

CPD RECORD: AUDIT SENIOR MANAGER TO BECOME AUDIT ENGAGEMENT PARTNER

Personal Details

Full Name: MC Black

Membership MXXXXX

CPD YEAR :2016

STEP 1- Define current and future role(s)

What is expected of you in your current role?

You may like to consider the expectations being placed upon you by employers, clients, colleagues, regulators and the public, and your ethical obligations to them. Consideration can be given to your future career options and goals.

I am a senior manager in the audit department of a 10 partner audit firm – per my recent performance appraisals I am likely to be promoted up to Audit Engagement Partner in the next 12-18 months. My portfolio is likely to be a small number of large UK companies. I realise I will need to make sure that all of the requirements of IES 8 (Revised) are met before becoming an Audit Engagement Partner.

STEP 2 – Decide on your training and development needs

What skills and knowledge do you need to maintain or develop to meet these expectations and what training gaps have you have identified as a result? This could include personal as well as technical skills, especially if you manage others.

You are encouraged to carry out this assessment at the start of the year but this assessment is expected to be ongoing to take into account any changes in role, organisation or business environment.

Looking at IES 8 (Revised) there are a number of competencies/learning outcomes that I will need to address:

- **Interpersonal, personal and organisational skills & professional scepticism** – I need to get up to speed with these pre-requisites in IES8
- **Business environment, governance & risk, IT, financing:** Ditto I will need to get up to speed with the clients I will be taking over as audit clients once I become Audit Engagement Partner.
- **Financial accounting and reporting:** there are significant UK GAAP developments (in order to meet all the financial reporting learning outcomes in IES 8 including financial reporting disclosures & accounting treatment)
- **Audit:** there have been a number of auditing developments resulting from the EU Audit Regulation & Directive (in order to meet all the audit changes and ensure risks, responses and audit opinions are appropriate):
 - Get up to speed on ICAS Audit Regulation changes
 - Get up to speed with ISA & ISQC1 changes
- **Business law:** there have been some changes to business law resulting from the EU Regulation &

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Directive

- **Taxation:** I need to keep up to date with taxation changes
- **Professional Values, Ethics & Attitudes:** I need to become more familiar with the ethics requirements as the engagement lead going forward

STEP 3- Identifying CPD activities

How will you address your development needs? You are encouraged to use this section of the record to diary or list the CPD activities you are aiming to undertake throughout the year.

A wide range of activities can be recognised for CPD purposes and is recommended. If you can identify a meaningful learning outcome from a particular activity then it will be valid for CPD purposes

- **Interpersonal, personal and organisational skills & professional scepticism** – I am going to be mentored over the next 12 months by another audit partner in the firm. He is the RI on a number of audits that I will eventually take over and will take the lead on these audits but he will involve me more and more in the planning and finalisation of the audit as well as the usual file reviews. I will be attending more client meetings on the run up to handover and observe the partner role more. Once my RI application has been approved I will be responsible for audits but be subject to internal hot file review until the firm are happy about my abilities. I will also be subject to in depth-performance appraisal throughout the next 12-18 months to see how I have been developing.
- **Business environment, governance & risk, IT, financing:** I will be taking over as senior manager on a number of audits and will be conducting a lot of client meetings and research and background reading on the clients to understand the business environment, competitors, financing etc.
- **Financial reporting:** FRS 102- – attend FRS 102 training course & review our accounts production software changes (review new disclosure checklists)
- **Audit:**
 - Read ICAS Audit News for ICAS Audit Regulation changes
 - Attend audit update course for ISA and ISQC1 changes
 - I intend to attend the Keeping Your Audit on Track in advance of becoming an RI
- **Business law:** to be covered in audit course and Audit News
- **Taxation:** attend tax update course
- **Professional Values, Ethics & Attitudes:** read the ICAS Code of Ethics and the FRC Ethical Standards and attend an audit update course
- **Other:** read CA practice update & business press

STEP 4 – Reflect and Record

This section of the record should be used to record when you have undertaken a CPD activity.

For each activity, what were the key learning points? How have you applied them? How do they address your needs listed in Step 2?

	Activity	Learning outcome
Throughout year	Mentoring	<i>The mentoring of the Audit Partner on a number of audits that I will be taking over has been invaluable. He has involved me in his planning decisions and also on how to handle difficult client situations including potential audit report modifications and audit &</i>

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		accounting treatment issues. He has also mentored me in leading the audit engagement team. I feel this is equipping me well to take over as an Audit Engagement Partner in the near future. I feel I am developing the personal, interpersonal, organisational and professional scepticism attributes I need to be an effective Audit Engagement Partner.
Quarterly throughout the year	Performance Appraisals	I have had regular performance appraisals with my mentor (see performance appraisals) and he has provided very positive & useful feedback. He thinks that a presentation course would be useful and also a management course aimed at managing different personality types – see below – which I have now attended
Throughout year	Client meetings & research & background reading on the clients to understand the business environment, competitors, financing etc	I have spent a lot of time during 2016 reading up on various client industries, meeting with clients and relevant staff to obtain a good understanding of the clients' business and to understand specifically the risks and our proposed responses – I have discussed these in detail with my mentor
18.3.16	FRS 102 training course	Helped with audit in the evaluation of financial statement disclosures, ensuring that I understand the key risks in relation to FRS 102 implementation & identify appropriate audit approach. It also helped me identify and consider the more complex areas of the audit including where management estimates and fair values will require to be audited (and the knock on implication of reliance on experts) and to consider audit report implications
11.1.16	Review our accounts production software changes (review new disclosure checklists)	Helped me ensure that I understood how FRS 102 disclosures will work in practice with our accounts production system – it allowed me to identify areas where significant tailoring is required and areas where I have had to train the staff & areas that I specifically need to pay attention to when reviewing the accounts disclosure checklists. This helps me be alert to financial disclosure, accounting treatment and such risks on the audit.
13.10.16	Audit update course	This has kept me up to date on the main audit developments and ensured that I have kept up to date with all ISA and ISQC1 changes, and any developments that could affect our understanding of audit risks & responses and the audit opinion. It has also kept me up to date on ethical standard changes to identify ethical threats and safeguards – particularly in light of FRS 102 implementation risks.
4.6.16	Tax update course	I have kept up to date with all corporation tax developments which ensures that I am able to identify and address audit risks arising from

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		<i>taxation.</i>
12.10.16	Managing different personality types course	<i>This was a useful course in teaching me how to manage and motivate different staff within the audit dept and also how to handle the more senior partners in the firm. An unexpected advantage has been how to manage difficult discussions with clients regarding audit adjustments and potential audit report qualifications.</i>
13.11.16	Presentation course	<i>This has helped develop my self-confidence and help me deal with audit tenders more assuredly.</i>
All year – 2 hours per week	Read CA practice update, CA magazine & business press	<i>Kept generally up to date on all professional and business press</i>
12.12.16	Read Ethical Standards and Code of Ethics	<i>I feel more up to date on ethical threats and how these should be safeguarded and I am aware of the discussions which should take place with our ethics partner before accepting any engagements where there are issues. I also understand the importance of documenting our considerations.</i>
11.11.6	Keeping Your Audit on Track	<i>A useful course aimed at an audit regulatory update and was very helpful before I become an audit partner – this has helped me identify potential audit risks and non-compliance and how to avoid these or manage these</i>
In summary , what were the most important things you learned last year? What were the tangible outcomes of these for your business?		
<i>The most important learning outcomes have been developing my confidence as a future engagement partner and in how to handle difficult decisions and difficult communications with both clients and staff.</i>		

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