

New Learning Methods and CPE Standards Changes

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What is the National Registry?



The State of the National Registry



Private companies are the growing sector of the Registry.

Recent additions to the National Registry include:



The CPE Standards

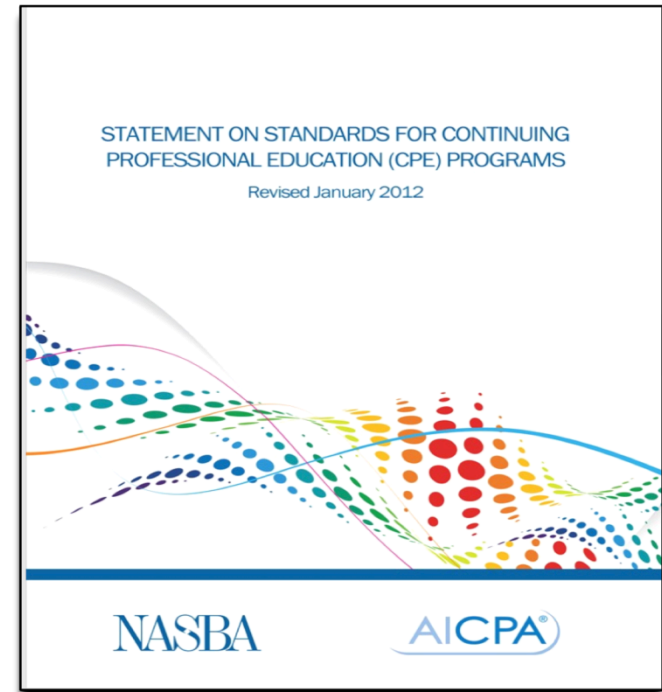
The role of the CPE Standards:

- Establishes requirements for the development and administration of CPE programs
- Establishes areas of responsibilities for CPE providers
- Provides uniform CPE language that can be utilized by jurisdictions in their laws and rules



The CPE Standards

- The Standards were last revised in January 2012.
- Procedures were put in place such that the Standards would be reviewed and evaluated every 2 years.



The CPE Standards

2014 – Year of Review and Evaluation

- The process will follow the 2012 revision process:
 - The Standards will be reviewed and evaluated by the CPE Standards Working Group
 - The Working Group will present its recommendation to NASBA's CPE Committee which will then present its recommendation to a Joint CPE Standards Committee made up of representatives from the AICPA and NASBA
 - The respective Boards will review and approve any recommended revisions from the Joint Committee which will then be available for public comment



- Comprised of 13 members representing the stakeholders in CPE.
- Members have experience in:
 - development of group live, self study and group internet based courses
 - instructional design of courses
 - development of education for internal use
 - development of technical courses
 - higher education (college/university)
 - the administration of CPE from a State Society and AICPA perspective
- Includes representation from State Boards as well as NASBA's board
- Is geographically dispersed



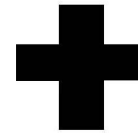
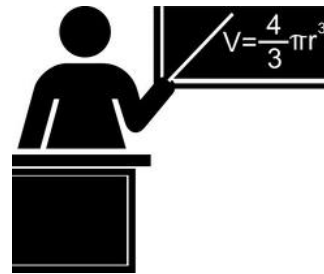
- Comprised of 14 members representing the stakeholders in CPE, including:
 - Executive Directors
 - Accountancy Board Members
 - Board Legal Counsel
 - Educators
 - Instructional Designers
 - State Societies
 - Firm Compliance Officers
 - AICPA Representative



Areas of Consideration in 2014



- Innovations in delivery methods
- Blended delivery methods



- Nano-Learning





Let's look at some examples:

- Nano Learning
- Blended Learning



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EDMAX Blended Learning Prototype

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Blended Learning Components

- ▶ Five-day New Manager training session - intended to simulate an audit. Prep for team planning event, simulate partner conversations, delegation, communication, and prioritization. Class size 25 to 30 participants, 2 instructors.
 - ▶ Pre-work*
 - ▶ Classroom sessions
 - ▶ Independent writing homework*
 - ▶ View archive webcast homework*
 - ▶ Nano byte self-study homework*
 - ▶ Group case study homework*

** successfully completion of homework assignment is dependent on classroom session participation*

Blended Learning Roadmap

Pre-work: Self-study with intent to familiarize learner with the case and requiring them to identify significant client and audit issues before attending class.



Day 1: Classroom session
Day 1: Homework: Independent reflection on day, journal writing.



Day 2: Classroom session
Day 2: Homework: View archived webcast and complete 15 minute self-study.



Day 3: Classroom session



Day 4: Classroom session
Day 4: Homework: Group work on case study, oral presentation preparation.



Day 5: Classroom session

Managing the Audit pre-work – 3 hours

Description: Managing the Audit pre-work is an online learning object which is presented to learners prior to attending a two-day facilitated classroom simulation. The pre-work is an immersive online learning event in which managers are tasked with becoming familiar with an audit client for the purposes of managing the client engagement during the classroom portion of the course. Learners must perform a series of tasks, described in the delivery model description, in order to complete the pre-requisite coursework to attend the classroom simulation.



CPE Considerations:

- ▶ This would NOT have set number of review questions or an exam. Substituted by application level activity.
- ▶ It is really a pre-requisite but not in a current self-study format.
- ▶ Successful completion of this is determined by completion of all required pages, the instructor's review of completed homework and manager's participation in debrief. Word count method could be used to determine CPE credit value; however, since it consists of significant application level learning; piloting would more suitable.

Home screen with navigation bar







Task list with email alert


 NOTIFICATION: NEW EMAIL RECEIVED Dismiss 

Round 1 - PM/TE and Determine Significant Accounts

In Round 1, the partner has left you a message to get you started on your audit activities. Your initial task is to listen to this message.

Additional tasks will appear after you complete the initial task. You may also receive additional tasks during the round by email or instant message. After you complete each task, return to this screen and click the appropriate **Done with Task** button. You **must** click Done with Task after each task and before you exit the simulation or your work will not be saved upon your return. You must complete all tasks for this round before you can advance to Round 2.

Task 1	Listen to the message from the partner.	 Complete
Task 2	Analyze documents about the client and categorize information that is important for the audit.	 Complete
Task 3	Read the rest of the background information about the client. a. Close the task list and click the Client Audit File button to view the list of currently available documents. Note that the contents of the Client Audit File will change throughout this simulation. b. As you review the documents, you may want to take notes of information you want to remember for the remaining rounds and tasks.	 Complete
Task 4	Review the draft Planning Materiality/Tolerable Error (PM/TE) calculations from the senior and select your review notes. a. The Email alert at the top of the screen indicates that you have new messages. Close the alert and the Task List, then open your email and read the messages. b. All new documents from the senior are automatically placed in the Client Audit File . Open the Client Audit File to find and review the new documents.	Done with Task 

EY AUDIT
MANAGING THE AUDIT ROUND 1 OF 3: 

Email inbox



Email message



The screenshot shows an email client interface. At the top, there is a navigation bar with 'Email' and a yellow envelope icon on the left, and a yellow square icon on the right. Below this is a sub-navigation bar with 'INBOX', 'SENT MAIL', and 'COMPOSE'. The main content area displays an email from 'Monica James'. On the left is a profile picture of a woman. To the right of the picture, the text reads: 'Monica James', '1 September 2XX2 2:12 p.m.', and 'ZWL PM/TE calculation ready for your review'. Below the email header, the body text says: 'Hello,', 'I've updated the preliminary materials for Zimbo Wheels.', 'The PM/TE calculation is in the audit file and it's ready for your review.', and 'Best regards.'. At the bottom of the email body, it says 'Monica James | Senior1 | Assurance' next to a yellow and grey EY logo. The background of the email client is a blurred office scene with a conference table and chairs. At the bottom of the interface, there is a footer bar. On the left, it says 'EY AUDIT MANAGING THE AUDIT'. On the right, it says 'ROUND 1 OF 3:' followed by a progress indicator consisting of a yellow bar and a grey bar.

Client audit file

Client Audit File

Client Audit File for Zimbo Wheels Limited (ZWL)

- ▶ Client Documents for Prior Year (2XX1)
- ▶ Workpapers for Prior Year (2XX1)
- ▼ Client Documents for Current Year (2XX2)
 - Balance Sheet (BS) - 30 Sep 2XX2
 - Income Statement (P&L) - 30 Sep 2XX2
 - Income Forecast - 30 Sep 2XX2
- ▼ Workpapers for Current Year (2XX2)
 - Understand the Business Template (UBT) - Final
 - Minutes from Business Review Meeting - 20 May 2XX2
 - Newspaper articles about Zimbo Wheels warehouse fire
 - Planning Materiality/Tolerable Error (PM/TE) calculations - Draft

ROUND 1 OF 3:

EY AUDIT
MANAGING THE AUDIT

Review notes for senior

Notes For Senior

WORKPAPER	LOCATION	NOTE	REASON
Select to Edit	Select to Edit	Select to Edit	Select to Edit
PM/TE calculation	Sign-off	Please sign off.	It is critical that all our working papers are signed off in a timely and complete manner to demonstrate that we have
Select to Edit	Select One	Select One	Select One
PM/TE calculation			

ADD NEW ENTRY +

ROUND 1 OF 3:

EY AUDIT
MANAGING THE AUDIT

Day 1 – Managing the Audit Debrief

Description: This module is component of a larger classroom simulation titled “Managing the Audit” in which learners act as managers for a client engagement.

The debrief is an opportunity for learners who have completed the pre-work to compile their results and work as a team to decide:

- What significant issues are present for the client’s audit?
- What is the best course of action to address the issues?
- Which issues require escalation to/ discussion with a partner?
- What issues should be carried forward and discussed in the engagement’s team planning event (TPE)?

Additional activities are presented within this module require teams of learners modify decisions they made in the pre-work, or to make additional decisions in the course of completing the audit.

CPE Considerations:

- ▶ In order to receive credit for pre-work learner must be in attendance for full-day.

Day 1 Homework – Managing the Audit Reflection

Description: This is a self-paced reflection activity that follows completion of the first day of the classroom simulation for Managing the Audit .

This is a reflection activity in which learners are asked to create a 2-page journal entry. The journal entry asks learners to describe:

- The approach they took to decision making during the course of the Managing the Audit classroom simulation, including individual and team decisions
- The success or lack thereof of their decision-making process
- Factors that contributed to their decision making process (decision heuristics, mental models, etc.)

This is evaluated through a group discussion and debrief the following day. Because of the individual and personalize nature of the activity, specific feedback is not appropriate.

CPE Considerations:

- ▶ CPE based on a average word count for a 2-page document. This would equal .22 CPE credits based on average of 1000 words per page normal 12 pt. font.
- ▶ Perhaps word calculation should differ for writing.

Day 2 – Managing the Audit Continued

Description: This session starts with an evaluation through a group discussion and debrief of the previous day and sharing of reflections.

This module is one of five classroom modules (rounds) that use blended solution to present information, track learner decisions, and provide feedback. The following is an overview of the learning activities presented in this round

- Compilation of significant issues identified in the pre-work

Teams work together to come to consensus on significant issues for the engagement

- Decisions regarding next steps

Based on the issues identified in the previous activity, teams decide how best to address the issue (handle it themselves, ask the partner for advice, or make a recommendation to the partner). Teams also decide if issues are significant enough to be addressed during the TPE. This activity is online and team results are compiled for later discussion and debrief.

CPE Considerations:

- ▶ In order to receive credit for homework learner must have demonstrated completion of homework assignment and be in attendance for full-day.

Day 2 Homework – Watch Archived webcast – 90 mins – Signing the (RAS) – What it Really Means – 15 mins

Description: This webcast *Considerations for year-end audits of internal control over financial reporting* continues the Firm's focus on the separate objectives of the audit of ICFR in which we look to obtain sufficient evidence to support our opinion on internal control over financial reporting as of year-end.

Description: In this 15-minute self study, a narrator presents the learner with different scenarios where in the role of the engagement manager, the learner applies critical thinking to determine how he or she would respond to the circumstances presented and the impact on signing off on the RAS.

CPE Considerations:

- ▶ Live instructor NOT required
- ▶ Track logon, logoff, polling responses

- ▶ There is a glossary of terms and review questions; however, NO final examination and no index.
- ▶ Technology will track touching each page.
- ▶ CPE based on word count.
- ▶ Less than 25 minutes.

Day 3 – Audit of ICFR and Wrapping up the Engagement

Description: A day long session that includes current topic issues related to audits of ICFR and Wrapping up an engagement

This first part focuses on the separate objectives of the audit of ICFR in which we look to obtain sufficient evidence to support our opinion on internal control over financial reporting as of year-end.

In the second part learners are presented with situations and asked if they as manager can sign the RAS.

CPE Considerations:

- ▶ N/A

Day 4 – Managing the Account and Winning New Business Case Study

Description: They then come to class to participate in a simulation with multiple rounds.

- Round 1: Teams interact with and evaluate three prospective clients. Client interactions are conducted with EY partners playing the role of the clients. At the end of the round, all teams learn which of the prospective client is the best to recommend for audit services.
- Round 2: Teams receive additional information about the prospective client: a request for proposal (RFP), financial statements and a press release. They complete an Information Gap Analysis and use it to prepare for and conduct a virtual meeting with the CFO of the prospective client.
- Round 3: Each team prepares a proposal to provide audit services to the prospective client. This is done as homework.
- Round 4: Teams prepare and present their proposals to the other teams and EY partners, playing the role of members of the finance and audit committee of the prospective client.

CPE Considerations:

- ▶ N/A

Day 4 Homework – Managing the Account and Winning New Business Case Study

Description:

Each team prepares a proposal to provide audit services to the prospective client. This is done as homework.

Teams prepare to present their proposals to the other teams and EY partners, playing the role of members of the finance and audit committee of the prospective client.

CPE Considerations:

- ▶ CPE is based on pilot test.
- ▶ CPE is awarded based on next day instructor sign-off.

Day 5 – Managing the Account and Winning New Business Case Study

Description:

Teams present their proposals to the other teams and EY partners, playing the role of members of the finance and audit committee of the prospective client.

CPE Considerations:

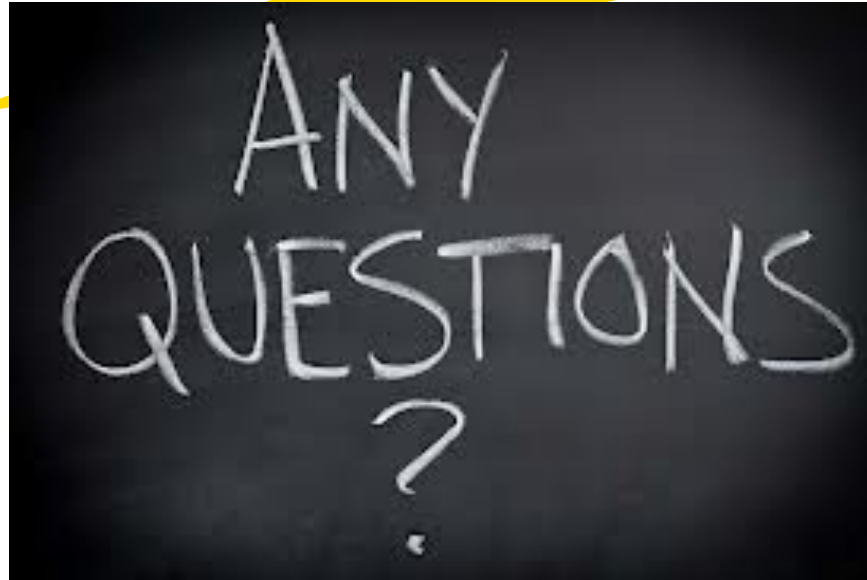
▶ N/A

CPE Considerations Summary

Delivery Mode	CPE Considerations
Pre-work – online review case perform online tasks	<ol style="list-style-type: none">1. No review/exam questions, no index2. Application level interaction.3. Page completion tracked.
Independent writing assignment	<ol style="list-style-type: none">1. CPE based on a average word count for a X number-page document.2. Perhaps word calculation should differ for writing.
View archived webcast	<ol style="list-style-type: none">1. Live instructor NOT required2. Track logon, logoff, polling responses
Nano self study	<ol style="list-style-type: none">1. There is a glossary of terms and review questions; however, no final examination and no index.2. Technology will track touching each page.3. CPE based on word count.4. Less than 25 minutes.
Group case study (no instructor)	<ol style="list-style-type: none">1. CPE is based on pilot test.2. CPE is awarded based on instructor review and sign-off.

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