included in the compulsory 30 credit points per year. Moreover, non-public accountant members of the IICPA believed that CPD requirements did not apply to them because they were not public accountants. Therefore, it can be assumed that lack of knowledge regarding CPD requirements can influence the levels of participation.

For the participants who undertook more CPD than was required of them, Table 4.8 indicates that the major theme that emerged is that they were aware of their CPD requirements.

Table 4.8 Knowledge of Requirement for Participants with More CPD

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knew their requirements</td>
<td>6</td>
</tr>
</tbody>
</table>

Participant 10 (40 years old, second-tier) stated his CPD requirement below. His answer indicated that he knew his own CPD requirements. Although he was not registered with both the CMFISA and the Central Bank and only had to undertake activities totalling 30 credit points annually, he accumulated 40 credit points of CPD per year.

Within a year, my compulsory (CPD credit point) is 30 credit points, (it includes) four credit points from the MoF. Plus (I did) five credit points for the Central Bank CPD and five credit points for the CMFISA. So total (I did) 40 credit points.

Likewise, Participant 2 (65 years old, small) who undertook more CPD than required gave the following explanation:
The obligation (of a public accountant) if that person registered with the Central Bank is to add five more (CPD credit points). If that person is registered with the CMFISA, (then) add five more (CPD credit points). I'm registered with both, so (my obligation) is 40 (credit points), minimum. My motivation is to add my insight, to continue to follow the developments. So sometimes I do (CPD) up to 80 (credit points) per year.

The IICPA makes CPD compulsory for all IICPA members, whether or not they hold a public accountant licence (IICPA 2012a). Interviewee 2 confirmed that non-public accountant members must undertake CPD as one of their obligations as a member. However, some of the non-public accountant members of the IICPA seemed to be unaware of the required CPD. Participant 40 (42 year old, second-tier) stated:

For the non-public accountants, there are no standards for CPD. So (CPD) it's not compulsory.

Similarly, Participant 39 (41 years old, small) explained that there were no CPD requirements for him since he was a non-public accountant member of the IICPA; hence, he attended CPD only when the topics were of interest to him:

For non-public accountant, there’s no standard (on CPD). I don’t think so. If I’m not mistaken, there’s no obligation (for us). For the public accountants (CPD) is compulsory. I’ve never heard of it (CPD requirements for non-public accountants) so far. If I need (CPD) then I will attend (CPD events), but it depends on the topic.

Furthermore, unlike Interviewee 2, Interviewees 1 and 3 were unsure about the CPD requirements for non-public accountant member of the IICPA. Interviewee 1 mentioned that the non-public accountant members did not have to undertake CPD although the IICPA had established the requirements for all of its members:
Actually, the IICPA requires it but they (the non-public accountants) are not (public accountant) licence holder from the Ministry of Finance so if they’re not doing it (CPD), it’s okay.

Interviewee 3 was not sure whether or not CPD is compulsory for non-public accountant members of the IICPA. He comments:

Yes, but there are (members) who are non-public accountants with CPA (certificate), as far as I remember we have an obligation to ask them to undertake CPD. Whether or not (CPD) is compulsory, you can check with Mr T, but we do have CPD with cheaper registration fee for them.

The above findings demonstrate that both the providers and the participants are still unclear about the CPD requirements that apply to public accountant and non-public accountant members of the IICPA.

### 4.2.2 Actual Needs Fulfilment by CPD

Apart from knowledge regarding CPD requirements, it is also helpful to investigate whether or not the levels of participation are related to the fulfilment of actual needs. Table 4.9 shows answers from the participants who undertook less CPD than required and it indicates that 12 people believed that their actual needs were being met by CPD and six people believed that their actual needs were partially met by CPD.

**Table 4.9 Actual Needs Fulfilment by CPD for Participants with Less CPD**

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Actual needs were met</td>
<td>12</td>
</tr>
<tr>
<td>2.</td>
<td>Actual needs were partially met</td>
<td>6</td>
</tr>
</tbody>
</table>
For the participants who did more CPD than were required, the same analysis regarding their actual needs was also conducted and results are shown in Table 4.10. Table 4.10 shows that six people said that their actual needs were met by CPD.

**Table 4.10 Actual Needs Fulfilment by CPD for Participants with More CPD**

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual needs were met</td>
<td>6</td>
</tr>
</tbody>
</table>

To further investigate how CPD could meet the needs of IICPA members, the IICPA representatives were asked how they gauge the needs of individual participants in terms of knowledge and skills. Interviewee 3 gave the following answer:

(We gauge the members’ need) from feedback received from the CPD participants. We’re also using the mandate from the policy regulatory bodies and using our own judgment for the CPD topics. Well, we always keep in touch with the people in the Accounting Standard Council and Auditing Standard Council and people like me are in the committee of the IICPA. I work in an accounting firm too so I can always talk to my colleagues there (regarding their individual CPD needs), what topics they’d like to see.

This response from Interviewee 3 indicates that the IICPA gauge the needs of the CPD participants from feedback received from the participants, the mandate from the policy regulatory bodies and from the IICPA’s own judgment. However, one can question the effectiveness of feedback given by the CPD participants. Participant 43 (61 years old, second-tier) commented as follow regarding feedback given by the CPD participants during CPD events:
Yes, (there are) feedback given. But that feedback is more of a technical nature. Feedback on (CPD) venue, the delivery from (CPD) speakers…

Similarly, Participant 22 (51 years old, small) commented as follows regarding feedback on CPD events:

Yes, at the end of the (CPD) event (we) are given feedback questionnaire whether or not the speakers is good etc. It’s not a problem, we can complain. (Our feedback) ranges from the venue, the speakers, the food, they always ask (for our feedback).

Another participant, Participant 45 (65 years old, small) commented that he did not always fill out the CPD feedback form:

There are (feedback form), we always fill it out. But to be honest, sometimes I’m just lazy to fill it out.

It can be concluded from the above mentioned responses that feedback given by the CPD participants may not cover their actual needs fulfilment by CPD.

Interviewee 2 explained that the IICPA has a special unit called the Quality Review Council and their job is to review audit working papers of accounting firms. This enables the council can see whether an auditor does not undertake enough CPD and lacks competence in what he or she does. Nevertheless, the IICPA has never conducted a study to ascertain the effect(s) of CPD by examining competencies before and after CPD activities have been undertaken. In terms of practicality, such a comparison would be difficult and daunting. Usually, when the IICPA has committee meeting, the committee members will talk informally about the competence and development of public accountants and their staff in performing their audit work.
Similar to Interviewee 3, Interviewee 1 stated that the IICPA did not have a special measurement tool to gauge the needs of individual participants. In an attempt to anticipate these needs, the IICPA relies on the feedback form distributed towards the end of CPD events and on informal chats with the participants during breaks in CPD events.

From the provider statements it can be concluded that the IICPA did not have a specific system in place for gauging the needs of individual participants. Nevertheless, the participants who did less CPD than was required of them were satisfied with the CPD in terms of their actual needs fulfilment. Participant 20 (57 years old, second-tier) explained that CPD fulfilled his needs in term of introducing new regulations and the new Indonesian Financial Accounting Standards (IFAS):

CPD is precisely that (to fulfil actual needs). The new regulations and new IFAS application, for example. That's obvious. Without CPD our perceptions will be different to one another. Thus, all auditors must master (the new regulations and new IFAS). So, we must be diligent in undertaking CPD.

A similar comment was made by another participant with less CPD. Participant 4 (53 years old, small) commented that CPD fulfils his needs especially in terms of accounting standards updates such as those given by the IFRS:

Oh yes, sometimes I’m not good in keeping up to date. It’s difficult, especially for elderly public accountants. To some extent, when there's a convergence or instruments development such as the IFRS, the elder generation is quite left behind. Accounting used to be just about how to record and how to report; but now measurement becomes important in the IFRS.

The findings also indicate that there are participants with less CPD whose actual needs were partially met by CPD. This means that their actual needs were
met by CPD; however, they still needed other sources too. The following is a comment from Participant 13 (33 years old, second-tier) who did less CPD when he was asked whether or not CPD fulfilled his needs:

Yes, because this CPD is already held in accordance with numerous changes and current issues (in accounting) that are happening now. For example, what’s the hot issue now? The IFRS. Now we have lots of CPD on the IFRS. At the moment, the hot issue is the Financial Accounting Standard number 50 and 55, so we have CPD on Financial Accounting Standard number 50 and 55. However (by undertaking CPD) it doesn’t necessarily mean we already know all about the topics. That’s just not possible. It’s impossible that we know all about the IFRS only by learning it for 8 hours. But at least we know there’s this standard, that standard and so on. Afterwards, (the standards) are needed to be explored further (by ourselves).

Similarly, Participant 5 (60 years old, Big Four) stated that he still needed self-learning to understand a CPD topic:

When I come to CPD it’s more likely that I want to update, update the information. Personally, there are 3 or 4 stages (for me): (1) we came to the seminar to update our knowledge; (2) we better understand through workshops; (3) self-learning, home study. We read CPD materials again at home. If I were asked (why I undertake CPD) it’s just to update information. Likewise, when I become a (CPD) speaker I also update the participants. What can we get anyway from just one day of CPD? As soon as we get out of the (CPD) events, can I instantly become an expert? (We) cannot. I don’t think so. Moreover, there’s now the IFRS adoption in Indonesia. We also have more international standards on auditing in 2013. Both are not a rule-based, but principal-based. There are no rule-based global standards. There’s no way (the global standards) would rule other people country, so it’s principal-based (standards). Principal-based means we should understand the theory more, means a lot of reading.

It is also interesting to investigate whether or not CPD fulfilled the actual needs of the participants who did more CPD than required. Participant 6 (42 years old, Big Four) commented as follows regarding how CPD met his needs:

Yes (my needs) were met because the (CPD topics) options are many. The choices are many; there are a lot of CPD in one year. The schedules are varied too. Well, I think it’s enough. If we want to undertake something
(CPD) that we need, the options are many. For example I’d like to update on consolidation problems, yes I go there, to CPD. I feel that my needs are fulfilled because perhaps I also have trainings at the office. In here (my firm), trainings are already quite heavy. The trainings were actually quite a lot and those trainings can also be converted to CPD.

This response from Participant 6 demonstrates that the firm size - which is one of the Big Four in this case – can influence the perception of the participants regarding whether or not their actual needs are being met by CPD offered by the IICPA. The Big Four firms are the largest global accounting firm networks; thus, they are more advanced and better-equipped to provide in-house training for their auditors compared to second-tier and small firms. Hence, it is also beneficial to investigate whether other participants who did more CPD and did not work at Big Four firms, perceive that the CPD offered by the IICPA fulfils their actual needs.

Participant 21, (46 years old, second-tier) is one of participants who did more CPD. He stated his need of knowledge and skills were met by CPD since the IICPA chose current issues and topics for CPD. He further explained the quality of CPD events’ speakers:

Usually the keynote speakers are the people who really have the capability. So those persons can be our references and we can ask questions to them. Supposed I have this problem in my audit work and I want to ask them, they are open for questions. Sometimes I have this problem with my clients or (audit) case; they will give me their advices or views (regarding the matters). So, one of the interesting things in CPD events is that sometimes we can discuss our job problem at that forum.

Another participant with more CPD, Participant 32 (47 years old, small), commented that CPD is helpful in maintaining his professionalism:

Obviously (CPD) is very helpful (in fulfilling my needs). It’s very useful to maintain our professionalism. It depends on how much we want (CPD)
because there are a lot (CPD) on offer and they usually are repeated several times. If we want to explore more we can take all of that (CPD).

These answers from the participants from small and second-tier firms who undertook more CPD than required indicate that CPD in general meets their actual needs. Nonetheless, an absence of a system to gauge the actual needs of the participants and partially met actual needs for the participants who did less CPD, may influence the levels of participation in CPD.

4.2.3 Satisfaction with the Quality of CPD Activities

The next possible explanation for participants undertaking less or more CPD than they are required is their level of satisfaction with the quality of CPD activities offered by the IICPA. Table 4.11 below provides the findings for satisfaction of participants with less CPD with the quality of CPD activities. Table 4.11 demonstrates that out of 20 participants with less CPD, nine people were partially satisfied and five people were satisfied. The participants who answered ‘partially satisfied’ were satisfied with the quality of the CPD activities, but would have liked to see some improvements.

Table 4.11 Satisfaction with the Quality of CPD Activities for Participants with less CPD

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Partially satisfied</td>
<td>9</td>
</tr>
<tr>
<td>2.</td>
<td>Satisfied</td>
<td>5</td>
</tr>
</tbody>
</table>
Participant 5 (60 years old, Big Four) expressed his satisfaction with the quality of CPD activities due to the efforts made by the IICPA in organising CPD:

I’m satisfied (with the quality of CPD activities), because with all the challenges, the IICPA has already tried to make CPD syllabus to follow the existing needs. If you want sophistication, well you want a lot. With this condition, meaning there’s this condition, there’s this one’s need, I think this is the best (CPD).

Participant 7 (41 years old, second-tier) provided an answer that can be classified as a ‘partially satisfied’ answer. He was satisfied with the topics and contents of CPD; however, he was dissatisfied with the large venue and the difficulty of focusing when listening to speakers:

Firstly, in terms of subject contents and topics offered, yes (I’m satisfied). Secondly, I’m not satisfied that I should sit in a big room. Next, the distance between the seats and (power point) slides is too far, so I can’t see them properly. The participants are also busy with themselves, they chat with one another. It’s just because we can’t see the slides properly so we can’t focus (on the topics). Maybe that’s one of the reasons why. But I can understand, if CPD is held in small classes the cost will be more expensive for sure. Again, the fact is during (CPD) seminars, people who sit next to me are on the phone, they make calls, and they’re on the phone talking to their clients. Even when they silent (their phones), it’s still vibrating. The phones vibrate. Others (at CPD seminars) will open their laptop, doing their office works.

Another ‘partially satisfied’ answer comes from Participant 39 (41 years old, small) who would like to have online CPD to complement the current CPD activities being offered:

I think I’m satisfied, fairly satisfied. But if there’s online CPD, it’ll be a lot better. So I can do my CPD while at the same time doing (my work).

It can be concluded that for the participants with less CPD, they were satisfied because the IICPA has done its best to conduct CPD. For the partially satisfied participants, they were satisfied with the CPD topics and content, but big
seminar format had hindered them in focussing during the CPD events, and also
the CPD quality can be improved by providing online CPD as well.

For comparison, it is useful to see the comments from the participants who
undertook more CPD. Table 4.12 below shows that out of eight participants with
more CPD four people were partially satisfied and two people were satisfied with
the quality of CPD activities offered by the IICPA.

Table 4.12 Satisfaction with the Quality of CPD Activities for Participants
with More CPD

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Partially satisfied</td>
<td>4</td>
</tr>
<tr>
<td>2.</td>
<td>Satisfied</td>
<td>2</td>
</tr>
</tbody>
</table>

Participant 32 (47 years old, small) who did more CPD was satisfied because
of the right timing of CPD topics on IFRS made the following comment:

So far, I’m quite satisfied with the topics and the timing too. Especially
with the implementation of IFRS’s convergence that will soon be adopted
100% (in Indonesia). So the timing is good.

Another comment on satisfaction came from Participant 45 (65 years old, small
firm). This participant stated he was satisfied with CPD materials and speakers
and there were opportunities to give feedback to the IICPA through a feedback
form:

I’m quite satisfied, fairly satisfied. The materials, the speakers, all are
good, yes. They are definitely competent, if they aren’t, the audience will
complain. But so far, there are no complaints, which mean everything is
good. There’s also a feedback form. I don’t fill it all the time. Honestly,
sometimes I’m lazy (to fill it). But (the IICPA) always give us (the forms).
However, there are also participants who undertook more CPD but were only partially satisfied with the quality of CPD activities. Below is a comment from Participant 10 (40 years old, second-tier). This participant was satisfied but he would like to see some improvement such as longer discussion time, longer period for one CPD activity and having the same CPD topics presented several times a year:

I’m quite satisfied (with the current CPD). But it will be better if CPD can be improved. The time to discuss one topic sometimes is just not enough. For the hot topics, they should be repeated again several times in a year and when it’s not (audit) peak season. So it’s more about the timing of CPD. It’ll be good if in one day CPD seminars, two IFAS (Indonesian Financial Accounting Standards) are discussed, not just one. Currently, they only discuss one IFAS in one CPD seminar and the time is just not enough. Also, the materials to help the IICPA members who do not participate are also not available in the IICPA website.

Another partially satisfied answer came from Participant 9 (48 years old, second-tier):

I’m half satisfied. The materials offered are relevant to the profession and current issues. What I’m not satisfied with is firstly: the limited time for discussions. This means that sometimes it is a matter that should be discussed over four hours but was dealt with in only half an hour. Yeah, it’s good material, it is a heavy material I know that. Sometimes (it’s discussed) in just one session or two sessions. The material is quite extensive and even the speakers admitted: “Oh no, I don’t have enough time to talk but I have to cover all of this”. As a result, there was not enough time for interaction. Secondly, the (CPD) method, which I’ve said earlier. The CPD method is still in the form of regular seminars. I want (the format) to be more like the Jakarta Lawyers Club or the Indonesian Lawyers Club, it’s how a person can be given space, can be allowed to speak about his or idea until it’s finished. So we can follow the discussion, even people who don’t have the academic background can understand (the discussion). For example, if you join different discussions conducted by any TV stations, there’s a lot of editing (cuts). The idea is not finished. This is dangerous for me, very dangerous, because we can get the wrong idea. The discussion does not solve a problem but can cause a new dispute. Well there’s this CPD moderator, but it’s too long, how do you call it? The presenter takes too long to give the material, so time for discussions
becomes shorter. That's because it (CPD) is short (of time). We have the calculation. Longer (CPD) time (means) longer discussion time. Because there were a lot of questions that I heard during the CPD, but they didn't get any answers. Many questions were not answered or just answered briefly; some were really short (answers) and did not get into the point. (The discussions were usually) to be continued later or even made a joke. Well it's okay, sometimes we need jokes, right? But if matters that have to be taken seriously were made as jokes, it will give us – who want to be serious - headaches.

For participants who did more CPD, they were satisfied with the timing of the CPD topics and materials, especially on the IFRS; and also with the CPD speakers. For the partially satisfied participants, they would like to have longer discussion times during the CPD in order to avoid misinterpretation of the topics being presented and also to have certain CPD topics conducted several times per year.

To conclude this section, it can be assumed that the participants’ satisfaction with the quality of the CPD activities did not influence the levels of participation in CPD activities since there are participants who were partially satisfied in both groups of participants, those with less CPD and also participants with more CPD.

4.2.4 CPD Monitoring

CPD monitoring can also influence the levels of participation. The IICPA monitors the attendance of participants at CPD events quite strictly. Interviewee 1, Interviewee 2 and Interviewee 3 stated that registration during CPD events is important. The IICPA now implements fingerprint registration to make the monitoring of CPD participants more stringent. Previously, the IICPA used manual face recognition to identify the public accountants. However, the method
was considered unreliable; hence, the introduction of fingerprint registration in 2012. Interviewee 1 provided an explanation for the stricter CPD monitoring. His answer below indicates that the IICPA needs to ensure that the public accountants’ CPD credit points are sufficient since the IICPA must report the public accountants’ CPD to the Ministry of Finance:

Actually, the goal (of stricter CPD monitoring) is to ensure that the people who register are really the person who they say they are. We want to ensure that this CPD, this is their (public accountants) assessments; their CPD credit points are used by us as an instrument to report to the Ministry of Finance.

Despite the strict monitoring by the IICPA, there is an inconsistency in this method since the IICPA did not impose the same strict monitoring on non-public accountant members. Interviewee 1 maintained that only the public accountant members of the IICPA need to have fingerprint registration. He further asserted that the non-public accountant members did not have to register by fingerprint because they were not required by the Ministry of Finance to undertake CPD:

We are more concerned about the public accountants (CPD attendance) since the non-public accountants do not have to (undertake CPD). We’re concerned with the public accountants since they need to fulfil their credit points and the IICPA reports public accountants’ CPD credit points to the Ministry of Finance.

Interviewee 3 commented that the IICPA urged the non-public accountant members to undertake CPD. Interviewee 2 explained that the IICPA would like non-public accountant members of IICPA to undertake CPD in order to keeping their knowledge up to date; and hence, be responsible to their CPA title:

Just a minute, I’ll find it here. Yes, here it is: every member of the association shall collect 30 credit points of CPD every year. So we actually want to bind the non-public accountant members (to CPD). When the IICPA gives a CPA title to a person, we want that person to be
responsible for his/her CPA title. How can they be responsible? One, become a member of the IIICPA. Second, if they’re already a member then they should automatically update their knowledge (through CPD).

Furthermore, the IIICPA has implemented the policy of deducting CPD credit points for public accountants who leave the venue before the events finish. Nonetheless, Interviewee 1 explained that the policy for deducting credit points is an internal policy and therefore cannot be shared in this thesis. Table 4.13 provides themes regarding CPD monitoring from the IIICPA’s point of view as the CPD provider and also the auditing professional association. The findings in Table 4.13 indicate that the IIICPA monitors public accountant members quite strictly but does not monitor non-public accountant members’ CPD.

**Table 4.13 CPD Monitoring by the IIICPA**

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Strict monitoring for public accountant members</td>
<td>3</td>
</tr>
<tr>
<td>2.</td>
<td>No monitoring for non-public accountant members</td>
<td>3</td>
</tr>
</tbody>
</table>

Therefore, it can be concluded that the IIICPA monitors CPD attendance of its public accountant members quite strictly but does not apply the same strict monitoring methods to its non-public accountant members.

### 4.2.5 Compliance and Consequences

It is interesting to investigate perception of compliance from the point of view of the participants who have undertaken less CPD. Please note that this perception of
compliance with CPD requirements should be distinguished from the findings for levels of participation in CPD as shown in Table 4.2. The findings in Table 4.2 were obtained by comparing the participants’ individual CPD requirements with their self-reported CPD credit points attained per year. The findings presented in Table 4.14 below were obtained from the participants’ answers when asked whether or not they always fulfilled their CPD requirements.

The findings shown in Table 4.14 indicate perception of compliance with CPD requirements according to the participants with less CPD. The major themes emerged from the data analysis were 12 people said that they always met their CPD requirements and eight people mentioned that they did not always meet CPD requirements.

**Table 4.14 Perception of Compliance to CPD Requirements**

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes</th>
<th>Number of Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Always met CPD requirements</td>
<td>12</td>
</tr>
<tr>
<td>2.</td>
<td>Did not always meet CPD requirements</td>
<td>8</td>
</tr>
</tbody>
</table>

Participant 4 (53 years old, small firm) explained that he always met his CPD requirements because he liked CPD and because CPD was mandatory for him in order to maintain his membership as a registered auditor with several policy regulatory bodies:

I always met (CPD requirements) because I like it (CPD). Besides, it (CPD) is a mandatory procedure. It’s also a pleasure for me to see something new, new knowledge. If I don’t (meet CPD requirements) we can say I will be expelled from registration with the CMFISA, the Central Bank and the MoF.
Participant 24 (60 years old, small firm) mentioned that he always met CPD requirements because CPD is important to extend his practice licence as a public accountant and his firm licence as well:

Yes (CPD requirements) must be met, if I don’t fulfil my requirements, (it will cost) my licence extension. The extension is the problem. It’s related to the extension of the licence, my Public Accountant licence and my firm licence.

Participant 40 (42 years old, second-tier) explained that CPD was compulsory for public accountants only and was not compulsory for non-public accountants; hence, he did not meet the CPD requirements:

For a non-public accountant (CPD) seems to be not compulsory. We (non-public accountant) can undertake CPD or not. But the public accountant is required to (undertake CPD) because there are regulations on that.

Similar to Participant 40, Participant 42 (48 years old, small firm) mentioned that although he is a member of the IICPA, he did not have to undertake CPD because he was not a public accountant:

I don’t have to (fulfil CPD requirements), there is no obligation (for me). That (CPD) is an obligation for the public accountants. No, there’s no obligation for junior members (of the IICPA). The people who have to meet the requirements are the public accountants.

From the above discussion, it can be assumed that for the participants who did less CPD and were public accountants, they perceived that they always met their CPD requirements in order to comply with the policy regulatory bodies’ requirements. On the other hand, the participants who did less CPD and were non-public accountants perceived that they did not have to undertake the CPD, and that CPD was an obligation for public accountants only.
CPD monitoring should entail sanctions or consequences for those who do not undertake CPD according to their CPD requirements. Therefore, it is important to investigate their knowledge regarding consequences for non-compliance. This finding is particularly useful to find out whether or not sanctions or consequences for non-compliance with CPD requirements - as part of the CPD monitoring – can cause less participation in CPD.

It is worthwhile to investigate the consequences for CPD non-compliance according to the participant with less CPD. Table 4.15 displays the participants’ answers. Please note that the number of answers received was 23 answers, which is more than the number of participants who did less CPD (20 people) since the participants supplied more than one answer. The major themes that emerged as shown in Table 4.15 are: (1) six people said that there are no consequences; (2) six people mentioned they will lose their practice licence; (3) six people said they will receive warning letter; and (4) five people said their membership will be revoked.

**Table 4.15 Consequences of CPD Non-Compliance according to Participants with Less CPD**

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>No consequences</td>
<td>6</td>
</tr>
<tr>
<td>2.</td>
<td>Losing practice licence</td>
<td>6</td>
</tr>
<tr>
<td>3.</td>
<td>Receive warning letter</td>
<td>6</td>
</tr>
<tr>
<td>4.</td>
<td>Membership revocation</td>
<td>5</td>
</tr>
</tbody>
</table>

The answers from the above participants were then compared with the answers from the MoF and the IICPA representatives. The MoF representatives
explained that they focused on supervising the public accountant licence holders only, and the IICPA would supervise CPD requirements for non-public accountants. Regarding the revocation of the licence to practise as a consequence of not meeting CPD requirements, the MoF representatives did not want to comment on that since their main priority at that moment was to supervise the public accountants instead of punishing them for CPD non-compliance. Furthermore, the MoF representative also explained that so far they still tolerated those public accountants who did not meet their CPD requirements and only asked them to complete their shortfall of CPD credit points the following year. The IICPA representatives also gave similar view regarding the consequences for their members for not meeting CPD requirements. Interviewee 1 gave the following answer regarding weak consequences for the IICPA members who did not comply with their CPD requirements:

It’s not quite decided yet. Let’s say they (the IICPA members) don’t do (CPD) 30 credit points, so what? To my knowledge, it (sanction system) doesn’t yet exist because our concern at the moment is to multiply the number of members.

Interviewee 1’s answer indicates that there was no policy regarding sanctions for the members who did not comply with CPD requirements because their focus was to increase the number of members.

Therefore, it can be assumed that the CPD monitoring by both the IICPA and the MoF is quite ineffective. The IICPA focuses their monitoring only on the public accountant members and not on the non-public accountant members. The understanding of consequences for not meeting CPD requirements varies among the participants with less CPD and this fact is supported by statements from the
IICPA and the MoF. Both the IICPA and the MoF representatives did not mention any consequences for non-compliance with CPD requirements; hence, it can be assumed that a sanction system for CPD non-compliance does not exist or if it does exist, it is not enforced.

The only regulatory body that enforces a strict CPD monitoring is the CMFISA. The sanction system for non-compliance of CPD published by the CMFISA is presented in Appendix 4. Participant 27 (67 years old, small firm) recounted his experience when he and his colleagues were fined by the CMFISA for submitting his audit and CPD report late:

If we’re late to send our report (audit and CPD report) to the CMFISA, we’ll be subjected to sanctions. So the other day we were late in sending our annual report (to the CMFISA) because we just had a change in our firm management. During that 60 days (of report overdue), we were fined 6.8 million rupiahs per person. So with four partners (we have) in here, (the fine was) 6.8 million rupiahs multiplied by four. That’s because of our late reporting to the CMFISA. So they (the CMFISA) really apply the sanction, the fine.

It is important to note that the CMFISA only monitored and applied sanctions for CPD non-compliance to the public accountant members of the IICPA who were registered with them. Thus, the CMFISA did not monitor CPD non-compliance of the public accountant and non-public accountant members of the IICPA who were not registered with the CMFISA.

It is also important to investigate the consequences for non-compliance with CPD according to the participants with more CPD. Please note that the number of answers received was 13 answers, which is more than the number of participants who did more CPD (eight people) since the participants supplied more than one answer. Table 4.16 below indicates that according to them, the consequences for non-compliance of CPD were: (1) nine people mentioned that they will receive
warning letter and (2) four people mentioned that they will lose their practice licence. This finding also indicates that the participants with more CPD were well aware of the consequences for CPD non-compliance and it might be one of the reasons why they met their CPD obligations.

Table 4.16 Consequences of CPD Non-Compliance According to Participants with More CPD

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Receive warning letter</td>
<td>9</td>
</tr>
<tr>
<td>2.</td>
<td>Losing practice licence</td>
<td>4</td>
</tr>
</tbody>
</table>

Participant 23 (49 years old, small firm) did more CPD than was required. He explained that he would receive a warning letter from the MoF if he did not meet his CPD requirements:

The consequence for not meeting (CPD requirements) there’s a warning from the MoF. But I’ve never (received it).

Participant 38 (44 years old, Big Four) also undertook more CPD than required explained the consequences for non-compliance:

So far, I always did more CPD. My credit points are always more (than required). If for example, we don’t comply, there’s a sanction. Perhaps our public accountant licence will be revoked (by the MoF). We do have that licence you know. (Our CPD) will be communicated to the MoF (by the IICPA) because CPD is driven by the Ministry of Finance rules and the organiser (of CPD) is the IICPA. So if we don’t comply, that’s a matter of our responsibility. How are we going to comply if we don’t do CPD? (Our licence) can be revoked if the non-compliance is severe enough. Well, before that usually there’s a warning letter first. Secondly, there’s also this scheme, if we don’t get enough credits from the IICPA’s CPD, our own internal trainings can be validated as CPD, but it depends (on the topics).
To conclude this section, the levels of CPD participation can be associated with a lack of knowledge about CPD requirements, ineffectual CPD monitoring by the IICPA as the CPD provider and the Ministry of Finance as one of the policy regulatory bodies in Indonesia, and also lack of knowledge of the consequences for non-compliance with CPD requirements.

### 4.3 Pattern of Participation in CPD Activities

The IICPA members’ pattern of participation in CPD activities is important since it can provide an insight into the pattern of learning and development undertaken by the IICPA members. The pattern of CPD investigated in this thesis refers to the variety of CPD topics undertaken by the participants. From the data analysis conducted, a pattern emerged of participation in CPD activities by participants. Table 4.17 below indicates that the following topics are the CPD activities undertaken by most of the participants: accounting practice and standards, industry specialisation, and regulation with 18 people out of 48 participants mentioning it. Accounting practice and standards encompass CPD topics such as the IFRS, the local accounting standards and technical accounting. Industry specialisation topics include specific industry topics such as stock exchange, banking, sharia (Islamic) banking, plantation, insurance, forestry, etc. Regulation topics include the law for public accountants and accountants’ supervision by the Ministry of Finance.
Table 4.17 Pattern of Participation in CPD Activities

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting practice and standards, industry</td>
<td>18</td>
</tr>
<tr>
<td>specialisation, and regulation</td>
<td></td>
</tr>
</tbody>
</table>

It is also interesting to examine the comments made by the participants regarding the topics that they chose for their CPD activities. The following is an answer from participant 7 (41 years old, second-tier) who listed his CPD activities as a mix of regulation and special industry topics:

I took the CPD on sharia (accounting), banking and stock exchange. I also took the CPD on the IFRS and new regulations from the MoF.

Another participant, Participant 38 (44 years old, Big Four) explained his CPD activities for the compulsory topics and also the time of the year when he was most likely to undertake his CPD:

I’ve done (CPD) with topics from the CMFISA, the MoF and the IICPA. I started (to undertake CPD) from June to November because we’re very busy in April and May. I only do topics that are relevant to us, for example, I don’t handle insurance so I didn’t take that. For IFRS, I’ve done all the IFRS from IFRS 1 until, what number was that? Well, it included the IFRS for the small and medium enterprises. For the IICPA (CPD requirements), I’ve done the five days CPD. For the local IFRS (CPD), if I’m not mistaken it can take up to one or two weeks (of CPD).

From the aforementioned discussion, technical skills seem to dominate members’ pattern of participation in CPD rather than soft skills and this might be due to the type of CPD topics offered by the IICPA. The reason why the IICPA emphasises technical skills rather than soft skills is explained by Interviewee 3 as follows:
Yes we do have CPD on firm management, communication skills etc. but the portion is not much. We still have a lot of technical topics such as accounting and auditing to cover. If we organise lots of soft skills CPD, it will be time-consuming and laborious. At the same time, the accounting topics still have to be provided at CPD. CPD topics such as report writing or English language or something like that, there are other vendors who can do it. It is not appropriate for the IICPA to take over such topics. We know who we are; we know our core competence and jurisdiction, so we can’t organise all CPD topics here at the IICPA. But we have to be open to feedback, so if (the CPD participants) think report writing or audit report writing is necessary and should be provided, well then that’s communication (topics), that’s soft skills CPD. If the members really expect the IICPA to intervene (in soft skills), meaning we have to organise such topics, but we also know that it will take out a big portion of technical topics such as accounting or tax, for example. We are public accountants, our main identity lies in auditing and accounting, tax, capital markets, and similar other topics, so that’s where we (the IICPA) allocate the (CPD) time.

4.4 Preferences of Participation in CPD Activities

Preferences of participation in CPD activities are also investigated in this thesis.

The result from the data analysis is presented in Table 4.18 below. Table 4.18 demonstrates that the most recurring theme is face-to-face format of participation with 37 of the 48 participants mentioned it.

Table 4.18 CPD Preferences

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face-to-face</td>
<td>37</td>
</tr>
</tbody>
</table>

In order to investigate what kind of face-to-face format the participants prefer, the face-to-face format theme can be broken down into several categories according to the answers from the participants as outlined in Table 4.19. Table 4.19 below suggests that the sub-themes that emerged are: (1) seminar with nine
people mentioning it; (2) workshop with nine people mentioning it; (3) no specific face-to-face format was mentioned by eight people; and (4) discussions were mentioned by seven people.

Table 4.19 Sub-Themes for Face-to-Face Preference of CPD Activities

<table>
<thead>
<tr>
<th>No.</th>
<th>Sub-Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Seminar</td>
<td>9</td>
</tr>
<tr>
<td>2.</td>
<td>Workshop</td>
<td>9</td>
</tr>
<tr>
<td>3.</td>
<td>No specific face-to-face format</td>
<td>8</td>
</tr>
<tr>
<td>4.</td>
<td>Discussions</td>
<td>7</td>
</tr>
</tbody>
</table>

In order to investigate why face-to-face format of CPD is the main preference of the IICPA members, another data analysis was conducted. Table 4.20 demonstrates that 25 participants who preferred to have face-to-face format would like to have interactive discussions during CPD sessions.

Table 4.20 Reasons for Face-to-Face Format of CPD Preferences

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>To have interactive discussions</td>
<td>25</td>
</tr>
</tbody>
</table>

Participant 35 (37 years old, second-tier) stated that he preferred face-to-face interaction because it was more effective compared to learning online alone:

I have to be there directly, that’s more effective. (Learning) alone is not that effective. Sometimes people will ask questions (during CPD seminars), the questions can be used as a feedback for us as well. If for example, CPD seminars are replaced by online (discussions), I will not agree.
Another support for face-to-face format came from Participant 2 (65 years old, small firm):

I think workshop is better, because the speakers have practice experiences. So it’s not just in theory, but he also gives real cases. With workshop format, there will be a dialogue between the speakers and the participants. That’s more useful and also the CPD participants can share their experiences as well. If (the speakers) has no experiences, that’ll be difficult.

Meanwhile, participant 19 (27 years old, Big Four) explained that she preferred the face-to-face format to online CPD because it enabled her to listen directly to the speakers and this is important in order to avoid any misinterpretations that might occur. She also stated that interaction during face-to-face CPD is important for her:

I much prefer (a CPD format) that I can listen directly; with online (CPD) I’m afraid I will misinterpret the content. So for me, it’s better to come (to CPD events) to hear directly from the sources. I like (a format) where there’s an interaction, the handouts given (during CPD seminars) can’t be explained only from the slideshow.

Thus, it can be concluded from the above findings that face-to-face format is the main preference of CPD for the participants. Face-to-face interaction is considered to be more effective as it allows participants to ask questions to the speakers and also to share any problems or experiences with other participants.

### 4.5 Obstacles to Participation in CPD Activities

The participants were asked whether or not they have any obstacles in undertaking CPD. The result of the data analysis is presented below in table 4.2. The main themes found for obstacles to participation in CPD activities were: (1) time with
19 people mentioned it; (2) no obstacles, mentioned by 13 people; (3) big seminar format with 12 people mentioning it; (4) location was an issue for 10 people; (5) seven people were concerned about cost; and (6) the quality of the speakers was mentioned by six people.

Table 4.21 Obstacles to Participation in CPD Activities

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes</th>
<th>Number of answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Time</td>
<td>19</td>
</tr>
<tr>
<td>2.</td>
<td>No obstacles</td>
<td>13</td>
</tr>
<tr>
<td>3.</td>
<td>Big seminar format</td>
<td>12</td>
</tr>
<tr>
<td>4.</td>
<td>Location</td>
<td>10</td>
</tr>
<tr>
<td>5.</td>
<td>Cost</td>
<td>7</td>
</tr>
<tr>
<td>6.</td>
<td>Quality of speakers</td>
<td>6</td>
</tr>
</tbody>
</table>

Participant 1 (45 years old, second-tier) commented that finding the time to undertake CPD, especially during the peak audit season, was hard for him:

Time (is an obstacle), actually. Yes, especially during peak season. Auditing business is seasonal, you know. Now it’s a low season, so everyone is doing CPD right now. But comes October, even tomorrow I’ll be active again doing some interim audit. So, sometimes it (my working agenda) conflicts with CPD schedule. It conflicts because I have appointments with clients.

Participant 23 (49 years old, small) cited time, location and seminar format as his obstacles to undertaking CPD:

An obstacle to undertake CPD? I think it’s the time. The time (of CPD) does not match with my schedule. (CPD) location is in Jakarta, but I’d like to have CPD in the south of Jakarta, but then the people in the north of Jakarta won’t be happy about it. Now it (CPD) is always held in Mangga Besar. Always in Mangga Besar. The cost (of CPD) for me is not a problem. Well, I’m a committee member anyway, so I get a discount. 50
per cent discount, but even without any discount; it won’t be a problem for me. The format (of CPD) though, it lacks of experiential learning. I will forget all about it within a week.

Participant 43 (61 years old, second-tier) explained that time, location and cost deterred him from undertaking CPD:

Yes there are obstacles for me (to undertake CPD) everything. The (CPD) time sometimes is not right; it doesn’t fit with my time. Not in accordance with my (working) schedule. Then, the location sometimes is too far. It (CPD) is usually held in Jakarta, Surabaya. Sometimes they have it in Jogja. (CPD) is normally held in cities that have IICPA representatives. There are also (CPD) in Semarang. Semarang is a lot closer from here than Jakarta. But CPD from the CMFISA (stock exchange topics) is very rare to be held in regional areas. Usually it’s held in Jakarta. If I can fit in my schedule, I’ll go to Jakarta. The cost (to attend CPD in Jakarta) is relatively expensive. It’s usually around 800 thousand rupiahs. In Semarang it (CPD cost) can be up to 600 thousand rupiahs. (CPD in) Surabaya sometimes is cheaper. So if I have to go to Jakarta, the cost is too high for me. (I need to spend) at least two million rupiahs. That’s for flight tickets, hotels, etc. But normally I won’t spend the night (in Jakarta) unless there are two days of CPD.

Participant 38 (44 years old, Big Four) explained that time was a significant factor that prevented him from attending CPD activities.

Time can be a problem. Lots of CPD will be held in November and December, and that’s beyond our control. CPD timing is organised by the IICPA. If we reside in Jakarta, it’s easier for us. We can directly go there (to CPD venues). Time to undertake CPD can be a problem when at the same time I also need to go out of town. Arranging the time (to undertake CPD) is difficult.

Participant 6 (42 years old, Big Four) listed time, location and the big seminar format as the obstacles to his undertaking CPD:

My obstacle is time. Because sometimes, I have registered for a CPD event but then my client asks for a meeting. I have to go out of town to visit my client. The (CPD) location is also a bit too far for me. Big class format, when it’s too big is not good, it’s too much. It’s better to have (CPD) several times with the same topic, as it can facilitate better interaction. It’s better to have fifty or a hundred in one class. For example,
the other day we have this CPD on the CMFISA topics. We had about 250 people in one room. In my opinion smaller class will be better. It means more interaction, we can discuss a case study. With too many people in the room, question and answer session is limited. Usually, only three questions per session because the time is limited.

Participant 11 (35 years old, second-tier) discussed the issue of the quality of speakers:

I think sometimes my obstacle is the level of authority (of CPD speakers), the knowledge implementation. I know that CPD speakers can be less authoritative, for example, from other accounting firm (partners). Even if the speakers are from the Big Four firms, if I don’t think he’s an authority – meaning only talk based on their experiences – I don’t think their topics can be applied generally. We don’t know what the rules are, do we? That’s why I’m not interested in such CPD topics.

The quality of CPD presenters was also a concern for Participant 14 (45 years old, small) since he needed to get first-hand information directly from the authority or professional bodies:

Especially with the current conditions, with the IFRS (adoption), I need a lot of information. Just like yesterday, I needed information from the regulatory (during CPD). We were gathered at (a CPD event) regarding the CMFISA materials. But it turned out a person from the IICPA delivered the materials instead. I wanted to speak to the regulatory bodies formally so things that are a bit of technical nature could be clear to me. But it turned out the IICPA was delivering the materials. I’ve asked this matter before to the IICPA, but I haven’t heard the answer yet. The IICPA is not a regulatory. So yesterday people were asking, what did the regulatory want? When the speaker is from the IICPA, that person cannot say that he or she is a representative of the CMFISA. That person is an IICPA representative. We use a lot of judgement now (in IFRS), we can’t ask about that to the IICPA. Things were a bit shaky. So, sometimes we need that (CPD speakers from the regulatory bodies).

To sum up, the above comments by the participants indicate that obstacles to participation in CPD activities for the IICPA members are time, big seminar format, location, cost and speakers’ quality.
4.6 Link between Levels of Participation and Obstacles to Participation

After investigating CPD understanding and engagement, this thesis also explored the possibility of a link between less than required levels of participation of the participants and the obstacles to participation in CPD activities. This link is outlined in Table 4.22 below. Table 4.22 demonstrates that the main themes that emerged are: (1) time which was mentioned by eight people; (2) location with four participants commenting on it; (3) cost with four people mentioning it; and (4) the quality of speaker which was mentioned by four participants. Thus, it can be assumed that the obstacles deterring the participants from participating in CPD activities may lead to less than required levels of CPD participation.

Table 4.22 Link between Levels of CPD Participation and Obstacles to Participation in CPD Activities

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Time</td>
<td>8</td>
</tr>
<tr>
<td>2.</td>
<td>Location</td>
<td>4</td>
</tr>
<tr>
<td>3.</td>
<td>Cost</td>
<td>4</td>
</tr>
<tr>
<td>4.</td>
<td>The quality of speaker</td>
<td>4</td>
</tr>
</tbody>
</table>

4.7 Conclusion

This chapter discussed the findings of this thesis in order to answer the first research question formulated: *To what extent do the IICPA members understand and engage in CPD?* The research question was addressed by investigating the participants’ levels of participation, pattern of participation, preferences of participation and obstacles to participation. The findings demonstrated that there were participants (20 people out of 48 participants) who did less CPD than
required. The possible explanations for less than required CPD level are there was a lack of understanding to CPD requirements among the participants and the IICPA themselves as CPD provider; a weak monitoring system by the IICPA and by the MoF; and also no sanction system is in place to deal with CPD non-compliance. The participants’ pattern of participation demonstrated that they undertook topics in accounting practice and standards, industry specialisation, and regulation. For preferences of participation, the findings show that the participants preferred to have a face-to-face format because they wanted to have interactive discussion during their CPD activities. This thesis also found significant obstacles to participation in CPD activities. Time was found to be the number one obstacle for participation and was followed by big seminar format, location, cost and the quality of speaker.

The data analysis also found a link between the participants’ obstacles in participating in CPD activities with their levels of participation. The obstacles to participation in CPD activities could cause some of the participants to do less CPD than required.
CHAPTER 5
FINDINGS: THE INFLUENCE OF CPD DRIVERS AND CPD OUTCOMES ON CPD ENGAGEMENT

5.1 Introduction
This chapter explains and discusses findings regarding the drivers of CPD and outcomes of CPD for the IICPA members, which relates to the Research Question 2: How do the CPD drivers and CPD outcomes influence the engagement of the IICPA members in CPD? The discussion starts with the four CPD drivers identified in this thesis, which are: (1) the policy regulatory bodies’ requirements, (2) the ethical requirements, (3) specialist skills, and (4) lifelong learning; and followed by discussion for the four CPD outcomes identified in this thesis: (1) keeping up to date, (2) the improvement and broadening of knowledge and skills; (3) the development of personal qualities necessary to execute technical and professional duties, (4) the sustainability of the profession as a whole. Afterwards, the link between participants’ engagement to CPD and the CPD drivers and CPD outcomes can be established and discussed. Discussion regarding the findings of this chapter will be presented in Chapter 6.
5.2 CPD Drivers

5.2.1 The Policy Regulatory Bodies’ Requirements

This thesis investigates whether or not the policy regulatory bodies’ requirements of CPD in Indonesia as a CPD driver is reflected in the present sample. The data analysis indicates that the main theme that emerged is agreement with the policy regulatory bodies’ requirements with 45 people out of 48 participants mentioned it as shown in Table 5.1 below. Thus, the policy regulatory bodies’ requirements is indeed one of the CPD drivers according to the participants.

Table 5.1 Theme for the Policy Regulatory Bodies’ Requirements

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed</td>
<td>45</td>
</tr>
</tbody>
</table>

In order to find out why the participants agreed that the policy regulatory bodies’ requirements is a CPD driver for them, sub-themes were investigated. Table 5.2 below indicates that the sub-themes for agreement with the policy regulatory bodies’ requirement are: (1) compliance with 19 people mentioned it, and (2) still undertakes CPD without regulations out of necessity with 15 people mentioned it.
Table 5.2 Sub-Themes for Agreement with Policy Regulatory Bodies’ Requirements

<table>
<thead>
<tr>
<th>No.</th>
<th>Sub-Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Compliance</td>
<td>19</td>
</tr>
<tr>
<td>2.</td>
<td>Still undertake CPD without regulations out of necessity</td>
<td>15</td>
</tr>
</tbody>
</table>

Participant 28 (38 years old, small) stated his view regarding compliance when he was asked whether or not the policy regulatory bodies’ requirements is a CPD driver for him. He explained that CPD was compulsory for the public accountants:

> Obviously there’s (an influence). It means they (the policy regulatory bodies) organise CPD, at least there are two kinds of compulsory CPD for the members (of the IICPA), about the update of law and rules and MoF regulations. Each public accountant is required each year to do at least 30 credit points, right? Therefore, it automatically can be regarded as an obligation, so it becomes the driver. Yes, you can say it’s indeed the driver (of CPD).

Participant 23 (49 years old, small) argued that CPD for public accountants could only work when enforced by the policy regulatory bodies’ requirements and without the requirements the public accountants would not undertake CPD:

> Yes, that's right, CPD will work, and it will only work if it’s enforced (by the policy regulatory bodies’ requirements). If there’s regulations or law or whatever (requirements), CPD will work. If it (CPD) isn’t enforced, it won’t work. So like lifelong learning et cetera, yes I embrace it. Just like this year I have a lot of conflicting schedules (with CPD seminars). Yesterday I have 20 (credit points of CPD), meaning I still have to get 10 (more CPD credit points). Now it’s already December. Usually by December I already have 30 to 40 (CPD credit points). I need to get it (CPD credit points). I need to get the (required) credit points. So (the public accountants) must be forced (to undertake CPD). Without enforcement they won’t do it.
Similar to Participant 23, Participant 15 (66 years old, second-tier) commented that the policy regulatory bodies’ requirements was the main CPD driver for him and without the requirements, he might not participate:

That (CPD requirements) are precisely the main driver now, if there are no requirements, (I) may not participate.

Parallel to Participant 23 and 15, Participant 9 (48 years old, second-tier) argued that the CPD requirements from the policy regulatory bodies indeed drive him to undertake CPD:

All (of CPD requirements) drive CPD. The profession itself encourages it (CPD). The MoF also encourages it (CPD). The regulatory bodies such as the CMFISA and the Central Bank also encourage it (CPD). Now there are four major components that oversee the accounting profession. The MoF, yes, they actually regulate administrative issues and oversee this profession. The professional organisation itself, the IICPA, the Central Bank, and the CMFISA (oversee the accounting profession).

All of the above participants are public accountant members of the IICPA; hence, according to the policy regulatory bodies, they must undertake CPD. It is also interesting to note the comments by non-public accountant members of the IICPA. Participant 11 (35 years old, second-tier) commented that as a member of the IICPA, he was required to undertake CPD according to the IICPA by-law:

Yes, the existing regulatory bodies such as the MoF, the Central Bank, the CMFISA. I think it is true (that the policy regulatory bodies’ requirements drive CPD). Right now, I think I’m as a member of the IICPA, I’m required by the IICPA by-law (to undertake CPD). So automatically I undertake CPD from the IICPA. That’s all, it’s simple.

The previous comments demonstrate that the policy regulatory bodies’ requirements are one of the CPD drivers because the participants – both public accountants and non-public accountants - want to comply with CPD requirements
applicable to them. The other theme that emerged from agreement with the policy regulatory bodies’ requirements was that some still undertake CPD even without regulations obliging them to do so. Below is a comment made by Participant 7 (41 years old, second-tier) who asserted that CPD was about learning and that continual learning and development were the obligations of the profession:

(I) agree (with policy regulatory bodies’ requirements) as a driver. Certainly, (CPD is) learning and it is also an obligation. Actually, the obligation means we have to learn. We have to go through the learning process. So if we feel we have to learn in the sense that we have to develop, that means we should undertake (CPD). It is pointless if we are required to undertake CPD but we don’t learn anything. It’s just useless. The main point is the learning process. From priority scale, I think policy regulatory bodies’ requirement should be at the bottom (of drivers). I would prefer us as members of the accounting profession - it’s inevitable - to keep developing. We can’t use, let’s say, the books we had five or ten years ago, can we?

A similar comment was made by Participant 13 (33 years old, second-tier) who emphasised the ongoing improvement of knowledge through CPD:

As a public accountant, personally I must continue to improve my knowledge even when there are no regulations. If there are no regulations that require me (to undertake CPD) I will still undertake CPD because it is my need as long as I’m practicing in this profession.

An interesting comment was made by Participant 48 (37 years old, Big Four). Although he agreed to the policy regulatory bodies’ requirements as a CPD driver, he also stated that without regulations, he would still attend CPD activities but only for updates on regulations. Presumably, he had more than adequate in-house training since he worked in a Big Four firm. Nevertheless, he still needed to undertake CPD regarding updates of regulations that might be not covered by his firm:
(Without regulations) I will still undertake CPD but only for regulations updates. Basically, if the CPD topics are not yet covered by my firm, I will participate. But if the topics have been covered by my firm, I will not participate.

It is also important to obtain the views of participants from different firm size. Participant 41 (39 years old, small) explained that CPD is a necessity for public accountants and non-public accountants in keeping their knowledge up to date and also because CPD is required by the IICPA:

Well, besides policy regulatory bodies’ requirements, (CPD) is unquestionably a standard for public accountants and non-public accountants in order to update their knowledge. It’s not just because of the regulations. We can still attend CPD events without the regulations. Even when it’s not enforced, I’ll come. Because (CPD) is my needs, it’s the standard set by the IICPA. It’s our obligation.

Participant 30 (58 years old, second-tier) stated that apart from compliance with CPD requirements, undertaking CPD was necessary for him in order to obtain updates on knowledge development and to ensure his own competence:

If we want to see the trigger, the triggering factor could be due to the development of knowledge. Because now (there is) the IFRS, for example, everybody talks about it. This is what triggers the IICPA to organise CPD. Actually without (any) requirements, accounting practitioners realise that they require an updating and (CPD) is one of activities that is very positive for the organisation, especially for (maintaining) competence.

The above comments indicate that the participants view CPD as one of the tools to update their knowledge in order to maintain their competency as members of the profession. Therefore, they elect to undertake CPD even when it is not mandated by the policy regulatory bodies.
To conclude, the policy regulatory bodies’ requirements are indeed one of CPD drivers according to the participants due to the need to comply with rules and regulations and also due to the necessity to update their knowledge.

5.2.2 Ethical Requirements

Considering the importance of the ethical requirements for IICPA members, it is beneficial to discover whether ethical considerations drive participants to undertake CPD. Based on the data analysis, the major themes that emerged are: agreement with the ethical requirements as one of the CPD drivers was mentioned by with 29 of the 48 participants mentioned it, and disagreement with the ethical requirements as a CPD driver was expressed by 16 of the 48 participants. Table 5.3 below display the themes for agreement with the ethical requirements as a CPD driver.

Table 5.3 Themes for the Ethical Requirements

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agreed</td>
<td>29</td>
</tr>
<tr>
<td>2.</td>
<td>Did not agree</td>
<td>16</td>
</tr>
</tbody>
</table>

In order to discover the reason for this agreement and disagreement, sub-themes of agreement and disagreement with ethical requirements as a driver need to be investigated. The findings from the data analysis as shown in Table 5.4 below indicate that the main sub-theme for agreement with the ethical
requirements is to maintain competency as a professional with 12 people mentioning it.

Table 5.4 Sub-Theme for Agreement with Ethical Requirements

<table>
<thead>
<tr>
<th>Sub-Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintaining competency as a professional</td>
<td>12</td>
</tr>
</tbody>
</table>

Participant 26 (67 years old, small) affirmed that the ethical requirements was indeed one of CPD drivers. Due professional care and independence were paramount for his profession; hence, promoting awareness through CPD was needed:

(The IICPA) explained the other day regarding membership, knowledge, skills, due professional care. This auditing standards draft was discussed. Basically, what steps should be taken by an auditor when he or she starts an audit. The concern is the independency (of auditors), it’s related (to code of ethics). I think in the future (the ethical requirements) will drive (CPD) more. That’s my opinion.

Participant 1 (45 years old, second-tier) argued that the ethical requirements were indeed the driver of CPD for him because as an auditor, he needed to maintain his competency by undertaking CPD:

Obviously, competency is a must. Through CPD we can get it. Virtually, if we are practitioners, we rarely come across with theoretical stuff again, very rarely. What we know now is we rarely open the books again. In CPD we are forced to understand what an issue is exactly theoretically. We just have to balance theory and practice, that’s it.

Participant 13 (33 years old, second-tier) thought that being competent by undertaking CPD was one way in fulfilling the ethical requirements:

One of the basic principles of the professional ethics which are listed on the ethics code of the public accountant is competence. As a result,
(undertaking) CPD is one way to improve the public accountants’ competence.

The code of ethics also required the members of the IICPA to be competent. Participant 14 (45 years old, small) explained as follows:

I think the code of ethics want us to be competent right? Yeah, competence was inevitably needed. (The code of ethics says) audits are conducted by well-educated and competent party, right? Now, that’s where the auditee and the auditor must meet each other. For example, if the auditee already knows (about the new financial standards) but we as the auditor haven’t known (the standards) yet, that’s not good. Because we’re examining it (the financial report). Now this Indonesian Financial Accounting Standard for example, the auditee definitely must use it, especially if the auditee is registered with the the CMFISA, they have to implement it. So if we haven’t known it (IFRS) yet, how can we examine the financial reports? Surely we should be more knowledgeable (than the auditee).

Apart from the participants who agreed with the ethical requirements as a CPD driver, it is also worth to take a closer look at the opinions of participants who did not agree. Table 5.5 below indicates that the major sub-themes that emerged from the data analysis are: (1) no relationship between the ethical requirements and CPD with three people mentioned it; (2) two people believed that CPD is driven more by the professional body requirements; (3) CPD is driven more by the policy regulatory bodies’ requirements with two people mentioning it; and (4) two people were not sure about the ethical requirements being a CPD driver.

Table 5.5 Sub-Themes for Disagreement with the Ethical Requirements as a CPD Driver

<table>
<thead>
<tr>
<th>No.</th>
<th>Sub-Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>No relationship between the ethical requirements and CPD</td>
<td>3</td>
</tr>
<tr>
<td>No.</td>
<td>Sub-Themes</td>
<td>Number of Answers</td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>2.</td>
<td>CPD is driven more by the professional body</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>requirements</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>CPD is driven more by the policy regulatory</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>bodies’ requirements</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Not sure with the ethical requirements as a</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>CPD driver</td>
<td></td>
</tr>
</tbody>
</table>

It is also worthwhile to examine the comments made by the participant who disagreed with the ethical requirements as a CPD driver. Participant 2 (65 years old, small firm) stated that CPD had nothing to do with ethical requirements:

(CPD driver) is competence, that’s for sure. It’s skills and competence. Not leaning towards the code of ethics. There’s no relationship (between CPD and the ethical requirements). No relationship.

Similar to Participant 2, Participant 22 (52 years old, small) believed that the ethical requirements are not related to CPD:

Oh, the code of ethics is not related to CPD. Maintaining competence, yes (related to CPD), but not maintaining the code of ethics. That’s another thing. Let’s say competence drives CPD, yes. But if we say that the (IICPA) members must be competent and comply with the code of ethics through undertaking CPD, there’s no relation there. (To comply) with code of ethics we don’t necessarily have to undertake CPD. I’m not advertising my service, I’m competent, that’s what the code of ethics is all about.

Participant 9 (48 years old, second-tier) explained that CPD was not about the code of ethics and driven more by the rules of the profession:

CPD is driven more by the IICPA rules. The code of ethics is more for auditing works. For auditing engagement, engagement of works. That’s my opinion. But even if the code of ethics regulate (CPD) we still have to do updating, that’s one of ways to maintain (competence). But that (updating) should be automatic. (The ethical requirements) may drive (CPD) indirectly. I think it’s automatic, whether we like it or not, we have
to update ourselves. I see the code of ethics as a code for organising our work, for dealing with clients, isn’t it? But for updating knowledge, I think without the ethical requirements, we still have to do it.

Similar to Participant 9, Participant 11 (35 years old, second-tier) explained that CPD was required by the IICPA in order to maintain membership:

I think it’s not the ethical requirements (that drive CPD). The first driver is there are sanctions. (Non-compliance with CPD requirements) may subject to sanctions by the regulatory body, in this case from the IICPA. Yes, members who don’t meet certain credit points, a certain amount of credit point. Not only sanctions, even later, there are some degrees to it. I forgot, maybe even dismissal from the IICPA membership. Automatically dismissed from the IICPA membership. I don’t know (whether it’s currently applicable or not). You can ask the IICPA. But I think it (sanctions) do exist. It exists. There are certain circumstances when the IICPA members do not meet a certain credit points. Until it reaches a stage like that, I think there are (sanctions).

CPD being driven more by the policy regulatory bodies’ requirements is also another sub-theme for disagreement with the ethical requirements as a CPD driver. Participant 40 (42 years old, second-tier) commented that CPD was driven more by the policy regulatory bodies’ requirements than by the ethical requirements:

No, I don’t think so. Because, it (CPD) is more driven by the rules (of policy regulatory bodies), you know. It’s not because of the code of ethics.

Participant 45 (65 years old, small) commented that the policy regulatory bodies’ requirements drove CPD more because people fear regulations more compared with the ethical requirements:

Yes, if we compare (the ethical requirements) to the regulations, the regulations are stronger. People are more afraid of the regulations; their (public accountants) licence can be revoked, isn’t it? A code of ethics alone does not scare people.
Another sub-theme that emerged was expressed by Participant 7 (41 years old, second-tier) who was not sure whether the ethical requirements were a driver for CPD. Instead, he believed that auditing standards were more a driver for him to add knowledge by undertaking CPD:

The code of ethics (as a CPD driver), I’m not sure. But in the auditing standards, it’s mentioned there that we have to be an expert. An expert means we have to add our knowledge and so on. If we don’t have knowledge on banking industry, we shouldn’t take clients from the banking industry. Don’t you think so? There are things (the code of conducts) like that, but in the auditing standards.

From the above comments, it can be concluded that the participants who did not agree with the ethical requirements as a CPD driver perceived that there was no relationship between the ethical requirements and CPD, CPD is driven more by the professional body requirements and the policy regulatory bodies’ requirements.

5.2.3 Specialist Skills

This thesis investigates whether or not the needs for specialist skills drive the IICPA members to undertake CPD. The data analysis conducted indicates that the main theme emerged is agreement with specialist skills as one of CPD drivers with 35 people out of 48 participants mentioned it as shown in Table 5.6 below.

Table 5.6 Theme for Specialist Skills

<table>
<thead>
<tr>
<th>Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed</td>
<td>35</td>
</tr>
</tbody>
</table>
To investigate further why specialist skills drive the participants to undertake CPD, sub-themes were investigated. Table 5.7 below suggests that the main sub-theme for agreement with specialist skills as a CPD driver is because the participants had a business focus or business needs that required specialist skills and that those skills could be obtained by undertaking CPD.

**Table 5.7 Sub-Theme for Agreement with Specialist Skills**

<table>
<thead>
<tr>
<th>Sub-Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business focus/needs</td>
<td>28</td>
</tr>
</tbody>
</table>

Participant 22 (46 years old, second-tier) regarded specialist skills as one of the CPD drivers since he needed to give assurance to his clients that he was competent:

> Yes, specialist skill is (the driver of CPD), so we can assure our clients that we have mastered the problems that they have.

Participant 26 (67 years old, small) supported the view that specialist skills is one of CPD drivers. Specialist skills in certain industries or topics gave him confidence that he could perform his job well:

> I think so. Because sometimes we get this job in addition to the general audit, we must also perform specialised audits like due diligence. Well that's necessary a specialist skill, and expertise. At least we should know from the legal side of it. We can’t go to the lawyers all the time, asking about this or that. For example, an assessment of a contract, the clauses in the contract. In my opinion we (the auditors) should also know about the civil laws, the company laws, etc. So I think (the specialist skill) is important. In addition to that, I must understand about construction engineering too. Not the science, but the procedures needed to be performed. It’s like when we conduct an examination of a bridge building project. (We must know) what kind of procedures should be performed in there. Not the construction engineering procedures. But even then, that
was not too difficult and can be seen. I used to audit a state owned enterprise. I could argue with the civil engineer there although I didn’t have any background in civil engineering.

Participant 47 (42 years old, Big Four) explained how the necessity to have specialist skills drove him to undertake CPD since he chose CPD topics to suit his business needs:

Yeah I think it is (a driver). For example when we have a new financial reporting standard or there is a new regulation in our audit area, the stock market, banking or tax laws, it certainly drives (CPD), we just have to undertake it. Also, I do my CPD based on the topics given and my needs anyway. I don’t do it (CPD) only for the sake of credit points. I’ve chosen my (CPD topics) carefully.

Non-public accountant participants also agreed that the need to have specialist skills is one of the CPD drivers. Participant 46 (39 years old, second-tier) explained that the existence of specialist industry groups in accounting firms had driven CPD:

Yes it is (a driver), especially with CPD regarding financial statements’ presentation, the Indonesian Financial Accounting Standard number 55, that drives us (to undertake CPD) whether we like it or not. So (the existence of) specialist industry groups – they audit specific industry – drives them to undertake CPD too. For example, there are auditors who specialise in handling banking or multi finance or insurance industries; they will (undertake special topics CPD). Their bosses (the partners) are probably not even aware (of the CPD seminars), (so) the staff offers themselves to join special industry topics of CPD. The partners (in here) always remind each other, so that they don’t just become signing partner (without undertaking CPD). They should come too to CPD seminars. Honestly, what I see here is the partners don’t take it for granted: ‘Oh, this (audit job) is easy’, no they’re not like that. Sometimes they’re just too busy (to undertake CPD). Sometimes they like to grumble on their own: ‘Ouch tomorrow there’s a good CPD seminar, but my boss just called me again’. When it comes to learning intentions, we’re very good in here, sometimes we argue with each other, asking for given more time for more training.
The above findings based on the participants’ answers suggest that specialist skills are indeed one of the CPD drivers for the IICPA members. The IICPA members often perform audit jobs in specific industries that undoubtedly also come with their own specific rules and regulations and financial reporting standards. Hence, specific CPD topics related to specific industries will be needed in order to acquire specialist skills.

5.2.4 Lifelong Learning

In response to the literature on CPD that demonstrates the importance of learning throughout one’s professional lifetime, this thesis attempted to discover whether or not lifelong learning is one of the CPD drivers for the participants. The findings from the data analysis conducted suggest that the main theme is agreement with lifelong learning as one of the drivers for CPD with 37 out of 48 participants mentioned it as shown in Table 5.8 below.

Table 5.8 Theme for Lifelong Learning

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed</td>
<td>37</td>
</tr>
</tbody>
</table>

In order to discover why lifelong learning became one of the CPD drivers for the participants, sub-themes needed to be investigated as shown in Table 5.9 the main sub-themes that emerged from agreement with lifelong learning are: (1) keeping up to date as expressed by 19 people; (2) the nature of the profession as
mentioned by seven people; and (3) keep on learning with five people mentioning it.

Table 5. 9 Sub-Themes for Agreement with Lifelong Learning

<table>
<thead>
<tr>
<th>No.</th>
<th>Sub-Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Keeping up to date</td>
<td>19</td>
</tr>
<tr>
<td>2.</td>
<td>The nature of the profession</td>
<td>7</td>
</tr>
<tr>
<td>3.</td>
<td>Keep on learning</td>
<td>5</td>
</tr>
</tbody>
</table>

The following are responses from the participants who agreed with lifelong learning as one of CPD drivers because they needed to keep up to date with the current development. Participant 6 (42 years old, Big Four) emphasised the need for updating as part of lifelong learning in order to provide good quality services:

Yes, I agree, it (lifelong learning) is the (CPD) drivers and that’s the one that I emphasise. (As an auditor) lifelong learning is a must, because if we don’t (do lifelong learning), we’re as the auditor, without participating in CPD, without learning again, we definitely won’t be able to give a good quality service. (This is) in addition to complying with the policy regulatory bodies’ requirements (to undertake CPD). But even if there are no requirements to undertake CPD, we’re as auditors must update (our knowledge and skills) continuously.

Participant 31 (58 years old, second-tier) explained the importance of lifelong learning to keep updated on Indonesian Financial Accounting Standards changes:

Oh yes, it (lifelong learning) is inevitable, we must realise that we must constantly update our knowledge. Because the knowledge is changing, for example now our Indonesian Financial Accounting Standards (IFAS) are changing from rule-based to principle-based, right? But the implementation of the IFAS is not smooth because the reality is not as we expected to be. Many things are not understood properly (by the businesses). (What’s difficult is) a mindset switching, because the old rule-based is now replaced by the principle-based. Many people become rather wary when applying their judgment, so yes they’re wary. For
example, we’re talking about a fixed asset, land. We don’t depreciate land. Now for buildings, if the buildings are not in a prime location maybe the cost (of the buildings) will be higher when that building was still being built. Well that will automatically influence its financial performance, right? And for example, if it’s going to be appraised again in the future, so what’s it going to be according to the theory? It looks like an imputed cost based on the calculations. It’s complicated.

Akin to Participant 31, Participant 47 (39 years old, second-tier) also thought that lifelong learning was indeed one of the CPD drivers, especially with the ongoing changes in the current accounting standards:

Yes, (lifelong learning) exactly (a driver), our knowledge (in accounting and auditing) from our college years will be worn out. Well, the lectures we received (in college) helped us but the application (in the field) will certainly continue to change. Don’t you think so? The taxation regulations, the Indonesian Financial Accounting Standards change continuously. But fortunately the Indonesian Institute of Accountants provides us with (audit) template to help us to know which procedures should be performed when doing an audit (work).

Participant 3 (65 years old, small) explained that lifelong learning was a CPD driver for him because to learn was part of the code of ethics of the auditing profession:

To keep on learning, to learn, is part of our ethical codes.

Participant 22 (51 years old, small) also supported the view that lifelong learning was a driver due to the nature of the profession:

The nature (of the profession) is our obligation to learn, because of continuous development of the industry, the business, etc. So we’re required to always learn and undertake CPD.

Participant 41 (49 years old, small) commented that ongoing learning was what excited him about his profession:
So, if we’re in this profession, lifelong learning is a must. I realise it since I entered this profession and I’m excited for that because we keep on developing and not stagnant.

Similarly, Participant 1 (45 years old, second-tier) explained that he needed to keep on learning in order to avoid stagnation:

Yes, if we want to compete in the future, we don’t want to be stagnant. So whenever we have time to learn, we have to learn. Science is not stagnant you know, (it) continues to develop in accordance with the progress of time. If we’re stuck, we’ll be left behind.

The abovementioned findings indicate that lifelong learning was a CPD driver for the IICPA members because they needed to keep up to date, because lifelong learning is the nature of the profession, and because they needed to keep on learning.

5.3 CPD Outcomes

5.3.1 Keeping Up to Date

In this thesis, the findings demonstrate that the main theme is agreement that keeping up to date is one of CPD outcomes for the IICPA members with all of the participants (48 people) stating this as shown in Table 5.10 below.

Table 5.10 Theme for Keeping Up to Date

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed</td>
<td>48</td>
</tr>
</tbody>
</table>
It is also worthwhile to investigate sub-themes of agreement with keeping up to date as a CPD outcome. Table 5.11 indicates that the sub-themes that emerged from the data analysis are: (1) to obtain updates on the accounting standards/International Financial Reporting Standards (IFRS), as stated by 21 people out of the 48 participants; (2) to be not left behind with seven people out of the 48 participants mentioned it; and (3) to maintain professional image with four people out of the 48 participants mentioned it.

Table 5.11 Sub-Themes for Agreement with Keeping Up to Date

<table>
<thead>
<tr>
<th>No.</th>
<th>Sub-Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>To obtain updates on the accounting standards/IFRS</td>
<td>21</td>
</tr>
<tr>
<td>2.</td>
<td>To be not left behind</td>
<td>7</td>
</tr>
<tr>
<td>3.</td>
<td>To maintain professional image</td>
<td>4</td>
</tr>
</tbody>
</table>

Below is a comment from Participant 14 (45 years old, small) regarding the importance of obtaining updates on the IFRS:

Nowadays, yes of course (keeping up to date) is a CPD outcome. I think that's the most important (outcome) because we’re in the transition to the implementation of the IFRS. It'll be not good if we don't keep up to date…

Participant 7 (41 years old, second-tier) explained certain update on changes that he received by undertaking CPD:

Certainly, updates on development. Just like yesterday, the CMFISA has some new rules. They revised the rules. Before that, the CMFISA reporting referred to the old Indonesian Accounting Standards. Once the new standards appear, there are many items that don’t match. So yesterday there was this CPD that explained about the standards’ development, what the differences were (with the old ones) etc.
Participant 2 (65 years old, small) mentioned that CPD is necessary to keep up with the latest developments and not be left behind:

Skills continue to grow, if you’re just learning, you’re not necessarily following the development. There are international changes, there are new rules, the new Indonesian Accounting Standards, there are revisions and so on. So you continue to study. You have to keep up with development according to the public demand. Keeping up to date is a must to be not left behind.

Participant 25 (67 years old, small) explained how keeping up to date is important in projecting a professional image to his clients:

If we’re left behind, besides it will complicate our works, it’ll be an embarrassment for me in front of my colleagues in the profession especially if, for example, one of my clients was audited by other auditors the previous year. They would question (our quality), if we don’t understand (about current developments).’The abovementioned findings demonstrate that keeping up to date is indeed one of CPD outcomes for the IICPA members especially to get updates on the accounting standards/IFRS, to be not left behind and to maintain professional image.’

5.3.2 Improvement and Broadening of Knowledge and Skills

In order to find out whether or not improvement and broadening of knowledge and skills is one of CPD outcomes for the participants, the theme needed to be investigated first. Table 5.12 below indicates that the theme based on the data analysis is the agreement with the improvement and broadening of knowledge and skills with 42 people out of 48 participants mentioned it.
Table 5.12 Theme for Agreement with the Improvement and Broadening of Knowledge and Skills

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed</td>
<td>42</td>
</tr>
</tbody>
</table>

The reason for agreement with the improvement and broadening of knowledge and skills as a CPD outcome was also investigated in this thesis.

The findings as shown in Table 5.13 below suggest that the sub-themes emerged for agreement with the improvement and broadening of knowledge skills were: (1) providing a quality service to clients with 15 people out of 42 participants mentioned it; (2) technical skills other than the IFRS with seven people out of 42 participants mentioned it; and (3) the IFRS with five out of 42 participants mentioned it.

Table 5.13 Sub-Themes for Agreement with the Improvement and Broadening of Knowledge and Skills

<table>
<thead>
<tr>
<th>No.</th>
<th>Sub-Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Providing a quality service to clients</td>
<td>15</td>
</tr>
<tr>
<td>2.</td>
<td>Technical skills other than the IFRS</td>
<td>7</td>
</tr>
<tr>
<td>3.</td>
<td>The IFRS</td>
<td>5</td>
</tr>
</tbody>
</table>

Participant 6 (42 years old, Big Four) explained improvement and broadening of knowledge and skills intended to support future professional development is important in enabling him to provide a quality service to his clients, and eventually, to be able to retain his clients:
Yes it (improvement and broadening of knowledge and skills) is an outcome (of CPD). Obviously, we must have professionalism so that we can serve our clients. Automatically, yes, we must provide quality services. If we do not update, if we are not experts, if we do not have extensive knowledge to auditing and accounting, we certainly are not going to give good quality services. Yes, even the client will leave. Nowadays the clients like to ask questions, you know.

A similar comment was made by participant 12 (42 years old, second-tier). This participant explained that CPD helped him to understand the knowledge and skills required for a particular industry:

When I want to get (clients from) the insurance industry, I have to know first about that industry, right? So I participate in CPD (on insurance industry). Yes, I get knowledge (on insurance industry) directly; there are theoretical and practical (discussions) as well…

Participant 47 (42 years old, Big Four) commented that the CPD presenters helped him to understand the latest updates on accounting and auditing standards:

Yes, I agree to that (improvement and broadening of knowledge and skills as a CPD outcome). I think, it’s like, for example there’s an International Auditing Standards (IAS) adoption because we refer to the US auditing standards. So maybe, yeah we must learn again about the IAS. (There are) so many different things, so I guess with the auditing standards adoption, the IFRS adoption, yes we must learn again. CPD exists to explain to us rather than we read it ourselves. It’s better when there are practitioners who can explain (the standards), the impact, and so on. At least we will get the idea.

Participant 48 (37 years old, Big Four) stated that CPD helped him to update his knowledge and skills on the CMFISA:

The most relevant (knowledge and skills improvement from CPD) for me is from the CMFISA (CPD). (By undertaking CPD) we can ensure that the financial statements can be read by everybody in a fairly uniform manner. It (the financial statement) can be compared and contains all professional and regulatory provisions, as well as the information required by the stakeholders. This is important because as an auditor, we must get trust from our principal. We need to maintain the stakeholders’ trust; therefore, it requires us to work as hard as possible. When we give an audit opinion,
it (the opinion) should have covered all the provisions or requirements that exist.

From the above findings it can be assumed that CPD supports future professional development for IICPA members by improving and broadening their knowledge and skills.

5.3.3 Development of Personal Qualities Necessary to Execute Professional and Technical Duties

Table 5.14 below displays the major theme surfacing from the data analysis for development of personal qualities necessary to execute professional and technical duties as one of CPD outcome. The table indicates that the main theme is an agreement with the development of personal qualities necessary to execute professional and technical duties as one of CPD outcomes with 37 people out of 48 participants mentioned it.

Table 5.14 Theme for the Development of Personal Qualities Necessary to Execute Professional and Technical Duties

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed</td>
<td>37</td>
</tr>
</tbody>
</table>

In order to discover the reason for the agreement with development of personal qualities as one of CPD outcomes, sub-themes needed to be investigated. Table 5.15 below indicates that main themes emerged from the data analysis of responses from 37 participants were: (1) 12 people believed that it added insight
can increase self-esteem with (2) sharing with and learning was stated by 10 people; and (3) seven people mentioned compliance with rules and regulations.

Table 5.15 Sub-Themes for Agreement with Development of Personal Qualities Necessary to Execute Professional and Technical Duties

<table>
<thead>
<tr>
<th>No.</th>
<th>Sub-Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Added insight can increase self-esteem</td>
<td>12</td>
</tr>
<tr>
<td>2.</td>
<td>Sharing with and learning from other people</td>
<td>10</td>
</tr>
<tr>
<td>3.</td>
<td>Compliance with rules and regulations</td>
<td>7</td>
</tr>
</tbody>
</table>

It is worthwhile to note what the participants had to say regarding ‘added insight can increase self-esteem’ helped them to develop personal qualities necessary.

Participant 12 (39 years old, second-tier) explained that CPD could increase his self-esteem:

When I undertake CPD, I understand (about a topic), then I’m more confident. I’m also care more (about that topic) and become more responsive.

Participant 21 (46 years old, second-tier) commented that CPD could add insight into unknown topics:

Yes, that’s (a purpose). Our insight will be enhanced (through CPD). For example, there’s this (CPD) topic delivered, before we undertook that CPD we didn’t know about such topic, but now we know. Our insight is added, our knowledge is improved.

Regarding ‘sharing with and learning from other people’ theme, some participants put their comments as follows. Participant 23 (51 years old, small firm) stated that
by getting together with his friends in the profession during CPD, he could improve his personal qualities by sharing experiences:

Through CPD actually we will share (our experiences) with friends, that’s when the development of the personality can happen.

Participant 27 (32 years old, Big Four) mentioned that by participating in CPD he could find out about other people view on the IFRS and that would help him in developing his personal quality:

Automatically, CPD gives us updates; you know what I told you earlier, about the (IFRS) interpretation. So we can find out about the views from other people out there. Given the IFRS is a concept, it’s a principle-based (concept), but it doesn’t give us much guidance about A, or B. There are so many interpretations on the IFRS, so it has been useful once we know the views from other people (about the IFRS).

Similar to Participants 23 and 27 above, Participant 34 (35 years old, second-tier) emphasised the value of learning from other people’s experiences during CPD:

Wise people learn from the experience of others. From the (CPD) instructors we can learn. When the CPD materials are distributed there (during CPD events), it seems that technical skills are important. But when the speakers tell their experiences, they are more important than the technical skills, they are much more expensive. Sometimes the speakers do not need to talk in front of us, talking about their experiences are more important. It’s clear isn’t it? What we show to the outside world must come from within, right? It’s our integrity that matters, you know. We can’t just display our big office, but it’s porous. We have to avoid that. By developing our competence and attitude through CPD, we can show our integrity. If we can sell (services) more than what we show or publish, that’ll be even better.

For ‘compliance with rules and regulations’ theme, Participant 8 (41 years old, second-tier) explained that in providing services, he must comply with the standards and the sense of compliance is a personal quality outcome of CPD:
We sell services, meaning we must comply with auditing standards, accounting standards. That (compliance) is a must. So that (compliance) is a definite outcome (of CPD).

Participant 10 (40 years old, second-tier) explained that CPD topics on code of ethics could help him in developing personal qualities:

Yes, there are CPD on code of ethics and code of ethics (knowledge) actually can be used to develop (personal qualities). So, one of (CPD outcomes) is personal quality development. There are some CPD topics on that (personal quality) development.

In conclusion, the participants agreed that development of personal qualities necessary to execute professional and technical duties is a CPD outcome since they believed that added insight gained from CPD, sharing with and learning from other people during CPD events, and compliance with rules and regulations can increase self-esteem and in turn, can develop their personal qualities.

5.3.4 Sustainability of the Profession as a Whole

This thesis investigates whether or not the sustainability of the profession as a whole is one of CPD outcomes according to the participants. Table 5.16 below displays the theme emerged from the data analysis, which is agreement with sustainability of the profession as a whole as one of CPD outcomes with 45 people out of 48 participants mentioned it.

Table 5.16 Theme for Sustainability of the Profession as a Whole

<table>
<thead>
<tr>
<th>Theme</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed</td>
<td>45</td>
</tr>
</tbody>
</table>
Agreement with the notion that one of the CPD outcomes was the sustainability of the profession was expressed by 45 with several sub-themes emerging. The reasons for the agreement with sustainability of the profession as a whole were also investigated. Table 5.16 below shows the sub-themes that emerged from data analysis for agreement with sustainability of the profession as one of CPD outcomes, and the numbers of participants who expressed each view: (1) keeping up to date by undertaking CPD (seven people); (2) CPD helped to organise the profession better (seven people); (3) CPD helped to ensure the sustainability of the business (six people); (4) CPD could promote trust towards the profession (six people); and (5) CPD helped the auditors to compete (six people).

Table 5.17 Sub-Themes for Agreement with Sustainability of the Profession as a Whole

<table>
<thead>
<tr>
<th>No.</th>
<th>Sub-Themes</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Being up to date through undertaking CPD</td>
<td>7</td>
</tr>
<tr>
<td>2.</td>
<td>CPD helped to organise the profession better</td>
<td>7</td>
</tr>
<tr>
<td>3.</td>
<td>CPD helped to ensure the sustainability of the business</td>
<td>6</td>
</tr>
<tr>
<td>4.</td>
<td>CPD could promote trust towards the profession</td>
<td>6</td>
</tr>
<tr>
<td>5.</td>
<td>CPD helped the auditors to compete</td>
<td>6</td>
</tr>
</tbody>
</table>

Below are representative comments from the participants regarding sustainability of the profession as a whole as one of CPD outcomes for them.
Participant 10 (40 years old, second-tier) mentioned that updating through CPD would lead automatically to sustainability of the profession as a whole:

(The profession) should be sustained… This is automatic, if we're up to date and have better quality, the profession will be sustained automatically.

Participant 3 (65 years old, small firm) was concerned about the different standards of quality if the people in the profession did not undertake CPD. Thus, CPD could help to organise the profession better:

Yes, it (CPD) is a must; otherwise we'll be different from other auditors. If we don't undertake CPD, one auditor will be less smart than the other and left behind. But through CPD we're almost at the same level.

Participant 20 (27 years old, Big Four) explained that CPD could sustain the profession as a whole, especially by helping auditors from the non-Big Four firms to sustain their business through providing access to trainings and updating:

Without CPD, actually it’s okay (for me) because at our (Big Four) accounting firm we do have internal trainings, we have updating, etc. The only difference is we don’t get the credit points (like formal CPD) for those activities. Big Four firms already have a good system, but other (firms) may don’t have it (the system) yet. So, CPD will have more effects on the sustainability of non-Big Four firms.

A similar comment was made by Participant 32 (41 years old, Big Four) who believed that CPD was particularly helpful for small firms without an adequate training system:

What I think is this, accounting firms (in Indonesia) vary in size. The smaller the size, obviously they don’t have an internal department that can monitor and organise trainings. Of course they don’t (have). Well I don’t know, but maybe small firms will depend a lot on CPD, don’t you think so? And usually after attending CPD, the partners will distribute (the CPD materials) to their staff.
Participant 44 (39 years old, second-tier) explained that trust was also important for his profession and by undertaking CPD, competency could be maintain and as a result, trust towards the profession could be promoted:

Yes, it (sustainability) can be the outcome (of CPD). This profession needs competent people. That’s all. If we’re not competent, society won’t trust us.

Participant 25 (67 years old, small firm) mentioned that CPD could indeed sustain the profession because without CPD, the auditors would not learn and update by themselves and it would threat the sustainability of the profession as a whole, considering the current competitive job market:

Now suppose we don’t have CPD, auditors can do their own learning and updating. Probably only 10 to 20 per cent of them will be active (in learning and updating). The rest are just too lazy to read. As a result, audit quality will decline. Furthermore, there are lots of foreigners who work as auditors (in Indonesia) now. So, without CPD, it will be detrimental to the sustainability of the profession.

To conclude, the findings for sustainability of the profession as a whole indicate that it is indeed one of the CPD outcomes according to the participants. The reasons given are: (1) being up to date through undertaking CPD could sustain the profession; (2) CPD helped to organise the profession better; hence, can sustain the profession; (3) CPD helped to ensure the sustainability of the business; (4) CPD could promote trust towards the profession; and (5) CPD helped the auditors to compete.
5.4 Analysis for Research Question 2

This section is dedicated to answering the Research Question 2: *How do the CPD drivers and CPD outcomes influence the engagement of the IICPA members in CPD?* In order to answer the research question, it is beneficial to investigate the opinions of participants who undertook less CPD than was required of them regarding CPD drivers and CPD outcomes. Table 5.18 below shows the agreement of the participants with less CPD, with the CPD drivers investigated in this thesis. From Table 5.18 it can be seen that the themes that emerged from an analysis of 20 responses are: (1) agreement with three drivers: the policy regulatory bodies’ requirements, specialist skills and lifelong learning but no agreement with the ethical requirements was expressed by eight people; and (2) six people agreed with all four drivers investigated in this thesis.

**Table 5.18 Agreement with the CPD Drivers**

<table>
<thead>
<tr>
<th>No.</th>
<th>Answers</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agreed with 3 (three) CPD drivers: the policy regulatory bodies’ requirement, specialist skills, and lifelong learning; but did not agree with the ethical requirements</td>
<td>8</td>
</tr>
<tr>
<td>2.</td>
<td>Agreed with all four CPD drivers: the policy regulatory bodies’ requirements, the ethical requirements, specialist skills, and lifelong learning</td>
<td>6</td>
</tr>
</tbody>
</table>

The next analysis conducted in this thesis is to investigate the link between the participants who did less CPD than required with their view regarding the CPD outcomes. Table 5.19 below indicate that the theme that emerged is
agreement with all four CPD outcomes investigated in this thesis with 18 of 20 participants agreeing.

Table 5.19 Agreement with CPD Outcomes

<table>
<thead>
<tr>
<th>Answers</th>
<th>Number of Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed with four CPD outcomes: keeping up to date, the improvement and broadening of knowledge and skills for future professional development, the development of personal qualities necessary to execute professional and technical duties, and the sustainability of the profession as a whole</td>
<td>18</td>
</tr>
</tbody>
</table>

The abovementioned findings indicate that among the participants who undertook less CPD than was required of them, some believed that the policy regulatory bodies’ requirements, specialist skills, and lifelong learning were CPD drivers, but did not perceive the ethical requirements as a driver. The findings also indicate that keeping up to date, the improvement and broadening of knowledge and skills for future professional development, the development of personal qualities necessary to execute professional and technical duties and the sustainability of the profession as a whole, are indeed the CPD outcomes even for the participants who did less CPD than was required.

5.5 Conclusion

This chapter explains and discusses findings regarding the drivers of CPD and outcomes of CPD for the Indonesian Institute of Certified Public Accountants (IICPA) members, which relates to the Research Question 2: How do the CPD
drivers and CPD outcomes influence the engagement of the IICPA members in CPD? Before the research question can be answered, the CPD drivers and CPD outcomes need to be identified first.

The findings on the CPD drivers demonstrate that the policy regulatory bodies’ requirements, the ethical requirements, specialist skills, and lifelong learning are indeed the CPD drivers for the participants. The policy regulatory bodies’ requirements received the most agreement from the participants, followed by lifelong learning, specialist skills and the ethical requirements. The participants who did not agree with the ethical requirements as a CPD driver perceived that there was no relationship between the ethical requirements and CPD. The findings on CPD outcomes indicate that keeping up to date, the improvement and broadening of knowledge and skills, the development of personal qualities necessary to execute professional and technical duties, and the sustainability of the profession as a whole are indeed the CPD outcomes for the participants. Keeping up to date received most agreement with all of the participants agreed to it followed by the sustainability of the profession as a whole, the improvement and broadening of knowledge and skills, and the development of personal qualities necessary to execute professional and technical duties. In order to answer the Research Question 2, data analysis was conducted to analyse the link between the participants who did less CPD than required and their views regarding the CPD drivers and CPD outcomes. The findings from this analysis demonstrate that there were participants who did less CPD than required who perceived that the policy regulatory bodies’ requirements, specialised skills, and lifelong learning as the CPD drivers but did not perceive the ethical requirements as their CPD driver.
Furthermore, findings concerning the CPD outcomes demonstrate that keeping up to date, and the improvement and broadening of knowledge and skills, the development of personal qualities necessary to execute professional and technical duties, and the sustainability of the profession as a whole are indeed the CPD outcomes for the participants who undertook less CPD than required.
CHAPTER 6
DISCUSSION

This chapter analyses and discusses the findings presented in Chapter 4 and Chapter 5 that are centred on five themes: (1) understanding of and engagement in CPD; (2) the CPD drivers; (3) the CPD outcomes; (4) the link between CPD engagement, and the CPD drivers and outcomes, and (5) the implications for the theoretical framework.

6.1 Understanding and Engagement towards CPD

This section discusses findings regarding the understanding of and engagement in CPD. Four specific findings will be discussed: (1) levels of participation, (2) pattern of activities, (3) preferences of activities and (4) obstacles to participation. Findings of this thesis regarding understanding and engagement will be discussed in relation to existing research in the literature on CPD for professional accountants.

6.1.1 Levels of Participation

The findings in Section 4.2 indicate that in terms of CPD participation, IICPA members who participated in this thesis were grouped into three categories: the members who undertook less CPD than required, those who did more CPD than
required, and those who met the CPD requirements. It should be noted that for the remainder of this chapter, the terms ‘the IICPA members’ and ‘the members’ are interchangeable.

This discussion regarding levels of participation is focused on the first group, those members who undertook less CPD than required since they did not engage in CPD. For members who met their CPD requirements and who did more than required, it can safely be assumed that they already engaged in CPD.

The findings regarding CPD credit points’ shortage shown in Table 4.3 indicate that the members who did less CPD needed to accumulate five, ten or more than ten credit points in order to meet their CPD requirements. The findings of this thesis on levels of participation in CPD activities that are less than required do not support the findings of previous studies reported by Paisey, Paisey and Tarbert (2007), Zajkowski, Sampson and Davis (2007) and De Lange, Jackling and Suwardy (2015). Paisey, Paisey and Tarbert (2007) found that the majority of the members of professional accounting bodies in the UK comply with CPD stipulations regarding number of hours required. Similarly, a study by De Lange, Jackling, Suwardy (2015) in the Asia Pacific region revealed that professional accountants have no difficulty in meeting their CPD minimum requirements. Zajkowski, Sampson and Davis (2007) found that in Australia and New Zealand, the members of accounting professional bodies undertook more CPD than required due to their need to keep up to date with technical knowledge.

Less than required participation in CPD findings of this thesis supports previous findings by Chaston and Mangles (1991) and Thomas and Qiu (2013). Nevertheless, although Chaston and Mangles (1991) indicated a low level of CPD
participation by accountants, CPD participation was a voluntary undertaking for those accountants. CPD for IICPA members is compulsory; thus, they must comply with their CPD requirements in order to maintain their membership and/or public accountant licence. Thus, this finding regarding levels of participation in CPD activities by the members is important and warrants further investigation.

To investigate why some of the members undertake less CPD, the following were also analysed: (1) knowledge of CPD requirements from both the members’ and providers’ point of view; (2) whether or not the members’ actual needs are fulfilled by CPD activities from the members’ point of view and whether or not provider has a specific system to gauge the actual needs of the members; (3) satisfaction with the quality of CPD activities offered by the IICPA from the members’ point of view; (4) CPD monitoring from the point of view of the provider; and (5) compliance and consequences for non-compliance from the point of view of both the members and provider.

6.1.1.1 Knowledge of CPD Requirements

All professionals must understand what their particular regulatory or professional bodies expect of them in terms of CPD. IICPA members must comply with the CPD requirements stipulated by the Indonesian policy regulatory bodies and the professional associations in order to maintain their practice licence and/or membership. The CPD requirements for IICPA members are stated in Table 2.2 and reproduced in Table 4.1. Fulfilling CPD requirements is the obligation of members; hence, accurate knowledge of CPD requirements is important. Additionally, it is worthwhile investigating the perspective of the IICPA – since
this is a provider of CPD – to ensure that they are conversant with their members’ CPD requirements and expectations. The findings presented in Section 4.2.1 indicate that among the members who did less CPD, there were several who did not know what was required of them regarding CPD. This particular finding supports a study by De Lange, Jackling and Suwardy (2010), in which they found that there are professional accountants who were not aware of their professional body’s specific CPD requirements.

For a comparison, the data analysis of this thesis for the members who did more CPD indicates that those members knew and understood their CPD obligations. Furthermore, two out of three representatives from the IICPA knew the CPD requirements for the members - although not in detail - and one representative did not know. This finding suggests that the knowledge of CPD requirements still varies between the IICPA as the provider and the members as the participants. Thus, it can be assumed that the CPD provider and the policy regulatory bodies did not communicate the CPD requirements effectively to IICPA members. As a result, the varying knowledge of CPD requirements may influence the levels of participation in CPD.

**6.1.1.2 Actual Needs Fulfilment**

The findings in Section 4.2.2 indicate that for the members who did less CPD than required, their actual needs were met and/or partially met by the CPD. Furthermore, the members with less CPD also commented that their actual needs regarding knowledge on current issues such as the IFRS, the IFRS-based IFAS, the new regulations and solution for their audit work problems were met. This
finding is consistent with those of previous studies by Chaston and Mangles (1991), Gold (2008) and De Lange, Jackling and Suwardy (2010); in which they indicated that professional accountants had actual needs that need to be met by CPD. The findings of this thesis also suggest that there were members with less CPD who considered that their actual needs were only partially met by the CPD since they still needed to do self-learning to understand the CPD topics.

Moreover, the findings also indicate that the IICPA did not have a specific system in place to gauge the needs of individual participants. According to the IICPA, CPD topics were usually derived from feedback given by the participants, mandate given by the policy regulatory bodies, and also from the IICPA’s own judgment. Nevertheless, the findings of this thesis also suggest that feedback given by the participants was usually superficial feedback concerning the quality of the CPD activities such as the quality of the speakers, the venue quality, food quality etc.

Therefore, it can be inferred that although members with less CPD believed that the CPD was particularly helpful in meeting their needs, there were other members with less CPD whose needs were only partially met by the CPD. Additionally; the IICPA does not have a system in place to gauge the actual needs of its members. It can be concluded, hence, the members’ partially met actual needs by the CPD may influence the levels of participation.

### 6.1.1.3 Satisfaction with the Quality of CPD Activities

The data analysis in Section 4.2.3 indicates that there were members with less CPD who were satisfied and who were partially satisfied with the quality of CPD
activities. The satisfied members believed that CPD was adequate in terms of needs fulfilment and the quality of the activities. The members who were partially satisfied were satisfied with the quality of CPD activities although they believed that there was room for improvement. This finding on satisfaction with the quality of CPD activities does not support a study by De Lange, Jackling, Suwardy (2015) who found that professional accountants in developing economies scored lowest for their overall satisfaction with their CPD experiences compared to professional accountants in developed countries. Despite the participants’ satisfaction with the quality of CPD activities, their level of participation is still less than required. It can be concluded, hence, that satisfaction with the quality of CPD activities does not influence the levels of CPD participation of the members.

6.1.1.4 CPD Monitoring
The data analysis in Section 4.2.4 demonstrates that the IICPA strictly monitored the attendance of public accountant members, but did not do the same for the non-public accountant members. The IICPA representatives argued that the MoF required only the public accountants to undertake CPD; hence, they did not have to monitor the non-public accountant members. The MoF representative confirmed that they only monitored CPD compliance of public accountants; for the non-public accountants, CPD compliance monitoring was passed on to the IICPA as the professional body. In their CPD rules, the IICPA stated that their members must undertake CPD (IICPA 2011, 2012b). Therefore, the IICPA should also monitor the attendance of the non-public accountant members to ensure their participation in CPD. This finding does not support ACCA’s (2011) view that the
accounting professional associations should monitor their members’ CPD in order to promote public confidence in professional accountants.

The findings on CPD monitoring indicate that there is a possibility that ineffectual CPD monitoring influences the levels of CPD participation by the IICPA members. When the CPD provider and policy regulatory bodies themselves do not apply a firm monitoring policy when CPD is compulsory, it can create a loophole allowing members to not undertake CPD as required. One may also be able to conclude that due to the weak monitoring, people are not as conscientious as they should be in undertaking their compulsory CPD.

6.1.1.5 Compliance and Consequences

Consequences for CPD non-compliance are an interesting subject for discussion. The findings in Table 4.15 indicate that there were members with less CPD who were not aware of the consequences of not meeting CPD requirements. Nevertheless, both the MoF and the IICPA did not seem to enforce a sanction system for non-compliance with CPD requirements. The MoF explained that they still tolerated non-compliance with CPD requirements and only asked public accountants who did not comply to acquire more CPD credit points in the following year. Similarly, the IICPA explained that they did not have a firm sanction system in place because they were focusing on acquiring more members.

On the other hand, the CMFISA, which is one of the policy regulatory bodies in Indonesia, appears to have a firm sanction system in place for non-compliance with CPD for the public accountants who are registered with them. The CMFISA (2008) stipulated the consequences for non-compliance with CPD as follows:
Accountants who do not undertake CPD will be subject to administrative sanctions in the form of a written warning and a penalty, calculated from the date of the reporting of obligations until the date of the reporting of the obligations of CPD attendance are fulfilled and sent to the CMFISA. If within two consecutive years accountants do not undertake CPD or if within five years accountants do not undertake CPD three times, accountants are subject to administrative sanctions in the form of a suspension of their business activity as an accountant in the Capital Market, except for accountants referred to in item 10 of this rule.

The findings of this thesis indicate that the abovementioned sanction system is indeed enforced by the CMFISA. This specific finding regarding the CMFISA’s enforcement of sanction system for CPD non-compliance differs from findings by Thomas and Qiu (2013) who found that the Financial Policy Committee (the CMFISA counterpart in the UK) did not have a visible CPD policy.

To conclude from the above mentioned findings, the levels of participation in CPD activities for the members seem to be influenced by lack of knowledge of CPD requirements, partially met actual needs by CPD, weak CPD monitoring by the MoF and the IICPA and also no sanction system being in place for CPD non-compliance by the members apart from the sanctions imposed by the CMFISA.

Furthermore, it is also interesting to revisit the profile of the participants who did less CPD as shown in Table 4.5. The profile indicates that 12 partners, four associate/senior managers, and four managers undertook less CPD. In terms of years of working experience, 10 out of the 20 participants who undertook less CPD than required had worked between 10 and 19 years in this profession. Six people had 20 to 29 years of experience, and one person was in the 30 to 39 years’ experience category. This thesis found that people at the highest levels at the organisation did less CPD than required, supporting a previous study by De
Lange, Jackling and Suwardy (2010) who found that there were senior professional accountants with high positions who believed that, as qualified people with years of experience, they did not need to undertake CPD. Nonetheless, the finding of this thesis regarding years of working experience of the participants who did less CPD than required does not support De Lange, Jackling and Suwardy (2010) study since half of the members who did less CPD (10 out of 20 members) have 10 to 19 years of working experience, compared with one person who did less CPD having 30 to 39 years of working experience.

6.1.2 Pattern of CPD Activities

The findings of this thesis regarding the pattern of CPD activities reflect that the acquisition of technical skills was a priority for the members, while soft skills were not considered as important skills as CPD outcomes. The findings for the pattern of CPD activities can be found in Section 4.3. These findings are similar to those from the study by De Lange, Jackling and Suwardy (2015). In their study of professional accountants in the Asia Pacific region, they found that the majority of the respondents undertook activities related to technical and professional updates. Nevertheless, this finding on pattern of CPD activities of the members does not support the findings by Chaston and Mangles (1991) and ACCA (2012). Chaston and Mangles (1991) found that for the accounting technicians in the UK, interpersonal skills are also considered to be important. Moreover, the interpersonal skills needed to be further developed are communication, effective presentations, problem solving, managing time, delegation, report writing and
effective meeting (Chaston & Mangles 1991). One of the findings of ACCA’s (2012) study is that, apart from the technical skills needed for the professional accountants, soft skills are also considered important by the accountants in the ASEAN region. ACCA (2012) found that the soft skills cited necessary for the future included analysis and communication skills, business awareness, consulting skills, report writing, time management and strategic business writing.

The members’ pattern of participation in CPD activities shows that they placed greater emphasis on accounting practice and standards, industry specialisation and regulations. This finding can be related to Indonesia’s adoption of the International Financial Reporting Standards (IFRS) in 2012 and the adoption preparation from 2008 to 2011. Between 2008 and 2010 the policy regulatory bodies in Indonesia were preparing for the integration of the IFRS into the Indonesian Financial Accounting Standards or IFAS (Zamzami 2010; Aprilicia 2013). After the adoption stage in 2008 to 2010, final preparation stage was conducted in 2011; this stage included gradual implementation some of IFRS-based IFAS. Finally, the total implementation of IFRS-based IFAS took place in 2012. The IFRS-based IFAS implementation undoubtedly compelled IICPA members to seek as much information and knowledge as possible about IFRS-based IFAS in order to update and conduct their business properly. As for the regulation, it is also one of the most popular CPD topics since the majority of the members interviewed in this thesis were public accountants and they were highly regulated by the policy regulatory bodies such as the MoF, the CMFISA and the Central Bank; hence, they needed to keep updated regarding the new rules and regulations pertaining to their occupation and their audit work.
The industry specialisation of the participants is another possible reason for the pattern of CPD activities. Table 6.1 below provides demographic data regarding the industry specialisation of the participants. It can be seen from Table 6.1 that most of the participants (40 people) were specialising in certain industries. As a consequence, the participants with industry specialisation needed to undertake CPD regarding their industries in order to conduct their business successfully.

**Table 6.1 Industry Specialisation of Participants**

<table>
<thead>
<tr>
<th>No.</th>
<th>Industry Specialisation</th>
<th>Number of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Specialised in certain industries</td>
<td>40</td>
</tr>
<tr>
<td>2.</td>
<td>Did not specialise in certain industries</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

Another possible explanation for the pattern of participation by the members is that many of the CPD topics offered by the IICPA did not incorporate soft skills to any extent. Table 6.2 below displays the topics offered by the IICPA in 2009, 2010, 2011 and 2012. For topics on accounting practice and standards, the highest number was in 2010 with 41 offerings and the lowest number was in 2009 with 19 offerings. For auditing practice and standards, the highest number was 23 in 2012 and the lowest number was 10 in 2011. Regulations offerings reached the highest number in 2011 with 15 offerings; the lowest number was in 2010 with six offerings. The industry specialisation offerings highest number was in 2009 with 17 offerings and the lowest was in 2012 with 14 offerings. General offerings classification include taxation, professionalism, code of ethics and guidance from the Ministry of Finance; and the highest number of offerings was in 2010 with 23
offerings and the lowest number was in 2011 with only five offerings. Soft skills offerings keep decreasing every year, starting at four offerings in 2009 and dwindling to zero in 2012.

Table 6.2 CPD Activities Offered by the IICPA 2009-2012

<table>
<thead>
<tr>
<th>No.</th>
<th>CPD Activities Offered</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Accounting Practice and Standards</td>
<td>19</td>
<td>41</td>
<td>34</td>
<td>26</td>
</tr>
<tr>
<td>2.</td>
<td>Soft Skills</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>3.</td>
<td>Auditing Practice and Standards</td>
<td>17</td>
<td>17</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>4.</td>
<td>Regulations</td>
<td>9</td>
<td>6</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>5.</td>
<td>Industry Specialisation</td>
<td>27</td>
<td>17</td>
<td>18</td>
<td>14</td>
</tr>
<tr>
<td>6.</td>
<td>General</td>
<td>10</td>
<td>23</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>86</strong></td>
<td><strong>106</strong></td>
<td><strong>83</strong></td>
<td><strong>84</strong></td>
</tr>
</tbody>
</table>

From the aforementioned discussion, it can be concluded that the members’ pattern of CPD activities shows a preference for undertaking topics in accounting practice and standards, industry specialisation, and regulations. The possible reasons for this are: (1) the total implementation of the IFRS-based IFAS in Indonesia in 2012; (2) most of the members interviewed in this thesis were public accountants; thus, they were highly regulated by the policy regulatory bodies such as the MoF, the CMFISA, and the Central Bank; (3) most of the members interviewed in this thesis dealt with clients from specific industries; and (4) the IICPA chose to focus their CPD activities on topics that were the core of accounting and auditing knowledge and skills rather than soft skills, and this focus was reflected on their CPD activities offered to the members from 2009 to 2012.
6.1.3 Preferences Regarding CPD Activities

The findings of this thesis shown in Section 4.4 indicate that the members preferred to have face-to-face format of CPD compared to online format. The face-to-face format of CPD preferred by the members is seminar, workshop and discussions. This finding is consistent with the findings of Ciccotosto, Nandan and Smorfitt (2008), ACCA (2012), De Lange et al. (2012), Lindsay (2012), Ross and Anderson (2013) and Halabi (2014). Ciccotosto, Nandan and Smorfitt (2008) in their study in Australia found that online delivery of CPD was not seen to be as effective as face-to-face seminar. The findings from ACCA (2012) demonstrate that some of the key preferred learning methods for members within AFA member bodies include conferences, seminars, face-to-face training courses and discussion. Similarly, De Lange et al. (2012) found that the overwhelming preference for CPD training was face-to-face although practitioners see the need to explore less conventional CPD offerings. From the UK, Lindsay (2012) reported that despite the fact that accessing the Internet for information is considered as the highest-rated relevant learning activity for professional accountants; attending courses, seminar and conferences was considered a more suitable method for CPD activity rather than accessing the Internet. Ross and Anderson (2013) in their study on CPD for accounting professionals in Canada found that accountants preferred to attend live seminars and undertake full length face-to-face courses regardless of where they were in their career or age. Likewise, a study by Halabi (2014) in Australia revealed that face-to-face was among the most popular form of CPD for professional accountants.
The face-to-face preference for CPD activities found in this thesis does not support findings reported by Englund (2010) who found that online format of CPD has been chosen as the main preference and online learning improves the effectiveness and flexibility of CPD. The findings from this thesis also indicate that the opportunity to engage in interactive discussion was the main reason why the face-to-face format was preferred by members. Thus, it may be assumed that online CPD was not seen as interactive as face-to-face format by the members. It is also worth noting that the IICPA as the CPD provider only provides face-to-face format of CPD and currently no other option is available. If in the future the IICPA decide to introduce online format of CPD, the low rate of information and communication technology – including the Internet – usage in Indonesia (Hill & Sen 1997; Jussawalla 1999; Sriwindono & Yahya 2012) should be considered.

6.1.4 Obstacles to CPD Participation

The findings of this thesis regarding time and cost as the main obstacles to CPD participation for the IICPA members are similar to those of previous studies by Chaston & Mangles (1991), Sawyer & Munn (1998), Guthrie (2004), Paisey, Paisey and Tarbert (2007), Wessels (2007), De Lange, Jackling and Suwardy (2010), De Lange et al. (2012), Lindsay (2012) and Wines et al. (2013). Time (or lack of) was cited by the members as the main obstacle due to their busy work schedule. Cost was also another obstacle for some members, especially for those who live in small towns and cities and had to travel to large cities like Jakarta or Surabaya to attend CPD events. This particular finding regarding cost as an
obstacle is consistent with findings from Sawyer & Munn (1998) and Wines et al. (2013) in which CPD participants who did not live in big cities where most of the CPD events were held, found it quite expensive to attend CPD events.

Other significant CPD deterrents found in this thesis were the big seminar format, location, and the quality of speaker. According to the participants of this thesis, the big seminar format made it difficult to focus on the topics being discussed and there was limited time for questions and answers; hence, the big seminar format did not support effective learning during CPD activities. This finding has never before been identified in previous studies regarding professional accountants’ engagement in CPD. The reason for the big seminar format being seen as an obstacle to participation might be due to the limited CPD activities offered by the IICPA for one particular topic, and also because the IICPA only has one CPD format so far, which is face-to-face format seminars, conferences or workshops. All of those factors could produce huge numbers of attendees at one CPD event.

Location or the venue of CPD events was also considered as an obstacle for the members since the IICPA often organise CPD events held in certain parts of Jakarta that were too far from the members’ offices. This finding regarding inconvenient location as an obstacle to CPD participation supports a study by Paisey, Paisey & Tarbert (2007) in which they found that inconvenient locations were a reason for lack of participation in CPD activities.

The members also considered the quality of speakers as one of the obstacles to participation because the speakers were inappropriate or did not have the expertise to deliver CPD topics or materials. The finding regarding the quality of
speakers corroborates a previous study by Udin et al. (2012) who found that the failure of the CPD speakers may cause some professional accountants to prefer not to attend CPD programs.

The particular finding of this thesis regarding time, location and cost as obstacles to participation is similar to that in a study reported by Wessels (2007). According to Wessels (2007), cost and time (due to work constraints) can be classified as a situational obstacle. Situational obstacles are ‘constraints that inhibit participation and are external to individual’s control’ (Wessels 2007, p. 368). Location of CPD activities can be classified as an institutional obstacle, defined by Wessels (2007, p. 368) as ‘practices and procedures of the CPD providers that inhibit participation in continuing education’. Apart from situational and institutional obstacles, there are also dispositional and informational obstacles to undertaking CPD (Wessels 2007). According to Wessels (2007, p. 368), dispositional obstacles are ‘factors that hinder participation and represent internal obstacles based on personal attitudes towards CPD.’ Dispositional obstacles include the individual’s perception about the lack of usefulness of CPD and disengagement from or apathy toward continuing education. Informational obstacles are ‘obstacles to participation relating to a lack of information about the available courses or a lack of information from which to judge the appropriateness of a CPD course’ (Wessels 2007, p. 368). To sum up, situational and institutional obstacles were found in this thesis but dispositional and informational obstacles were not indicated.

The link between levels of participation and obstacles to participation was also investigated in this thesis. In particular, the link between less than required
participation and obstacles to participation was analysed. The data analysis in Section 4.6 indicates that factors such as time, location, cost and the quality of speakers may be obstacles to members undertaking the required amount of CPD. This finding is important and needs to be taken into account by the IICPA as the CPD provider and the MoF as one of policy regulatory bodies that supervises public accountants and grants them practice licences. Furthermore, CPD deterrents can be associated with the decreased effectiveness of mandatory or compulsory CPD programs (Wessels 2007). Hence, the IICPA should try to minimise or eliminate obstacles by: offering more programs at more varied times; moving the venue of events to a more convenient location; providing a registration fee discount to help alleviate the cost incurred by members when attending CPD; and being more selective when choosing CPD presenters. The CPD speakers should have the appropriate experience, authority and competence to discuss certain topics so that participants do not feel that they have wasted their time and money. As indicated by Udin et al. (2012), the poor quality of speakers and the poor choice of topics or programs may cause would-be participants to avoid CPD events.

6.2 CPD Drivers
This section discusses the drivers that encourage members to undertake CPD based on data analysis conducted in Chapter 5. The drivers that are discussed are the policy regulatory bodies’ requirements, the ethical requirements, specialist skills and lifelong learning.
6.2.1 Policy Regulatory Bodies’ Requirements

The data analysis from Section 5.2.1 indicates that, according to the members, the policy regulatory bodies’ requirements drive their motivation to undertake CPD. This finding supports those in previous studies (Parkin 1979; Dingwall & Fenn 1987; Puxty et al. 1987; Perera 1989; Hao 1999; West 2003; Yee 2009; Yapa, Jacobs & Hout 2010; Pholkeo 2013) by confirming that the accounting profession in Indonesia, particularly the auditing profession, is indeed heavily regulated by the state or hierarchical control. Furthermore, Indonesia is a developing country; hence, the development of the accounting profession may have to be promoted by the establishment of appropriate laws and regulations (Perera 1989). This finding regarding the policy regulatory bodies’ requirements as a CPD driver also supports previous literature on the accounting profession in developing countries. In particular, Pholkeo (2013) found that CPD in Thailand has been mandated for Thai Certified Public Accountants by a government Act. The main reasons for the agreement with the policy regulatory bodies’ requirements as one of the CPD drivers according to the members are compliance and still undertake CPD without regulations out of necessity. The finding regarding compliance is particularly interesting since findings in Section 4.2 indicate that there were members who undertook less CPD than was required of them. It appears that although the members were driven by policy regulatory bodies’ requirements in undertaking CPD, for the members who did less CPD, their levels of participation did not match their desire to comply with those requirements.

Still undertake CPD without regulations out of necessity also emerged from the data analysis for policy regulatory bodies’ requirement as a CPD driver. This
finding is consistent with a study reported by Udin et al. (2012) who highlighted that accounting professionals attended CPD seminars or conferences in order to obtain updates on current knowledge and not because of accumulating the CPD points. Furthermore, this particular finding does not support previous study by De Lange, Jackling and Suwardy (2010) who found that the professional accountants who engaged in CPD had a ‘compliance mentality’ as opposed to the ideal attitude of lifelong learning as the main reason for CPD engagement. It can be concluded that for the members, compliance was not the only reason for their engagement in CPD because there were members who would still undertake CPD without regulations out of necessity.

6.2.2 Ethical Requirements

The data analysis in Section 5.2.2 suggests that there were members who agreed with the ethical requirements as one of CPD drivers and there were members who did not agree. According to the members who agreed with the ethical requirements as a CPD driver, the ethical code prescribed by the IICPA required them to maintain their competency and CPD was one of the means to maintain competency. Thus, the ethical requirements indeed drove them to participate in CPD activities. The findings of this thesis regarding agreement with the ethical requirements as a CPD driver supports previous literature regarding ethics for general professions by Goode (1961), Millerson (1964), Bucher and Stelling (1969), Bayles (1989), Dring (1992), Behrman (1998), Friedman and Phillips (2001), ACA (2012), O’Sullivan (2006) and Robinson et al. (2007).
The members also indicated that they agreed with the ethical requirements as a CPD driver because as professionals, they needed to maintain their competency in order to be ethical. The particular finding regarding the importance of maintaining competency as a part of the ethical conduct of a professional corroborates studies by Millerson (1964), Bucher and Stelling (1969) and Bayles (1989) who argued that professionals must demonstrate competence and due care when delivering services; and also Dring (1992), Friedman and Phillips (2001), ACA (2012), O’Sullivan (2006) and Robinson et al. (2007) who found that many professional associations clearly state in their code of ethics that professional members should continuously maintain their competence level through undertaking CPD.

In the accounting context, the findings of this thesis regarding agreement with the ethical requirements as a CPD driver supports studies by Carey and Doherty (1966), Barradell (1969), Cerf (1970), Loeb (1978), Windal and Corley (1980), Brooks (2000), IFAC (2010), ICAEW (2011), IICPA (2012b) and Brooks and Dunn (2015). Maintaining competency as a part of a professional accountants’ code of ethics supports statements by the IFAC (2010), ICAEW (2011) and IICPA (2012b) since those professional accountants associations specified clearly in their code of ethics that undertaking CPD is important in maintaining competency.

The data analysis conducted also indicates that the members disagreed because they perceived that there was no relationship between the ethical requirements and CPD, CPD was driven more by the professional body and policy regulatory bodies’ requirements and also there were some members who were not
sure with ethical requirements as a CPD driver. Therefore, there is a possibility that the members who disagreed did not really understand that undertaking CPD is a part of their ethical code as a member of the IICPA as stated in its code of ethics (IICPA 2012b).

To sum up, the above findings demonstrate that according to the members, the ethical requirements is also one of CPD drivers, although it received less agreement compared with the policy regulatory bodies’ requirements due to lack of understanding that undertaking CPD is part of an ethical conduct for professional accountants. This particular finding has not been investigated previously in the accounting profession context; thus, it can be added to the literature regarding CPD for the accounting profession.

6.2.3 Specialist Skills

The data analysis in Section 5.2.3 indicates that the members agreed with specialist skills as a driver for them to undertake CPD. The members agreed with specialist skills because they had business focus/needs, meaning that they often had to perform audit works in specific industries that had their own specific rules, regulations and financial reporting standards. Hence, specific CPD topics related to specific industries were needed in order to acquire specialist skills, and that what made specialist skills as a CPD driver for the members. This finding can also be explained by the fact that the majority of members interviewed in this thesis (40 out of 48 people) specialised in certain industries (please see Table 3.5).
The finding regarding the importance of specialist skills and how this drives the members to undertake CPD is consistent with previous studies on general professions by Schein (1972), Lowenthal (1981) and Slotte and Tynjala (2003), who envisaged that rapid knowledge development in the business environment has made it necessary for professional members to always keep up with and strive to meet demand for business specialisation.

In accounting context, the findings regarding specialist skills as a CPD driver is consistent with previous studies by Carey and Doherty (1966), Flint (1980), Burton and Rezaee (1994), Coen (2004), Birkett and Evans (2005), Gold (2008) and De Lange, Jackling and Suwardy (2010) as proposed in the theoretical framework used in this thesis. In particular, this finding regarding specialist skills as one of CPD drivers confirms those in previous studies by Gold (2008) and De Lange, Jackling and Suwardy (2010) which found that professional accountants had specialist skills to be fulfilled by CPD; thus, specialised CPD was needed.

6.2.4 Lifelong Learning

The findings from Section 5.2.4 indicate that the members agreed with lifelong learning as a CPD driver. This finding regarding lifelong learning as one of the CPD drivers is consistent with those in previous studies regarding general professions in the literature (Houle 1980; Lowenthal 1981; Campbell 1983; Flagello 1998; Young 1998; Hemmington 1999; Knapper & Cropley 2000; Longworth 2003; Cantor 2006; Guest 2006; Jarvis 2007; Uggla 2008; AACN
2010; and Merriam 2010) which all encourage the professionals to embrace lifelong learning due to the nature of professions and also due to rapid changes and continuous development in the global business environment.

This finding also consistent with previous studies in accounting profession context (CGMA 2006; CIMA 2006; Berg 2007; Zajkowski, Sampson & Davis 2007; IFAC 2008; and Lindsay 2012). The members agreed that lifelong learning is a CPD driver for the following reasons: (1) to keep up to date; (2) lifelong learning is the nature of the profession; and (3) they would like to keep on learning. The finding regarding keeping up to date as one of the reasons why lifelong learning is considered as a CPD driver supports a previous study by Lindsay (2012) and the finding about lifelong learning being inseparable from the profession is consistent with studies by CIMA (2006), Berg (2007) and Zajkowski, Sampson and Davis (2007). Furthermore, the finding regarding the desire to keep on learning corroborates studies by CGMA (2006) and IFAC (2008) in which they emphasised the importance of continuously learning in order to avoid stagnation and to keep developing. Therefore, because knowledge is evolving, having to keep up to date with changes and developments has contributed to the need for lifelong learning according to members. The members also viewed lifelong learning as an inherent part of being a professional, and they wanted to keep on learning.

It is interesting to note that although most members interviewed in this thesis believed that the policy regulatory bodies’ requirements were one of the CPD drivers, lifelong learning was also considered as an important driver since it
received more agreement from the members compared with other CPD drivers investigated in this thesis such as the ethical requirements and specialist skills.

6.3 CPD Outcomes
This section discussed the outcomes of CPD according to the members. The outcomes that are discussed are keeping up to date, the improvement and broadening of knowledge and skills, the development of personal qualities necessary to execute professional and technical duties, and the sustainability of the profession as a whole.

6.3.1 Keeping Up To Date
The findings presented in Section 5.3.1 indicate that keeping up to date is one of the CPD outcomes according to the members. The participants in this thesis agreed with keeping up to date as a CPD outcome for the following reasons: (1) to obtain updates on the accounting standards/IFRS; (2) to be not left behind; and (3) to maintain professional image. Keeping up to date as one of CPD outcomes supports those in previous studies for general professions reported by Segall (1988), Dring (1992), Noon (1994), Friedman and Phillips (2001), Friedman and Phillips (2004), O’Sullivan (2006), Evans and Gbadamosi (2008), Friedman (2012) and Alsop (2013). The findings of this thesis on keeping up to date in order to maintain professional image is consistent with Noon (1994) in which he stated that a commitment to CPD may help members of professionals with self-
image problem, in particular if the members are seen to match best CPD practice of other professional bodies.

In accounting context, the findings of this thesis concerning obtaining updates on the accounting standards/IFRS and being not left behind as CPD outcomes, support previous studies by Guthrie (2004), Paisey, Paisey and Tarbert (2007), Rothwell and Herbert (2007), Wessels (2007), Ciccotosto, Nandan and Smorfitt (2008), IFAC (2008), De Lange, Jackling and Suwardy (2010), De Lange et al. (2012), Lindsay (2012), and Udin et al. (2012). The finding on keeping up to date in order to obtain updates on the IFRS, in particular, confirms a study by Udin et al. (2012). A study in Malaysia by Udin et al. (2012) revealed that professional accountants must be up to dated and equip themselves with knowledge of changes in accounting, auditing and taxation due to the introduction of the IFRS in 2012. Similarly, the members investigated in this thesis considered keeping up to date, especially keeping up to date on the IFRS, to be one of CPD outcomes for them due to the IFRS adoption in Indonesia in 2012. Furthermore, the findings on maintaining a professional image through keeping up to date confirms a study reported by Wessels (2007) who found that CPD was effective in improving the image of a profession.

Another interesting finding of this thesis is that only a few participants mentioned that they would like to obtain updates on regulations although in 2011 the Indonesian government introduced the Public Accountant Act, the Act number 5 of 2011 regarding public accountants. This new Act provides protection and legal certainty for society and the public accounting profession in Indonesia. The Public Accountant Act also regulates the use of public accountant title, the
provision of public accountants’ services and public accountants’ rights and obligations, including CPD. Therefore, it can be inferred that the new Act is important for the members. However, the findings of this thesis indicate that the members were more concerned about changes in the accounting standards rather than changes in regulations.

To sum up, this thesis found that keeping up to date is indeed a CPD outcome according to the members; and the reason for that agreement is that through CPD, members could obtain updates on the accounting standards/IFRS, would not be left behind, and could maintain a professional image.

6.3.2 Improvement and Broadening of Knowledge and Skills

The findings in Section 5.3.2 demonstrate that the members agreed with the improvement and broadening of knowledge and skills as one of CPD outcomes. This finding is consistent with those in previous studies in the literature (Rapkins 1996; Pijanowski 1998; Young 1998; Alsop 2001; Elliott & Jacobson 2002; Guthrie 2004; Rothwell & Arnold 2005; Adanu 2007; Paisey, Paisey & Tarbert 2007; Zajkowski, Sampson & Davis 2007; Wessels 2007; IFAC 2008, and De Lange, Jackling & Suwardy 2015).

In accounting context, this finding is consistent with studies by Guthrie (2004), Paisey, Paisey and the Tarbert (2007), Zajkowski, Sampson and Davis (2007), Wessels (2007), IFAC (2008) and De Lange, Jackling and Suwardy (2015). The data analysis in Section 5.3.2 also indicates that the members considered the improvement and broadening of knowledge and skills as one of the CPD outcomes since they were focused on their clients; hence, they would like to
provide the best possible quality services. In order for them to serve their clients better and provide quality services, they needed to undertake CPD. Ultimately, satisfied clients will enable the professional accountants to develop their professional career in the future. Thus, CPD indeed supports future professional development. The members also mentioned that the improvement and broadening of knowledge and skills about the IFRS and technical material other than the IFRS were also a CPD outcome for them. Therefore, being able to provide a quality service to clients, improved and broadened knowledge and skills on the IFRS and technical matters other than the IFRS, as the reasons why the improvement and broadening of knowledge and skills is one of the CPD outcomes, and can be added to the literature on CPD for the accounting profession.

6.3.3 Development of Personal Qualities Necessary to Execute Professional and Technical Duties

The data analysis in Section 5.3.3 indicates that the development of personal qualities necessary to execute professional and technical duties is considered as one of the CPD outcomes by the members. This finding is consistent with those in the previous literature for professions in general (Wood 1998; Friedman & Phillips 2004; Graham & Thomas 2006; Friedman 2012; Engineers Ireland 2015).

In the accounting profession context, the finding of this thesis regarding development of personal qualities as one of CPD outcomes supports previous studies by Roslender (1992), West (2003), Guthrie (2004), and IFAC (2008). The findings reported by Guthrie (2004), in particular, indicate that CPD built a sense
of self-worth and increase confidence in tackling new tasks. The data analysis in Section 5.3.3 also indicates that members considered development of personal qualities necessary to execute professional and technical duties is a CPD outcome because: (1) by undertaking CPD, they obtained added insight which increased their self-esteem, (2) through undertaking CPD, they could share their experiences with other people and learn from other people experiences as well, and (3) compliance with rules and regulation can develop personal qualities.

The finding of this thesis regarding self-esteem gained from CPD confirms findings by Guthrie (2004). The findings also indicate that sharing experiences with and learning from other people during CPD can develop personal qualities. This finding may be due to the fact that the IICPA as the CPD provider only organises CPD only in the formats of face-to-face seminars, conferences or workshops; this enables participants to meet with the authorities and other members during CPD events. This finding is particularly interesting since it does not support studies by Paisey, Paisey and Tarbert (2007) who found that the opportunity to meet fellow accountants during the CPD was not rated highly; and by De Lange, Jackling and Suwardy (2010) who reported that although the face-to-face CPD format was preferable compared with the online format, the accountants did not rate the opportunities to interact with experts and their peers during CPD events highly. Furthermore, the findings of this thesis on how compliance with rules and regulation can develop personal qualities are rarely discussed in the previous literature regarding CPD for professional accountants.

It is also noteworthy to discuss the importance of soft skills in developing personal qualities necessary to execute professional and technical duties.
Kranacher (2010) explained that with the IFRS adoption, it would be more important for auditors to exercise professional judgment and be able to articulate the reasoning behind every decision. As a repercussion, for the auditors who were adopting IFRS, soft skills such as critical thinking, problem solving, negotiation and communication would be increasingly important (Kranacher 2010). Parallel to Kranacher (2010), a study by ACCA (2012) demonstrated that the accountants in Association of South East Asia Nations (ASEAN) countries considered analysis and communications skills are essential for the future. According to ACCA (2012), the shift from technical skills to soft skills training reflects the evolution of professional accountants towards a more strategic role that needs more analysis and communication of the outcomes of the analysis to various stakeholders. Contrary to findings by Kranacher (2010) and ACCA (2012) regarding the importance of soft skills in the development of personal qualities, this thesis found that only one member mentioned that CPD activities on soft skills could assist in developing personal qualities. It can be concluded, therefore, soft skills CPD are not considered helpful by the members in developing personal qualities necessary to execute their professional and technical duties.

To conclude, the findings on the development of personal qualities necessary to execute professional and technical duties can be added to the previous studies on CPD in the context of accounting profession by Guthrie (2004), Paisey, Paisey and Tarbert (2007), IFAC (2008), De Lange, Jackling and Suwardy (2010), Kranacher (2010) and ACCA (2012).
6.3.4 Sustainability of the Profession as a Whole

By undertaking CPD, professionals will update, maintain and develop their knowledge and skills and their personal qualities; hence, the viability of the profession can be sustained. The literature for professions in general (Freidson 1986; Dring 1992; Noon 1994; Flagello 1998; Slotte & Tynjala 2003; Cruess, Johnston & Cruess 2004; and Psychology Board of Australia 2015) provides ample support for undertaking CPD in order to sustain a profession. The data analysis in Section 5.3.4 demonstrates that the sustainability of the profession as a whole is indeed one of the CPD outcomes according to the members. The members investigated in this thesis considered the sustainability of the profession as a whole as one of the CPD outcomes because: (1) being up to date by undertaking CPD could sustain the profession; (2) CPD helped to organise the profession better and therefore could sustain the profession; (3) CPD helped to ensure the sustainability of the business; (4) CPD could promote trust in the profession; and (5) CPD created a healthy climate of competitiveness for auditors.

In the accounting context, the findings of this thesis support previous studies in the literature by Buckley (1978), Carey (1978), Armstrong (1985), and Birkett and Evans (2005). The findings on keeping up to date by undertaking CPD can sustain the profession as a whole, confirm the findings of a study by Buckley (1978) who argued that professions are not granted an everlasting tenure and as their circumstances changed; reorientation becomes a necessary act of survival. In other words, professions must keep up to date with current changes and developments in order to survive.
Carey (1978) argued that future opportunities open to public accountants depended on maintaining public confidence. Therefore, the findings of this thesis regarding the sustainability of the profession as a whole as a CPD outcome are aligned with studies by Carey (1978) since the participants considered that CPD could promote trust in the profession. The participants in this thesis also mentioned that CPD helped them to compete; thus, this finding supports studies reported by Armstrong (1985) who explained that amongst professional accountants themselves, some were well aware that they were in competition with other professions and with members of other accounting institutions for positions of corporate power.

The only finding regarding sustainability of the profession as a whole that has not been mentioned in previous literature is that CPD helped to organise the profession better. Furthermore, sustainability of the profession as a whole as one of CPD outcome is also seldom discussed in the literature on CPD in the accounting context. Therefore, the findings of this thesis can be added to previous literature on CPD in the accounting context. Furthermore, this thesis can also become among the first studies to discuss sustainability of the profession as a whole as one of the CPD outcomes for the accounting profession.

6.4 Theoretical Framework

The theoretical framework developed in this thesis (see Figure 6.1) is constructed from the literature on CPD that was categorised into two broad groupings: CPD drivers and CPD outcomes. The framework developed in response to Research Question 2, highlights the major influences on CPD participation and implications
of undertaking CPD. For the CPD drivers, the most influential driver according to the members was the requirements stipulated by policy regulatory bodies. Of the 48 members, 45 agreed to this driver, followed by lifelong learning with 37 people mentioned it. Specialist skills as a CPD driver received agreement from 35 members. The ethical requirements received agreement from 29 members; therefore this is the least influential CPD driver investigated in this thesis. It can be concluded that the members were well aware that the policy regulatory bodies required them to undertake CPD; thus, it became their most influential driver. Lifelong learning was also considered influential by the members since they like to keep up to date to do their obligations as professionals and desire to keep on learning. Specialist skills, although less influential compared with the policy regulatory bodies’ requirements and lifelong learning, are still considered as a CPD driver by the members due to their business focus/needs.

The ethical requirements, on the other hand, received the least agreement compared with the policy regulatory bodies’ requirements, lifelong learning and specialist skills. Thus, the ethical requirements can be considered as the least influential driver of CPD for members. This disagreement might be due to the lack of awareness of or understanding that undertaking CPD is indeed a part of ethical conduct as prescribed by the IICPA.

Regarding CPD outcomes, keeping up to date as a CPD outcome was agreed to by all 48 members interviewed in this thesis and the sustainability of the profession as a whole received agreement from 45 members. The improvement and broadening of knowledge and skills is also considered as a CPD outcome according to 42 members. The least agreed CPD outcome according to the
members was the development of personal qualities necessary to execute professional and technical duties with 37 people agreed to it. Figure 5 below presents a revised version of the theoretical framework presented in Figure 1 and in Figure 2. The numbering on each of CPD driver and CPD outcome discussed in the theoretical framework is not intended to show the ranking of the drivers and outcomes according to the participants. The numbers employed are meant to show which drivers and outcomes receive more or less agreement and discussion from the participants of this thesis.

Figure 5 Theoretical Framework for the IICPA members' CPD Engagement
6.5 Research Questions Reviewed

Having discussed the findings regarding CPD understanding and engagement, and the CPD drivers and CPD outcomes, this section discusses the answers to the research questions proposed in this thesis:

\textit{RQ1: To what extent do the IICPA members understand and engage in CPD?}

\textit{RQ2: How do the CPD drivers and CPD outcomes influence the engagement of the IICPA members in CPD?}

6.5.1 The IICPA Members’ Understanding and Engagement in CPD

The data analysis in Section 4.2 regarding levels of participation in CPD activities indicates that there were members who undertook less CPD than was required of them. According to findings in Section 4.2.1 and Section 4.2.4, this inadequate participation in CPD activities can be attributed to a lack of knowledge regarding CPD requirements, partially met actual needs by CPD, ineffectual CPD monitoring by the IICPA as the auditing profession’s professional body in Indonesia and the Ministry of Finance as the regulatory body that grants public accountant licences and therefore should monitor CPD compliance by the public accountants; moreover, there is a lack of enforcement by the policy regulatory bodies (except the CMFISA) of sanctions for CPD non-compliance.

Section 4.3 demonstrates that in terms of pattern of participation, members preferred CPD topics on the accounting practice and standards, industry specialisation and regulations. The possible reasons for these preferences include:
(1) the total implementation of the IFRS-based Indonesia Financial Accounting
Standards in 2012; (2) most of the members interviewed in this thesis are public accountants; thus, they need to keep up to date with new rules and regulations pertaining to their occupation and audit work; (3) most of the members interviewed in this thesis dealt with clients from specific industries; and (4) the IICPA focuses their CPD activities offerings on core accounting and auditing knowledge and skills rather than soft skills.

The data analysis presented in Section 4.4 indicates that the members preferred the face-to-face format for CPD delivery. This format includes seminars, workshops, and discussions. This format, as indicated by the participants, was conducive to interactive discussions.

The findings in Section 4.5 indicate that there were several obstacles preventing members from participating in CPD activities. These deterrents were: time, the big seminar format, venue location, cost and the quality of speakers. In Section 4.6, a link between the levels of CPD participation and the obstacles to participation in CPD activities is discussed. The data analysis in Section 4.6 suggests that participants who did less CPD considered the time factor to be the main obstacle. This was followed by venue location, cost, the big seminar format and the quality of speakers. Consequently, it can be inferred that members did not undertake the necessary amount of CPD because of these obstacles. Therefore, the IICPA should address those obstacles in order to increase its members’ levels of participation.
6.5.2 The Influence of CPD Drivers and CPD Outcomes on CPD Engagement

The finding in Section 5.5 indicates that the members who did less CPD agreed that the policy regulatory bodies’ requirements, specialist skills, and desire for lifelong learning drove them to undertake CPD although some disagreed that the ethical requirements were a CPD driver. Regarding CPD outcomes, the members who undertook less CPD than required agreed that keeping up to date, the improvement and broadening of knowledge and skills, the development of personal qualities necessary to execute professional and technical duties, and the sustainability of the profession as a whole, are indeed CPD outcomes for them. Therefore, it can be inferred that the members who did less CPD agreed that CPD assisted them in keeping up to date, in improving and broadening of knowledge and skills, in developing personal qualities necessary to execute professional and technical duties and in sustaining the profession as a whole.

Nevertheless, lack of agreement with the ethical requirements as a CPD driver seems to influence the participants’ levels of CPD participation. The findings in Section 5.5 also reveal that there were members with less CPD who did not regard the ethical requirements as a driver for them to undertake CPD. This particular finding is quite alarming since they did not realise the importance of CPD as part of their ethical requirements as professionals in general and as professional accountants in particular. The IICPA should be able to pick up on this finding and act on it by disseminating and promoting the code of ethics for the members to enhance their awareness of CPD and its importance as one of the
efforts to continuously maintain competency by maintaining the currency of their knowledge and skills.

6.6 Conclusion

This thesis was intended to investigate the members’ understanding of and engagement with CPD and the influence of CPD drivers and CPD outcomes on CPD engagement. This thesis found that the members engaged in CPD activities to a lesser extent than was required. This could be attributed to a lack of knowledge regarding CPD requirements, partially met actual needs by CPD, ineffectual monitoring of CPD, lack of enforcement of sanctions for CPD non-compliance by the policy regulatory bodies apart from the CMFISA, and obstacles to participation such as time constraints, inconvenient venue location, the big seminar format, cost, and the quality of speakers. For pattern of participation, the members undertook CPD topics on the accounting practice and standards, industry specialisation and regulations. For preference of participation, the members preferred the face-to-face format for CPD delivery in order to have interactive discussion.

Regarding the influence of the CPD drivers and CPD outcomes on CPD engagement, this thesis found that policy regulatory’ requirements, the need for specialist skills, and lifelong learning indeed drove the participants to undertake CPD. The response to the ethical requirements as a CPD driver, however, was mixed because some members with less CPD agreed that the ethical requirements were a CPD driver and some members with less CPD did not agree. Additionally, even though they undertook less CPD than required, it can be concluded that these
members agreed that CPD assisted them to keep up to date, to improve and broaden their knowledge and skills, and to develop the personal qualities necessary to execute professional and technical duties and to sustain the profession as a whole.
7.1 Introduction

This thesis aims to add to the literature regarding CPD for professional accountants, especially CPD for IICPA members, by investigating the understanding of and engagement in CPD, and by investigating the influence of CPD drivers and CPD outcomes on the IICPA members’ engagement in CPD using theoretical framework constructed in this thesis. It is also the aim of this thesis to provide findings to assist the IICPA and the MoF to develop CPD policy and improve activities. Eventually, developed CPD policy and improved activities will help to improve IICPA members’ engagement in CPD, and help to reassure the public that IICPA members remain competent and updated.

7.2 Summary

This thesis investigated the IICPA members’ understanding of and engagement in CPD, and the influence of CPD drivers and CPD outcomes to the IICPA members’ engagement in CPD.

For the investigation, this thesis employed a qualitative methodology using the interpretive approach and the data collection method chosen was the semi-structured interview. This interview method was chosen because it allowed the participants to have authority over their own stories, which meant that they were seen as experts on the subject being investigated. This is important since CPD for
members of the IICPA in particular is a rarely investigated area; thus, more information needed to be gathered to answer the research questions of this thesis. Semi-structured interviews were conducted with: (1) 48 CPD participants who were all members of the IICPA and worked in various accounting firms in Indonesia; (2) three representatives from the IICPA as the CPD provider and as the professional association for the auditing profession in Indonesia and; (3) one representative from the Ministry of Finance as the policy regulatory body that supervises and grants practice licences to public accountant members of the IICPA.

A pilot study was conducted prior to the interviews to ensure the clarity of the interview questions. The data analysis in this thesis used thematic analysis according to Boyatzis (1998), Braun and Clarke (2006), Howitt and Cramer (2008), and Jones and Forshaw (2012). The coding process of the data of this thesis followed the guideline by Lofland (2006), Boeije (2010), Bernard (2011), David and Sutton (2011), Saldana (2013), and Miles, Huberman and Saldana (2014). First Cycle coding and Second Cycle coding (Saldana 2013) were employed in analysing the data. This thesis also used several techniques to increase the reliability and validity of the thesis findings as described in Chapter 3.

In order to answer *RQ1: To what extent do the IICPA members understand and engage in CPD?* CPD engagement of the IICPA members was investigated. The findings of this thesis suggest that there were members of the IICPA who did less CPD than they were required to. Possible explanations might be the participants’ lack of knowledge regarding CPD requirements (shown by both
members and providers), partially met actual needs by CPD, the ineffectual monitoring system of the IICPA and by the Ministry of Finance, and a lack of enforcement of sanctions system for CPD non-compliance.

The IICPA members’ pattern of participation in CPD activities was also investigated; the findings indicate that the participants undertook CPD topics in accounting practice and standards, industry specialisation and regulation. For preferences of CPD participation, the findings suggest that the IIPCA members preferred to have face-to-face format of CPD over online CPD because they liked having interactive discussions during their CPD activities. This thesis also found significant obstacles to participation in CPD activities by the IICPA members. Lack of time was the main obstacle to CPD participation, and followed by the big seminar format, location, cost and the quality of speakers. Furthermore, this thesis also found a link between the participants with less CPD than required and the obstacles to their participation in CPD, mentioning time, location, cost, and the quality of speakers as CPD deterrents.

CPD drivers and CPD outcomes for IICPA members were investigated based on the theoretical framework constructed in this thesis in order to answer RQ2: *How do the CPD drivers and CPD outcomes influence the engagement of the IICPA members in CPD?* The findings on CPD drivers suggest that the policy regulatory bodies’ requirements, the ethical requirements, specialist skills, and lifelong learning were indeed CPD drivers for the IICPA members. The policy regulatory bodies’ requirements received the most agreement from the participants, followed by lifelong learning and specialist skills. The ethical requirements as a CPD driver received the least agreement from the participants.
The participants who did not agree with the ethical requirement as a CPD driver perceived that there was no relationship between the ethical requirements and CPD, and that CPD was driven more by the professional body and policy regulatory bodies’ requirements; and some were unsure that the ethical requirements are a CPD driver.

The findings on CPD outcomes indicate that keeping up to date, the improvement and broadening of knowledge and skills, the development of personal qualities necessary to execute professional and technical duties, and the sustainability of the profession as a whole are considered as CPD outcomes by the IICPA members. Keeping up to date received most agreement with all of the participants agreeing with it, followed by the sustainability of the profession as a whole and improvement and broadening of knowledge and skill; whereas the development of personal qualities necessary to execute professional and technical duties received the least agreement from the participants.

In order to answer Research Question 2, data analysis was conducted to determine whether there is a link between the participants who undertook less CPD than required, and their views regarding CPD drivers and CPD outcomes. The findings from this analysis indicate that there were participants who did less CPD than required that perceived the policy regulatory bodies’ requirements, specialised skills, and lifelong learning as CPD drivers but did not perceive the ethical requirements as their CPD driver. Therefore, it can be concluded that the disagreement with the ethical requirements as a CPD driver seems to influence the levels of participation by the IICPA members.
7.3 Contributions

This thesis contributes to the literature on CPD for the accounting profession, especially CPD for the IICPA members, by: (1) investigating the IICPA members’ understanding of and engagement in CPD by identifying the levels, pattern and preferences of, and obstacles to, participation in CPD activities; (2) investigating the influence of CPD drivers and CPD outcomes on the IICPA members’ engagement in CPD; and (3) providing findings to assist the IICPA and the MoF to develop CPD policy and to improve CPD activities. Enhanced CPD policy and activities will help to improve CPD engagement by IICPA members and help to reassure the public that IICPA members remain competent and updated.

7.4 Recommendations

Based on the findings of this thesis, the following recommendations are made: (1) in order to increase the levels of participation, the IICPA should communicate to its members (both public accountants and non-public accountants) what their obligations are in regard to CPD; (2) the IICPA should develop a system to gauge IICPA members’ actual needs that ought to be fulfilled by CPD; (3) the IICPA and the Ministry of Finance should establish a sound CPD participation monitoring system in order to ensure that both the public accountant and non-public accountant members of IICPA comply with their CPD requirements thereby reassuring the public that IICPA members are remaining competent and updated; (4) in addition to face-to-face format of CPD, the IICPA should also introduce other formats of CPD in order to address the issue of time constraints.
being the main obstacle to participation in CPD; (5) the IICPA should organise more CPD events in smaller cities outside large cities (Jakarta, Surabaya) to reduce the costs associated with attending CPD for IICPA members who do not live in big cities; (6) the IICPA should organise smaller CPD seminars in order to improve the levels of participation; (7) the IICPA should select more convenient locations as CPD venues; (8) the IICPA should select CPD speakers based on their capability and expertise to deliver specific topics; (9) the IICPA should communicate the importance of participating in CPD as part of the ethical requirements of the profession as endorsed in the IICPA members’ code of ethics.

7.5 Limitations
This thesis is limited by the type of participants involved, in the sense that it focuses only on CPD for the IICPA members; thus, it does not cater for other accounting professional bodies in Indonesia. Another limitation is the use of self-reported CPD credit points captured in this thesis. Data regarding the participants’ actual CPD credit points was not available publicly; hence, this thesis relied on the participants’ self-reported CPD credit points conveyed during interview.

7.6 Future Research
This thesis investigates CPD for IICPA members only and does not consider members of other professional accountant organisations in Indonesia. Future research could consider studying CPD for other professional accounting
professions in Indonesia, such as management accountants, internal auditors, government auditors, public sector accountants, and accounting educators.

Future research may also consider using other methods in order to study CPD for IICPA members. This thesis has used the qualitative method; hence, there is still an avenue for future research to employ the quantitative method or to take a mixed methods approach since qualitative and quantitative methodologies are different in nature as explained by McCracken (1988, p. 18):

The qualitative and quantitative approaches are never substitutes for one another. This is so because, necessarily, they observe different realities, or different aspects of the same reality. This distinctness must be honoured. One cannot draw quantitative conclusions from qualitative work.

To sum up, the findings from this thesis can provide the basis for a future research project that takes a quantitative approach, or combines the qualitative and quantitative methods.
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APPENDIX 1

Participant Information and Consent Form (PICF)

INVITATION TO PARTICIPATE IN A RESEARCH PROJECT

PARTICIPANT INFORMATION

Project Title:
A Framework of Continuing Professional Development for the Public Accounting Profession: Evidence from Indonesia

Investigator:
Ayu Chairina Laksmi
PhD Student
School of Accounting
RMIT University

Supervisors:
Prof. Paul De Lange Dr. Paul Myers
Senior Research Supervisor Second Research Supervisor
Professor
School of Accounting School of Accounting
RMIT University RMIT University
Dear Participant,

You are invited to participate in a research project being conducted by RMIT University. Please read this sheet carefully and be confident that you understand its contents before deciding whether to participate. If you have any questions about the project, please ask one of the investigators.

Who is involved in this research project? Why is it being conducted?

The principal investigator in this research project is me, Ayu Chairina Laksmi, a PhD student at the School of Accounting, RMIT University. My senior research supervisor is Prof Paul De Lange and my second research supervisor is Dr. Paul Myers. This research is conducted as part of PhD degree at the School of Accounting, RMIT University, Australia. This research project has been approved by the RMIT Human Research Ethics Committee.

Why have you been approached?

You have been approached for this research project because you are the providers of CPD for public accountants in Indonesia or participants of CPD in Indonesia. Your e-mail address was obtained through your organisation’s official website.

What is the project about? What are the questions being addressed?

This research project aims to develop a Continuing Professional Development framework for public accountants in Indonesia which intended to be applied to a wide variety of accounting profession. Within this broad aim are the following research objectives: (1) to identify the regulatory and institutional structures which shaped the accounting profession and CPD in Indonesia; (2) to investigate the extent to which CPD offerings sustain and develop accounting profession in Indonesia. The key research questions in this research project are: (1) what are the regulatory and institutional structures which shaped the accounting profession and CPD in Indonesia? ; (2) to what extent do CPD offerings sustain and develop the accounting profession in Indonesia?

This research project is expected to have around 22 research participants.
If I agree to participate, what will I be required to do?

You will be asked questions regarding your knowledge on institutional and regulatory structures regarding accounting profession and CPD in Indonesia. You will also be asked regarding your experience in delivering or undertaking CPD for public accountants in Indonesia. During this research project, you will only be interviewed once and the interview should last a maximum of 60 minutes. The interview will be audio recorded; however, no recording will be carried out if you do not wish to be audio recorded. If during the interview, you feel any unpleasant or inconvenient events resulting from the questions or the interviewer’s behaviour, you may opt to withdraw your participation, without any consequences whatsoever.

After your interview data have been fully transcribed, we will send it to you again to confirm whether or not we correctly transcribe your answers during the interview. If you have any objections to the transcription and you would like to amend your answers, you are free to do so. You could also examine the whole set of interview questions before the interview begin, in order to decide your participation.

What are the possible risks or disadvantages?

There are no perceived risks for your normal day-to-day activities resulting from your participation in this research project. If you are unduly concerned about your responses to any of interview questions or if you find participation in the project distressing, you should contact me, Ayu Chairina Laksmi or my supervisors listed above, as soon as it is convenient for you. I or my supervisors will discuss your concerns with you confidentially and suggest appropriate follow-up, if necessary. If any serious risks collected from the interview data are revealed by this research project, and the risk is in your interest to know, I will contact you as soon as possible.

What are the benefits associated with participation?

This research project is funded by RMIT University. There is no direct benefit to you as a participant; however, I will be pleased to provide you with a copy of the report of this research project when it is published.
What will happen to the information I provide?

The information you provide will be invaluable to this research project. Your participation in this research is anonymous, meaning you cannot be identified at any stage of the research project. Your participation is also confidential, any details about you will be only seen by me and my supervisors listed above. Your data will be safely stored in a locked drawer in my office at RMIT University.

Any information that you provide can be disclosed only if (1) it is to protect you or others from harm, (2) a court order is produced, or (3) you provide the researchers with written permission.

The results from this research project will be disseminated in the form of conference papers and/or journal papers. When disclosed, the data will be aggregated. The research data will be kept securely at RMIT for a period of 5 years after publication, before being destroyed.

What are my rights as a participant?

Please find the Participant Consent Form at the end of this information sheet, which you need to sign before I can begin the interview. Participation in this research is entirely voluntary and anonymous. You have the right to withdraw from participation at any time and you have the right to have any unprocessed data withdrawn and destroyed, provided it can be reliably identified, and provided that so doing does not increase your risk as a participant. You also have the right to request that audio recordings be terminated during the interview and you have the right to have any questions answered at any time.

Whom should I contact if I have any questions?

If you should have any queries regarding this research project, please do not hesitate to contact me as the principal investigator or my supervisors listed above.
What other issues should I be aware of before deciding whether to participate?

If you think your involvement in this research project may raise any ethical issues due to your position as a CPD provider or a CPD participant, you may withdraw your participation immediately and there will be no consequences whatsoever for your withdrawal.

Yours sincerely,

Ayu Chairina Laksmi
PhD Student
School of Accounting

PARTICIPANT’S CONSENT

1. I have had the project explained to me, and I have read the information sheet

2. I agree to participate in the research project as described
   I agree to be interviewed
   I agree to have my voice audio recorded

3. I acknowledge that:

   (a) I understand that my participation is voluntary and that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied (unless follow-up is needed for safety).

   (b) The project is for the purpose of research. It may not be of direct benefit to me.

   (c) The privacy of the personal information I provide will be safeguarded and only disclosed where I have consented to the disclosure or as required by law.
(d) The security of the research data will be protected during and after completion of the study. The data collected during the study may be published, and a report of the project outcomes will be provided to me when at the end of the research project. Any information which will identify me will not be used.

Participant’s Consent

Participant: ___________________________ Date: ___________________________

(Signature)

Any complaints about your participation in this project may be directed to the Ethics Officer, RMIT Human Research Ethics Committee, Research & Innovation, RMIT, GPO Box 2476V, Melbourne, 3001. The telephone number is (03) 9925 2251. Details of the complaints procedure are available on the Complaints with respect to participation in research at RMIT page

Participants should be given a photocopy of this PICF after it has been signed.
APPENDIX 2

Interview Questions

CPD Provider:

1. To your knowledge, what are the current government laws and regulations regarding public accountants and non-public accountants?
2. To your knowledge, what are the current government laws and regulations regarding CPD for public accountants and non-public accountants?
3. What processes does your organisation have in place for monitoring/reviewing CPD for public accountants and non-public accountants?
4. How does your organisation gauge the needs of public accountants and non-public accountants for CPD, in terms of knowledge and skills?

CPD Participants:

1. Do you know CPD requirements from the government/accounting policy regulator bodies that apply to you? What are they?
2. Do you always meet the CPD requirements? What are the consequences if you do not meet them?
3. Do you perceive the current CPD offerings meet your actual needs in terms of knowledge and skills?
4. What are your main obstacles in undertaking CPD?
5. Do you have any preferences for your CPD activities?
6. Can you describe your CPD activities during the last 12 months?
7. Are you satisfied with the current CPD offerings? If yes, in what way? If not, why not?
8. This study perceived four drivers of CPD: the accounting policy regulators’ requirements, the ethical requirements, specialist skills, lifelong learning. To what extent do you agree or disagree to those CPD drivers? Do you perceive other drivers of CPD that this study has not yet covered?
9. This study perceived four outcomes of CPD: keeping up to date, the improvement and broadening of knowledge and skills, the development of personal qualities necessary to execute professional and technical duties and the sustainability of the profession as a whole. To what extent do you agree or disagree to those CPD outcomes? Do you perceive other outcomes of CPD that this study has not yet covered?
APPENDIX 3

Sample of Interview Transcript

Participant 16

Question 1

Q: Do you know the CPD requirements from the government or accounting policy regulator bodies that apply to you? What are they?

A: Yeah I know - 30 credit points.

Question 2

Q: Do you always meet the CPD requirements? What are the consequences if you do not meet them?

A: Yes, there are consequences to my knowledge, but I have never before (not met the requirements).

Question 3

Q: Do you believe that the current CPD offerings meet your actual needs in terms of knowledge and skills?

A: As I said earlier, it does not really give me added value. For me, this CPD program from IICPA, what is the added value? For my job, not much value. Meaning, yes, I might go there (to the CPD events), right. I just have to be there. But maybe my mind is not there or I might even do something else there. And this is not off the record, you can write it in your research. This is the reality. The problem I think we have with CPD is, it does not have ... I think that CPD was not planned by design, what materials to be delivered, what manual instructions for the instructors, what questions to give, to achieve
the objectives. I have delivered CPD seminars too. I taught CPD too, so I know that the topic is already sub-contracted to the speakers. The delivery of the topic really depends on the speaker quality. So it can be from A to Z, isn’t it? I am not bragging. If I was the speaker, I would use my own materials, the materials from ***’, ***’s examples and maybe sometimes I used our training materials, which we replicate for CPD. That is my opinion; it is not like what we run at ***. We run it, if we have IFRS training, the training is developed globally, then we join the training for the trainers at the regional level in Asia Pacific. We continue to undertake training for the new trainer so that we can train people here. Even if we do not take training for the trainers, we can obtain the complete materials. What should be discussed are the instructor manuals and training materials that we should learn first before teaching at a CPD event. Well, I think that’s the weakness. The IICPA should know what it wants, who the instructors are; it’s up to them. But we have to be realistic about how many people should be hired by the IICPA in order to do that. To create a module and the modules that are growing steadily - how much it will cost? The IICPA are trying to make money, actually. The current CPD design is easy. I got paid to be a CPD instructor. At first I was paid one million rupiahs. I have long forgotten about it already. Maybe now they will pay two million or three million rupiahs. In one day, the instructor can make a lot of money without doing anything to the modules. Other than the credit points, I do not get anything out of CPD except meeting my friends there.

Question 4

Q: What are the main obstacles to your undertaking CPD?

A: Well, I think it’s the motivation.

Q: What about the time or location, sir?

A: Yes, the location in Jakarta's difficult, yes. Now it’s conducted more in Gunung Sahari but I have no choice.

Q: What about the time? Does it fit with your activities, sir?

A: Well I need to find the time. Yes, we have a period of one year. I just need to find the
Question 5

Q: Do you have any preferences for your CPD activities? For example, online or face-to-face CPD? What would you prefer?

A: If you look at the situation right now anyway, if there’s an online version, I much prefer online.

Q: Is there already CPD online, sir?

A: Yes there is in ***, but not (at) the IICPA (CPD).

Q: So it’s all face-to-face?

A: All face-to-face.

Q: But you would prefer online. Am I correct, sir?

A: Yes, if you look at the situation now. If it’s online, it can be done at any time. The current CPD can use technology like what we have here at ***, but it’s an expensive investment. So we can track our progress, there will be tests at the end of the online training, after passing the test, right, usually there are 10 questions. The passing grade, you have to answer seven out of 10 correctly. If you have not passed, you have to come back again, read it again and do it again.

Q: But unfortunately the IICPA does not have it?

A: Not yet.

Q: So there are only workshops or seminars?

A: The format is just a presentation.
Q: Is there anything you write or something like that which can be used as a part of assessment?

A: No, I think we are still at the most primitive level, just the presentation.

Q: Is there any examination, sir? After completion of the CPD, are you tested on the material?

A: Nothing, just attendance. It’s just the attendance, even for CPD held by the CMFISA, the stock market. We have to undertake that CPD a week before we can be registered with them. Even then, there is no test. It is purely attendance. Not checked, never been checked. Well, that’s what I told you earlier. CPD was not designed properly, what the learning objectives are, then tested, whether or not the process was delivered or not.

Question 6

Q: Can you describe your CPD activities during the last 12 months?

A: I haven’t done the Accountant and Appraiser Supervisory Center’s CPD. There should be one on the 3rd this month but I won’t make it. But I already know there will be more. That’s what they said. I have to go somewhere tomorrow night until the 9th. On the 3rd, we have the Accountant and Appraiser Supervisory Centre CPD. I need four more credit points from them. From the compulsory 30 credits, there are four from the MoF, four from the Accountant and Appraiser Supervisory Center, and the rest is from the IICPA. If you want to ask me about the topics, I have already forgotten. There was the new law for the public accountants. For me it does not matter what topic I’m attending as long as I’m not too far behind the credit points. (I’m now) less than 10 (credit points) if I’m not wrong.

Q: So you undertake CPD from the MoF and the IICPA and you haven’t undertaken the Accountant and Appraiser Supervisory Centre.

A: I’ll catch up at the end of year.
Question 7

Q: Are you satisfied with the current CPD offerings? If yes, in what way? If not, why not?

A: In my opinion, it’s not ideal yet.

Q: Not yet satisfied or not satisfied sir?

A: Not satisfied.

Q: Not satisfied. Can you elaborate on that?

A: Well, it’s obvious, isn’t it?

Q: Okay, yes sir.

Question 8

Q: This study perceived four drivers of CPD: accounting policy regulators’ requirements, ethical requirements, specialist skills, lifelong learning. To what extent do you agree or disagree with those CPD drivers? Do you perceive other drivers of CPD that this study has not yet covered?

A: Is that a choice or what?

Q: Oh, it is not a choice. This is from what I have summarised from the literature review, so there are four drivers of CPD: (1) policy regulators’ requirements, (2) ethical requirements, (3) specialist skills, (4) lifelong learning.

A: That's sequence-based?
Q: No, this is just based on my literature review

A: Yes, I agree with the first one because that’s what special about the credit points.

Q: What about the ethical requirements sir? We have this from the IICPA.

A: Code of Conduct yes, but they don’t have the regulation.

Q: No regulation, sir? So it’s different from the IFAC code of conduct?

A: Yes.

Q: So it’s only the first driver sir?

A: Yes, the second and third are much driven by their accounting firms. Isn’t it? And we realise it is not possible that all of a sudden people are aware of lifelong learning if they are not forced. Yeah, right. It depends on the needs at every level.

Q: So for you, lifelong learning is not a driver, sir? CPD is currently not a driver?

A: Not my CPD. Lifelong learning is what you do on the job training. (That’s) in my opinion anyway. I don’t know. Do you know the principle of on the job training? Or what we now often say ‘coaching’. 70% we can get from on the job training, 20% we learn from our peers, 10% we learn from the training sessions. So what we can learn from CPD, which I know, I don’t know from which theory, is only 10%.

Q: So 70% from on the job training, 20% from peers’ assessment, 10% from CPD?

A: Yes, from training

Q: That’s a very small amount.

A: Yeah, well I believe so, by looking at my own experiences at ***. Yes training, we do have the formal training. But what makes me able to “master” IFRS was my experience working two and half years in London (*** Headquarters).
Q: So the headquarter is in London?

A: Yes, our IFRS team is based in London. I think that’s what established the foundation for me and after that I did not lose it. After I got back from London, we still had monthly calls, they wrote a report, and we had a discussion and so on. Well, that’s lifelong learning for me. Can it be enforced? Don’t think so. Because there are certain people with certain style, whose duty and obligations are about lifelong learning. For others whose job is not technical, we need to create a certain pattern in a way so that person can learn even if they don’t go into too much detail. That's my experience at *** anyway.

Q: Yes sir, can I repeat, the first driver of CPD is policy regulators’ requirements

A: In Indonesia, yes that’s the driver of our profession.

Q: The second and third one are the drivers from the point of view of the accounting firm, but for lifelong learning it’s not the driver sir?

A: Not for CPD in here, but for training at the office, yes.

**Question 9**

Q: This study identified four outcomes of CPD: keeping up to date, improvement and broadening of knowledge and skills; that is, CPD is intended to support future professional development, development of personal qualities necessary to execute professional and technical duties and sustainability of the profession as a whole. To what extent do you agree or disagree with those CPD outcomes? Do you perceive other outcomes of CPD that this study has not yet covered?

A: If we learn from what I've told you so far, I don’t think so. Sorry if I’m not supporting the theory.

Q: Even for the first one sir, keeping up to date? Staying up to date with current developments?
A: There are several things. That means sometimes not all of accounting standards are there (in CPD) even our conclusion base is not in the accounting standards. Well, the update on accounting standards may be there. When the speaker is from the Indonesian Accounting Standards Board, we can get firsthand information. And we can have a debate about it. Sometimes, when we are at a CPD event, the speakers cannot talk about all of the standards. They can be more open in an informal discussion during the breaks, or outside of CPD events, or at other meetings. So we can find out what the exact views are there. Sometimes in Indonesia, in adopting IFRS, we cannot be independent from our global engagement as well. The same topic of IFRS may be become a debate on the global level. For example, the land case in Indonesia. *** Global and ******* Global and others are the parties who decide whether the land is an operating lease or a financed lease in Indonesia. It’s because the global office sees it, because we ask how IFRS treat the land in Indonesia

Q: Now IFRS is still being discussed in 2012, isn’t it sir? It must be adopted in Indonesia?

A: We are adopting in 2012 the IFRS of 2009. A gap is always there. People sometimes do not understand the difference. But that's a pretty significant difference. Because in 2012 we are not adopting the current IFRS, we are just adopting IFRS 2009 plus some standards that were adopted earlier.

Q: That means the catching up is still quite far?

A: There are still three years and later on IFRS 2012 will change again. So the gap should be more than just three years by then.

Q: Does CPD cover the issues of IFRS sir? Are there special workshops or seminars to discuss the IFRS in CPD that you undertake?

A: I think the IICPA focuses more on the Indonesian Financial Accounting Standards (IFAS).

Q: Oh I see, the IFAS. Not the IFRS, sir?
A: I don’t think so, not IFRS.

Q: But this is important, they are not being covered yet to your knowledge?

A: As far as I know they are not there. I don’t know whether the IIA has it. But I think the focus of CPD (from the IICPA) is really not into IFRS but into IFAS. It’s the IFRS that has been adopted by the IFAS.

Q: Oh, the IFRS that has been adopted. So the non-adopted does not exist?

A: Not being discussed.

Q: That means we are keeping up to date with IFRS. We don’t ignore it.

A: No, because right now actually, practically the IFAS is the same as IFRS 2009 version.

Q: So it's just for keeping up to date only - for the knowledge and skills, sir?

A: Knowledge and skill, yes. Yes, maybe they were there but not much. Maybe that was the 10%. For me 70% is more from the job training.

Q: Personal qualities sir? Personal qualities necessary to execute professional and technical duties?

A: Probably not technical. I'd say the personal is just meeting old friends at the CPD events.

Q: So the personal quality is less a driver? and for the sustainability of the profession as a whole sir?

A: In my opinion, it’s still too early to talk about sustainability of the profession.

Q: Still too early, okay sir. Alright, the interview is now finished. Thank you.

Note: *** represents the participant’s accounting firm
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<th>No.</th>
<th>Rules and Regulations</th>
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<tr>
<td>1.</td>
<td>The IICPA CPD Rules (2011, 2012b)</td>
<td>Kewajiban PPL bagi anggota IAPI adalah sebagai berikut: a. Anggota wajib mengikuti Pendidikan Profesional Berkelanjutan (PPL) yang diselenggarakan dan/atau diakui oleh IAPI dan Pusat Pembinaan dan Jasa Penilai Kementerian Keuangan Republik Indonesia b. Jumlah Satuan Kredit PPL (SKP) yang wajib diikuti oleh anggota paling sedikit berjumlah 30 (tiga puluh) SKP setiap tahun, dengan minimal: i. 4 (empat) SKP diantaranya berkaitan dengan pembinaan dan pengawasan Akuntan</td>
<td>CPD requirements for the IICPA members are as follows: a. Members must undertake CPD held and/or recognised by the IICPA and Public Accountant and Appraisal Supervisory Centre of the Ministry of Finance, the Republic of Indonesia b. The CPD credit points that must be attained by the members are at least 30 credit points per year, with a minimum of: i. four credit points of CPD in monitoring and supervision of Public Accountants; ii. four credit points of CPD in auditing and accounting</td>
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<td>2.</td>
<td>The Public Accountant Act (The Act Number 5 year 2011)</td>
<td>Untuk memperpanjang izin, Akuntan Publik harus mengajukan permohonan tertulis kepada Menteri, dengan persyaratan sebagai berikut: a. berdomisili di wilayah Negara Kesatuan Republik Indonesia; b. menjadi anggota Asosiasi Profesi Akuntan Publik yang ditetapkan oleh Menteri; <a href="http://www.djpp.depkumha">www.djpp.depkumha</a> m.go.id; c. tidak berada dalam pengampuan; dan d. menjaga kompetensi melalui pelatihan profesional berkelanjutan.</td>
<td>To renew a licence, Public Accountant must submit a written application to the Minister, and meet the following requirements: a. be domiciled in the territory of the Republic Indonesia; b. be a member of the Professional Association of Public Accountants established by the Minister; c. not to be in guardianship; and d. maintain competence through continuing professional development.</td>
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<td>3.</td>
<td>Article 34 of the Regulation of Finance Minister No.</td>
<td>(1) Akuntan Publik wajib mengikuti Pendidikan Profesional Berkelanjutan (PPL) yang diselenggarakan dan/atau (1) A Public Accountant must attend Continuing Professional Development (CPD) organised and/or recognised by the IICPA and Public</td>
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| 17 of 2008 | yang diakui oleh IAPI dan PPAJP  
(2) Jumlah Satuan Kredit PPL (SKP) yang wajib diikuti oleh Akuntan Publik paling sedikit berjumlah 30 (tiga puluh) SKP setiap tahun, dengan paling sedikit:  
a. 4 (empat) SKP diantaranya berkaitan dengan pembinaan dan pengawasan Akuntan Publik; dan  
b. 4 (empat) SKP diantaranya berkaitan dengan bidang auditing dan akuntansi. | Accountant and Appraisal Supervisory Centre (Ministry of Finance)  
(2) Total Credit Points CPD that must be accumulated by a Public Accountant  
are no less than 30 credit point every year, with at least:  
a. four credit points of CPD in monitoring and supervision of Public Accountants;  
b. four credit points of CPD in auditing and accounting |
2. Persyaratan Akuntan sebagaimana dimaksud dalam angka 1 peraturan ini adalah sebagai berikut:  
k. wajib secara terus | 1. Any Accountant, who engages in Capital Market activities, shall be registered with the Capital Market and Financial Institutions Supervisory Agency  
and fulfil the requirements stipulated in this rule.  
2. The obligations of an Accountant referred to in item 1 of this Rule are as follows:  
k. agree to attend Continuing Professional Development programs |
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<td>menerus mengikuti pendidikan profesi lanjutan di bidang akuntansi Pasar Modal dan peraturan perundang-undangan di bidang Pasar Modal yang diselenggarakan oleh Forum Akuntan Pasar Modal (FAPM) paling kurang 5 (lima) satuan kredit profesi setiap tahun 11. Ketentuan mengenai pendidikan profesi lanjutan adalah sebagai berikut: a. Akuntan yang tidak mengikuti pendidikan profesi lanjutan akan dikenakan sanksi administratif berupa peringatan tertulis dan sanksi denda yang dihitung dari tanggal kewajiban pelaporan sampai dengan tanggal dipenuhinya kewajiban pelaporan keikutsertaan pendidikan profesi lanjutan oleh yang bersangkutan kepada Bapepam dan LK;</td>
<td>regarding accounting and Capital Market rules conducted by Stock Exchange Accountants Forum at least five credit points each year 11. Provisions for Continuing Professional Development are as follows: a. Accountants who do not undertake CPD will be subject to administrative sanctions in the form of a written warning and a penalty, calculated from the date of reporting of obligations until the date of the reporting of obligations of CPD attendance are fulfilled and sent to the CMFISA</td>
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<td>b. If within two consecutive years, Accountants do not undertake CPD or if within five years, Accountants do not undertake CPD three times, they will be subject to administrative sanctions in the form of suspension of business activity as an Accountant in the Capital Market, except for those Accountants referred to in item 10 of this rule</td>
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<td>5.</td>
<td>The Central Bank Circular Letter No. 3/32/DPNP of 2001</td>
<td>b. jika dalam 2 (dua) tahun berturut-turut Akuntan tidak mengikuti pendidikan profesi lanjutan atau jika dalam 5 (lima) tahun Akuntan tidak mengikuti pendidikan profesi lanjutan sebanyak 3 (tiga) kali, Akuntan dikenakan sanksi administratif berupa pembekuan kegiatan usaha sebagai Akuntan di bidang Pasar Modal, kecuali Akuntan sebagaimana dimaksud dalam angka 10 peraturan ini</td>
<td>2. Requirements for accounting firms and Public Accountants registered with Central Bank of Indonesia are as follows: e. able to continuously follow the educational program in accounting and banking</td>
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</table>
Dear Ayu,

I am pleased to advise that your application for ethics approval for a research project, A Framework of Continuing Professional Development for the Public Accounting Profession: Evidence from Indonesia BCHEAN 1000344, has been approved by the Chair of the Business College Human Ethics Advisory Network. Approval has been granted for the period from 19 October 2011 to 19 July 2014.

The RMIT Human Research Ethics Committee (HREC) requires the submission of Annual and Final reports. These reports should be forwarded to the Business College Human Ethics Advisory Network Secretary. Annual Reports are due in December for applications submitted prior to September the year concerned. I have enclosed a copy of the Annual/Final report form for your convenience. Please note that this form also incorporates a request for extension of approval, if required.

Regards,

Allison Tatchell
Secretary
Business College Human Ethics Advisory Network

Encl.
SUMMARY & APPROVAL

Project Title:  A Framework of Continuing Professional Development for the Public Accounting Profession: Evidence from Indonesia
Principal Investigator:  Mrs Ayu Laksmi
Supervisors:  Professor Paul De Lange and Dr Paul Myers
School Name:  School of Accounting
Degree for which research is undertaken  (if applicable): PhD
Contact Telephone Number:
Email Address:
Date Application  Received:  23 September 2011
Business College Human Ethics Advisory Network Register No:  1000344
Period of Approval:  19 October 2011 to 19 July 2014
Comments I Provisos:  Nil
The Business College Human Ethics Advisory Network assessed the Project as Low Risk

Signature:  Date:  19 October 2011

Professor Roslyn Russell, BCHEAN Chair
### APPENDIX 6

**Key Findings of Previous Studies on CPD for the Accounting Profession**

<table>
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<tr>
<th>No.</th>
<th>Studies</th>
<th>Key Findings</th>
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<tbody>
<tr>
<td>1.</td>
<td>Chaston and Mangles (1991)</td>
<td>CPD needs of accounting technicians comprise technical skills and interpersonal skills. In particular the interpersonal skills that need further development are: communication, effective presentations, problem solving, managing time, delegation, report writing, and effective meetings. The accounting technicians and their employers prefer external CPD more rather than in-house CPD. The most acceptable delivery modes for CPD is learning materials from the professional association and the most preferred attendance mode for CPD courses is all-day non-residential. Levels of participation in both in-house and external CPD are quite low and most of them did not attend any CPD in the last 24 months and for those who participated, they only attended one to two days training in the last 24 months due to CPD funding problem.</td>
<td>UK</td>
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<tr>
<td>2.</td>
<td>Burton and Rezaee (1994)</td>
<td>Professional accountants have specialist skills need that should be met by CPD. Industry, business community and accounting profession bodies should provide facilities for the professional accountants to participate in the CPD program.</td>
<td>USA</td>
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<td>3.</td>
<td>Sawyer and Munn (1998)</td>
<td>CPD courses and seminars aid in professional development; however, the opportunity to exchange ideas with other accountants is still</td>
<td>AU</td>
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<td>No.</td>
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<td>lacking. Opportunities for professional development are limited and attending professional development events is expensive in terms of time and money due to the travelling involved.</td>
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<td>4.</td>
<td>Guthrie (2004)</td>
<td>CPD provides a clearer structure, improved satisfaction, built a sense of self-worth and confidence to tackle new tasks and developed the extra skills that are necessary for progression. Time and cost are the main obstacles for some professional accountants. CPD also offers framework for disseminating legislative updates &amp; new accounting standards.</td>
<td>UK</td>
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<td>5.</td>
<td>Jackling, De Lange and Rav On (2007)</td>
<td>Accounting graduates are focused on CPD and have greater ambition than the current industry structure appears to be able to accommodate.</td>
<td>AU</td>
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<td>6.</td>
<td>Paisey, Paisey and Tarbert (2007)</td>
<td>Acquiring new knowledge is the main reason for CPD attendance. Cost, time and location are the main obstacles to CPD participation and technical reading is the most CPD activity undertook by the professional accountants. Levels of CPD participation are high among the members of professional accounting bodies.</td>
<td>UK</td>
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<td>7.</td>
<td>Rothwell and Herbert (2007)</td>
<td>Both the perceived value of CPD and CPD engagement are most strongly related to how committed individual members are to the profession. CPD is part of individual integrity as a professional person. Individuals have a growing need to keeping up to date and reading is the most popular updating strategy. The professional</td>
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<td>8.</td>
<td>Wessels (2007)</td>
<td>Professional accountants rated highly of CPD effectiveness in improving the image of the profession and the current knowledge base. CPD help the accountants to update their knowledge and maintain their competency. 40 hours of CPD is considered adequate to meet the needs of the accountants. CPD programs are perceived to be of high quality. Dispositional deterrent exists and this deterrent involves personal attitudes toward CPD, i.e. the accountants will take fewer courses if CPD is not required. Situational deterrents found are indirect cost and time. Informational deterrent found is it is difficult to determine in advance if a CPD course is right or will benefit the accountants personally.</td>
<td>USA</td>
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<td>9.</td>
<td>Zajkowski, Sampson and Davis (2007)</td>
<td>An important and generally accepted attribute of a profession is that its members engage in career-long CPD. The professional accountants undertake more CPD than they are required to due to the need for maintaining the currency of their technical knowledge. CPD fees are paid mostly by the institutions. Attending conferences and conducting research is the most undertaken form of CPD.</td>
<td>AU &amp; NZ</td>
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<td>10.</td>
<td>Ciccotosto, Nandan and Keeping up to date is important for the professional accountants. CPD is important for</td>
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<td>No.</td>
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<td>11.</td>
<td>Gold (2008)</td>
<td>Updates in ethics, risk assessment standards and internal control are popular CPD topics. A mixed of face-to-face and online CPD is more preferable. The accountants do have actual needs that must be fulfilled by CPD, for example, specialist skills to cater for niche industries such as banking, health care, construction and real estate.</td>
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<td>12.</td>
<td>De Lange, Jackling and Suwardy (2010)</td>
<td>Technical updates, soft skill development and practical solutions to real cases are most helpful in terms of fulfilling the professional accountants’ learning needs. Specialised CPD is also desired. Face-to-face CPD activities are perceived to be more effective because there are opportunities for interaction and experience sharing. Wrong mindset, lack of time, relatively high cost, lack of a pool of qualified facilitators and low level of English language proficiency are the key obstacles of developing good practices of CPD. The professional accountants meet their CPD requirements; however, a small percentage of them are not aware of their professional body’s specific CPD requirements. The professional accountants from developing economies were not satisfied with their CPD because their demands were not met. The respondents rate the relevance of the CPD activities towards their professional</td>
<td>AU, Cambodia, China, HKS AR, Malaysia, NZ, Singapore, Vietnam</td>
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The respondents do not rate the opportunities to interact with experts and their peers highly. The respondents are in agreement that CPD activities allow them to maintain and improve their technical knowledge and professional skills. The respondents also see that CPD activities help ensure the community that they have the prerequisite skill sets and competencies as professional accountants. Cost, location, flexibility, length of time, mode of delivery and structure are the important consideration when choosing CPD activities. Due to the input-based CPD schemes, compliance mentality amongst the professional accountants, were present.

Online format of CPD has improved the learning effectiveness and flexibility of CPD; and the levels of participation of CPD activities.

No standard overarching CPD framework or theory that drives CPD offerings; face to face is the most chosen CPD delivery mode; and both the individual and organisation needs should be the focus of CPD. The main obstacles to CPD participation are time and cost.

Short technical CPD seminar is the most popular format of delivery. Membership bodies partnered with commercial training providers to supply training to members. The biggest constraints for CPD provider included the cost of delivering training courses and materials, lack of understanding of current training needs and lack of understanding of CPD needs.

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<td>13.</td>
<td>Englund (2010)</td>
<td>Online format of CPD has improved the learning effectiveness and flexibility</td>
<td>US, South Africa, Singapore, USA, UK</td>
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<td>14.</td>
<td>De Lange et al. (2012)</td>
<td>No standard overarching CPD framework or theory that drives CPD offerings;</td>
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<td>face to face is the most chosen CPD delivery mode; and both the individual</td>
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<td>and organisation needs should be the focus of CPD. The main obstacles to</td>
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<td>CPD participation are time and cost.</td>
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<td>15.</td>
<td>ACCA (2012)</td>
<td>Short technical CPD seminar is the most popular format of delivery.</td>
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<td>Membership bodies partnered with commercial training providers to supply</td>
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<td>training to members. The biggest constraints for CPD provider included the</td>
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</tr>
<tr>
<td>16.</td>
<td>Udin et al. (2012)</td>
<td>Public ruling is the most important source of knowledge and reading is the most preferred form of CPD compared to attending CPD programs. The reasons may be due to the failure of the speakers and the suitability of topics presented in the programs.</td>
<td>Malaysia</td>
</tr>
<tr>
<td>17.</td>
<td>Lindsay (2012)</td>
<td>Formal and informal learning activities in CPD are equally important. Accessing the Internet for information is the highest-rated learning activity. Time and cost are the obstacles in undertaking CPD. As accountants move through their careers, their learning activities become increasingly focused on remaining competent in their current roles with future career aspirations becoming of decreasing importance. The accountants are most concerned with keeping up to date and in meeting the requirements of their current role. Due to output-based CPD context, compliance with CPD requirements was not seen as being burdensome. Respondents rated the need to be up-to-date, the requirements of the current role and the desire for new skills and knowledge higher than the need to comply with CPD requirements. The need to embrace an ethos of lifelong learning can apply to UK</td>
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<tr>
<td>18.</td>
<td>Ross and Anderson (2013)</td>
<td>Accountants prefer to take live seminars with live webinars as the second choice. Face-to-face full length course is still of interest to the accountants regardless of where they are in their career or age due to the networking opportunities. CPD providers ensure that they are providing a variety of courses in all modalities (face-to-face, online, distance learning).</td>
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<tr>
<td>19.</td>
<td>Thomas and Qiu (2013)</td>
<td>Accountants report the lowest level of CPD participation and their levels of participation also decline over time compared with other professions investigated. The reason might be the profession’s absence of time targets. Accountants with ‘other’ and ‘no qualifications’ were less likely to have CPD. People generally less likely to engage in CPD as they get older. Full time working has a positive relationship with participation among accountants. Accountants working in the private sector were much less likely to attend CPD compared with other profession under study.</td>
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<tr>
<td>20.</td>
<td>Wines et al. (2013)</td>
<td>Professional bodies have made efforts to increase CPD in regional areas. There are concerns regarding the suitability of CPD topics for the needs of rural and regional practices. Obstacles to participate in CPD are: cost, accommodation and lost time to attend CPD activities.</td>
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<tr>
<td>21.</td>
<td>Halabi Reading (2013)</td>
<td>Reading and face to face are the most popular form of CPD. Satisfaction towards cost</td>
<td>AU</td>
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<tr>
<td>No.</td>
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<tr>
<td>22.</td>
<td>De Lange, Jackling and Suwardy (2015)</td>
<td>The respondents would have no difficulty in meeting CPD minimum requirements. Self-directed learning, reading or research is the types of CPD activities most undertaken in the last 12 months. Accountants prefer CPD activities that will benefit their own needs, whether it is short term (current work requirements) or long term (developmental). The most popular CPD topics are topics related to technical and professional updates. Most CPD activities were provided by the respondents’ professional body. The demands of professional accountants in developing economies are not being met in terms of overall satisfaction with their CPD experiences. Also, the accountants regard CPD activities as a conduit to help assure the community that accountants have the specialised knowledge, prerequisite skill sets and required competencies. Thus, the accountants indicated a commitment towards CPD.</td>
<td>Asia Pacific</td>
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## APPENDIX 7

Frequency of Occurrence of the Themes

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## APPENDIX 8

### Numbers of Quotes Used

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<td>12</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>2278</strong></td>
</tr>
</tbody>
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