

Executive Summary of the Recommended Revisions to the April 2015 Exposure Draft by the Joint AICPA/NASBA CPE Standards Committee:

The Statement on Standards for Continuing Professional Education (CPE) Programs (*Standards*) is published jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) to provide a framework for the development, presentation, measurement, and reporting of CPE programs.

On May 19, 2015, NASBA and the AICPA issued proposed revisions to the *Standards* in the form of an Exposure Draft dated April 2015. The public comment period on the proposed revisions to the *Standards* closed October 1, 2015.

In November 2015, the CPE Standards Working Group reviewed and considered all submitted comments. The Working Group is comprised of 13 members representing various stakeholders in the CPE arena including state boards of accountancy, state societies, educators, CPE providers and the AICPA. The Working Group provided its recommendation of changes to the April 2015 Exposure Draft to NASBA's CPE Committee. In December 2015, NASBA's CPE Committee met to review the recommendation of the Working Group. The recommendation was approved with minor revisions.

In January 2016, the Joint AICPA/NASBA CPE Standards Committee reviewed and finalized its recommendation of changes to the April 2015 Exposure Draft. Due to the significance of the areas of submitted comments and in the spirit of openness and transparency, the Joint Committee requests approval of its recommendation for re-exposure from the respective AICPA and NASBA Boards of Directors at the January 2016 meetings.

Overall:

The most significant change to the April 2015 Exposure Draft is within the CPE Program Measurement section to align CPE credit increments within the allowable instructional delivery methods. The recommended changes are summarized as follows:

Introduction:

Clarifications -

- NASBA National Registry of CPE Sponsors website URL change to NASBARegistry.org.

Preamble:

Clarifications -

- Replaced knowledge, skills and abilities wording with professional competence as professional competence is defined in Article I of the *Standards*.

Addition -

- Included a sentence regarding the intention of the *Standards*.

Article I - Definitions:

Clarifications -

- Revised definition for nano-learning to include specifics of how nano-learning differs from self study and what is not considered nano-learning.
- Revised definition of professional competence to align more closely with the IAESB (International Accounting Education Standards Board).
- Minor revisions/adjustments to definitions of other terms.

Article II - General Guidelines for CPAs:

Clarifications -

- Replaced knowledge, skills and abilities wording with professional competence as professional competence is defined in Article I of the *Standards*. NASBA National Registry of CPE Sponsors website URL change to NASBARegistry.org.

Addition –

- Footnote 2 revised to include the intention of the term “may” throughout the *Standards*.
- Expanded the independent study learning contract to allow for demonstration of the application of learning objectives.

Article III - Standards for CPE Program Sponsors:

Program Development:

Clarifications -

- Minor revisions and modifications to conform references to other sections of the *Standards*.
- Clarified the license requirement of CPA whose involvement is required in the development of every accounting and auditing course. Similar clarification of CPA, tax attorney or enrolled agent who is required in the development of courses if in the field of taxes.
- Clarification for group live and group internet based programs determination by how the participant consumes the learning and provided examples for each delivery method.
- Clarification that element of engagement for group live must occur **during** each credit of CPE (i.e., for a 2 CPE credit program, a sponsor cannot wait until the end of the program and use two elements of engagement to satisfy the requirement).
- Clarification in the self study Standard No. 9 for the number of review questions and qualified assessment questions based on the revised CPE measurement Standard to align CPE credit increments within the allowable instructional delivery methods. See Program Measurement section for further details.

Additions –

- Expanded the independent study Standard to detail the evidence of program completion and allow for the certification that the participant demonstrated of the application of learning objectives by a subject matter expert.
- Expanded Standard 10 on nano-learning to include more details of what are considered acceptable instructional materials and techniques used to develop nano-learning programs, the intention of nano-learning and the minimum requirements included in the nano-learning program.

Program Presentation:

Clarifications -

- Minor revisions and modifications to conform references to other sections of the *Standards*.
- Clarification that if the instructor is actively involved in the development of program materials, then it is not necessary to solicit an evaluation from the instructor.

Program Measurement:

Clarifications -

- The most significant change proposed to the April 2015 Exposure Draft is the revision to Standard 16 to align the CPE credit increments within the allowable instructional delivery methods. An unintended consequence of the April 2015 Exposure Draft is that the allowable CPE credit increments were not consistent among the instructional delivery methods which would cause complexities in awarding and tracking CPE credits.

The revision allows for CPE increments to be earned in one-fifth, one-half or whole credits for all delivery instructional delivery methods with the exception of nano-learning. For group programs, independent study and blended learning, a minimum of one full credit must be awarded initially before partial CPE credits can be awarded. For self study, a minimum of one-half credit must be awarded initially and then, after the first full credit is earned, partial CPE credit may be awarded. Nano-learning may be awarded only as one-fifth credit.

The revision also provides the sponsor the discretion to round down CPE credits to the nearest one-fifth, one-half or whole credit as appropriate for the instructional delivery method.

These revisions provide flexibility and consistency and do not cause CPE program sponsors to re-work program materials or require existing programs to be re-measured for CPE credit determination.

Examples are provided within the Standard.

- Clarification provided that, when substantive changes have been made to self study materials whether in one year or over a period of years, further pilot tests of the revised program materials must be conducted.

Program Reporting:

Additions -

- Added a requirement of program sponsors to provide program participants within 30 days after the conclusion of the program with documentation of their participation.
- Added a requirement to maintain records of the state of licensure, license number and the status of license for CPA pilot testers.
- Added requirement to maintain documentation of element of engagement for group live program and provided examples.
- Added a requirement to maintain documentation of instructions regarding the components comprising a blended learning program.