

INSTITUTE OF
DIRECTORS (Inc.)

CONTINUING
PROFESSIONAL
DEVELOPMENT
(CPD) CODE

1. Introduction

This Code is issued by the Institute of Directors (IoD) Council under Rule 6 of the IoD Constitution (Rules).

The Code specifies continuing professional development (CPD) requirements for particular categories of members and is binding on those members.

Appendix B of the Rules sets out the IoD membership categories. It specifies that Members, Chartered Members and Chartered Fellows must satisfy CPD requirements.

2. Definitions

In this Code, words defined in the Rules and not otherwise defined here have the meanings given in the Rules.

Annual renewal date means the date on which a member's annual subscription is due.

Compliance audit means an audit in respect of a member conducted by the IoD before the end of the relevant membership year to determine whether that member, having been identified either by the IoD on a Random Audit or by themselves at the time of the renewal of their membership as not fulfilling the Mandatory CPD requirement at the last renewal date, has subsequently addressed the shortfall via a period of grace.

CPD means continuing professional development.

CPD activities means those courses, conferences, briefings, programmes or activities set out in this code.

CPD Guidelines means information about the CPD requirement for members, available on the IoD website

CPD points means the number of points ascribed to a particular CPD Activity in the CPD Guidelines.

Mandatory CPD requirement means the minimum number of CPD Points required to be accumulated from admission, or renewal of membership, for the categories of membership as set out in this Code.

Random audit means an audit conducted under Code clause 6.

3. Mandatory CPD requirement

- a. Any member required to satisfy CPD requirements from admission, or renewal of membership, in particular categories of membership must, on their Annual renewal date have the number of CPD points as follows:
 - i. In their first three years with IoD, Members, Chartered Members and Chartered Fellows need to accumulate 60 points (with the three year foundation period taken from the date the member joined the IoD).
 - ii. After a member's first three years the 60 CPD points become rolling which means points achieved in a member's first year of membership drop off to allow for new points to be gained.
- b. A member may obtain the required CPD points from any combination of CPD activities, including:
 - i. **Professional development and events:** this includes skill development via courses, forums, conferences, workshops, governance events (for example IoD national and branch events)
 - ii. **Keeping current on governance topics:** read, listen or watch, this can include Boardroom Magazine, The Four Pillars of Governance Best Practice, updates and guides from IoD's Governance Leadership Centre and other governance related journals, publications, articles, podcasts, webcasts and videos
 - iii. **Giving back to the profession:** contributing to the development of the director profession which could include mentoring for other directors, publishing governance articles, writing or delivering governance presentations and participating in member surveys
 - iv. **Board development:** this can include structured inductions for new board members, development for your board including board assessments and training
 - v. **Learning experiences:** development gained as a result of a significant governance project for example Initial Public Offering, constitution review, merger and acquisition or change to governance models
- c. Points will be allocated for each CPD activity by the IoD Registrar, will be published on the IoD website and will be based on a range of factors including time spent, the extent of formal learning, the depth of learning, contribution to the profession and the level of connection to governance
- d. Each member required to satisfy CPD requirements:
 - i. is responsible for keeping their own records evidencing their compliance with the Mandatory CPD requirement
 - ii. shall indicate at the time of their renewal, or their admission into a different membership category, that they have satisfied/will satisfy CPD requirements including in the following ways:
 - **Automatic allocation:** Points are automatically allocated for all IoD professional development courses, webinars, online learning and branch events.

- **Self-assessment:** members will be able to record CPD points for all other governance activities, for example reading, watching videos, podcasts, mentoring etc., noting that:
 - CPD points provided through other organisations are often similar to the loD so members can use the CPD Guidelines for their allocation as a guide
 - CPD requirements for other professional bodies e.g. New Zealand Law Society or Chartered Accountants Australia and New Zealand that involve governance learning undertaken with them, can also count towards a member's CPD balance with the loD

4. Renewal into existing member category

Subject to clause 6 (random audit) and the fulfilment of any other requirement for membership (including the payment of any membership fee), if at the time of application for renewal of their membership a member indicates (in the manner set out in clause 3) that they have satisfied the Mandatory CPD requirement, their membership will be automatically renewed into their existing membership category.

5. Failure to fulfil the Mandatory CPD requirement

Subject to clause 9, if at the time of application for renewal of membership a member indicates that they have not fulfilled the Mandatory CPD requirement, then the member will be ineligible for renewal in their category and will instead be renewed into the category of Associate.¹

6. Random audit

- a. The loD may, in its absolute discretion, make enquiries of any member to which the Mandatory CPD requirement applies to determine whether the member has fulfilled the Mandatory CPD requirement.
- b. The loD will undertake random audits of members' CPD record with a small number of members randomly selected annually for an audit of their CPD records once they have completed their first three year foundation period.
- c. Subject to clause 7, if, following a Random Audit, a member is found not to have fulfilled the Mandatory CPD requirement, then the member will be ineligible to renew their membership into their existing membership category and will instead be renewed into the category of Associate.

1. Associate members are not required to do CPD.

7. Period of grace

- a. If a member indicates at the time of applying to renew their membership that they have not satisfied the Mandatory CPD requirement, or a member is found not to have satisfied the Mandatory CPD requirement following a random audit, then:
 - i. a period of grace will apply during which the member will be renewed into their existing membership category and will have the opportunity to accrue additional CPD points to address the shortfall
 - ii. a compliance audit will be performed
 - iii. the period of grace referred to above will continue until the compliance audit is performed
- b. If as a result of the compliance audit referred to in clause 7 a) the member is found to have:
 - i. addressed the deficiency in their accumulation of CPD points, then their membership will be renewed into their existing membership category;
 - ii. not addressed the deficiency in their accumulation of CPD points, then the member will be ineligible to renew their membership into their existing membership category and will instead be renewed into the category of Associate
- c. Each member is entitled to one period of grace under clause 7 during their membership of the IoD unless otherwise approved by the Membership Committee under clause 11.

8. Elevation to a different membership category

Where a person who has been renewed as an Associate under any of the clauses 5 to 7 seeks elevation to a different membership category, that member must fulfil the Mandatory CPD requirement that would apply to a member seeking renewal of membership in that other category.

9. Cessation of or pausing membership

- a. If a person's membership pauses for twelve months or less and is subsequently reinstated, then their CPD history and Mandatory CPD requirements continue as if no such lapse occurred.
- b) A person whose membership has paused for more than twelve months may re-apply for membership of the IoD and in that circumstance the person:
 - i. must satisfy the membership criteria set out in Appendix B of the Rules for the category of membership they wish to apply for; and
 - ii. has no mandatory CPD requirement until the period referred to in clause 10 and on the third anniversary of the member's new membership having been accepted.

10. Foundation period

The Mandatory CPD requirement applies at the third consecutive annual renewal date occurring after that member's first admission as a member of a membership category to which Mandatory CPD requirements apply.

11. Discretion of the IoD Membership Committee

The IoD Membership Committee, established by Council under Rule 11, may at any time waive (in whole or in part) the Mandatory CPD requirements that would otherwise apply to a member seeking either admission into or renewal of a membership category.

Insert approved by and date issued by Council

[Under New Rule 27.7(d) of the Constitution/Rules of the Institute of Directors of New Zealand]



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