Aug. 26, 2015

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Re: Exposure Draft on *Statement on Standards for Continuing Professional Education (CPE)* Programs Jointly Issued by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA)

The Education Committee (the committee) of the Pennsylvania Institute of Certified Public Accountants (PICPA) appreciates the opportunity to comment on the Exposure Draft on *Statement on Standards for Continuing Professional Education (CPE)* Programs Jointly Issued by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA). The PICPA is a professional association of more than 22,000 members working to improve the profession and better serve the public interest. Founded in 1897, the PICPA is the second-oldest CPA organization in the United States. Membership includes practitioners in public accounting, education, government, and industry. The committee is composed of practitioners from both regional and small public accounting firms, members serving in financial reporting positions, and accounting educators.

**Comments on CPE Exposure Draft**

1. **Article I – Definitions**

   A. **Self-Study Program, Asynchronous, and Independent Study**

   The committee recommends the definition of “self-study program”, “asynchronous” and “independent study” be collapsed into one definition, and that one definition shall remain, rather than three separate definitions, as they are one and the same.
B. Group Program and Synchronous

The committee recommends the definition of “group program” and “synchronous” be collapsed into one definition, as the two are one and the same.

2. Article III – Standards for CPE Program Sponsors

A. Standard No. 9: Self-Study Programs

I.) Standard No. 9-04: Qualified assessment requirements
If a pre-program assessment is used in the course, then the pre-program assessment cannot be included in the determination of the recommended CPE credits for the course. If a pre-program assessment is used and feedback is provided, then duplicate pre-program assessment and qualified assessment questions are not permitted. If a pre-program assessment is used and feedback is not provided, then duplicate pre-program assessment and qualified assessment questions are permissible. Feedback may comply with the feedback for review questions as described in S9-03, or take the form of identifying correct and incorrect answers.

The committee challenges the qualified assessment requirements being excluded from the self-study credit component as it is included for blended learning, stated in Standard No. 16 shown below, and shows a level of inconsistency between blended learning and self-study:

Only learning content portions of programs (including pre-program, post-program and/or homework assignments when incorporated into a blended learning program) qualify toward eligible credit amounts. Time for activities outside of actual learning content including, for example, excessive welcome and introductions, housekeeping instructions, and breaks is not accepted toward credit.

B. Standard No. 10: Nano-Learning Programs

I.) S10 – 01: Qualified assessment requirements
To provide evidence of satisfactory completion of the course, CPE program sponsors of nano-learning programs must require participants to successfully complete a qualified assessment with a passing grade of 100 percent before issuing CPE credit for the course. Assessments may contain
questions of varying format (for example, multiple choice, rank order, and matching). Only two questions must be included on the qualified assessment. True/false questions are not permissible on the qualified assessment. If the participant fails the qualified assessment, then the participant must retake the nano-learning program. The number of retakes permitted a participant is at the sponsor’s discretion.

The committee challenges the number of questions included on the qualified assessment. The committee recommends adding one more question, increasing the number of questions from two to three, to allow a participant to receive an alternate score to either passing or failing, thereby decreasing the number of failures, and making it unnecessary for the participant to take the test repeatedly until a passing grade of 100 is achieved. With three questions, a participant may give one incorrect answer and thus achieve a 67% which could be rounded-up to 70%, a passing grade.

C. Standard No. 11: Blended Learning Programs

I.) Standard No. 11. Blended learning programs must use instructional methods that clearly define learning objectives and guide the participant through a program of learning. Pre-program, post program and/or homework assignments should enhance the learning program experience and must relate to the defined learning objectives of the program.

The pre-program assessment is a valuable learning tool that sets the tone for learning. An emphasis can be placed where knowledge is required or where the participant might have a knowledge deficit. Pre-program assessment enhances the overall learning experience of participants.

The committee strongly recommends that pre-program assessment be included in the number of continuing education credits awarded, not only for blended learning, but also for self-study.

II.) Standard No. 11-02: Primary component of blended learning program is a group program.

The committee questions the limitation placed on homework assignments of 25 percent and believes that the limitation could be extended to 50 percent of the blended learning program. The committee recommends that the rationale for limiting the homework assignment be communicated.
D. Standard No. 14-01: Required Elements of Evaluation

The required elements of evaluation have been defined in this standard, however, the standard does not define the mechanism or provide examples through which the elements of evaluation should be obtained.

E. Standard No. 17: Self-Study CPE Credits Based on Pilot Testing or Word Count Formula

S17 – 06. Method 2 – Calculation of CPE credit using the prescribed word count formula. The word count for the text of the required reading of the program is divided by 180, the average reading speed of adults. The total number of review questions (including those above the minimum requirements), exercises and qualified assessment questions is multiplied by 1.85, which is the estimated average completion time per question. These two numbers plus actual audio/video duration time (not narration of the text), if any, are then added together and the result divided by 50 to calculate the CPE credit for the self-study program. When the total minutes of a self-study program are not equally divisible by 50, the CPE credits granted must be rounded down to the nearest one-half credit.

The above stated formula indicates that the average reading speed is 180 words per minute. This formula does not take into account critical analysis of information, linkages to case studies, and reflection to practical applications. A fair and accurate measurement of learning does not seem attainable, and the committee recommends that other techniques be employed, trending more toward quality standards.

Other Specific Comments

The Statement on Standards for Continuing Professional (CPE) Programs, as noted, is understood as a legal document by the committee. The presentation of a pictorial view using summary tables may enhance the understanding of said document.

The committee recommends a summary table that either at the beginning of the document, after the table of contents, or at the end, that will enhance the understanding of the document. For example, a table could be presented with columns showing the type of program (group, self-study, nano-learning, etc.), pre-program assessment, basis for awarding CPE credits, and post-program assessment.
We appreciate your consideration of our comments. We are available to discuss any of these comments with you at your convenience.

Sincerely,

Thomas H. Flowers, CPA
Chair, PICPA Education Committee