

Chapter 13 (as of 12/20/08)

Title 46

PROFESSIONAL AND OCCUPATIONAL STANDARDS

Part XIX. Certified Public Accountants

Chapter 13. Maintenance of Competency; Continuing Professional Education (CPE)

§1301. Basic Requirements

A. Each certificate holder shall participate in at least 120 hours of continuing professional education every three years. The hours of a certificate holder to whom §1301.E.2 applies shall be reduced pro rata for the compliance period containing his effective date.

1. Certificate holders who participate in attest engagements shall complete at least 20 percent of the required hours in the subject area described in §1307.A.1 in fulfilling the above requirements, effective for the compliance period beginning January 1, 2001. Certificate holders participating in attest engagements include those responsible for conducting substantial portions of the procedures and those responsible for planning, directing, or reporting on attest engagements. Persons who "plan, direct, and report" generally include the in-charge accountant, the supervisor or manager, and the firm owner who signs or authorizes someone to sign the attest engagement report on behalf of the firm.

2. All certificate holders shall complete at least two hours of Professional Ethics that include a review of the State Board's Rules of Professional Conduct (LAC46:XIX. Chapter 17). In order to qualify, the contents of an Ethics course must have been pre-approved by the board.

3. Personal development hours cannot exceed 25 percent of the total qualifying CPE.

4. Each certificate holder shall triennially, when making application for certificate renewal, submit requested information on the prescribed form including a signed statement confirming the number of continuing education hours in which the certificate holder has participated during the reporting period.

B. Exemption. The board may grant an exemption from CPE in accordance with R.S. 37:76.D(2). In order to be granted an exemption, the certificate holder must register in inactive status and follow the provisions of §1707.C.

C. An individual who held a license on June 17, 1999 or was issued a certificate on or after June 18, 1999 who wishes to reenter practice after having allowed such license or certificate to lapse must present proof, documented in a form satisfactory to the board, that he has satisfied the requirements for continuing professional education for the preceding period as specified by §1301.A.

D. The board may at its sole discretion grant extensions of time or waivers to complete the required continuing education requirements for hardship situations and for medical reasons.

E. Effective Date

1. As to any certificate holder who was licensed as of January 1, 1998, the effective date of these requirements was January 1, 1998; except for §1301.A.1, which will be effective January 1, 2001.

2. As to any individual who obtains an initial certificate, the effective date of these requirements shall be January 1, of the first calendar year of the then current three-year CPE compliance period. The hours required are reduced pro rata for the first CPE compliance period, as follows:

a. an individual initially licensed during the first calendar year of his first three-year CPE compliance period shall have an 80 hour requirement;

b. an individual initially licensed during the second calendar year of his first three-year CPE compliance period shall have a 40 hour requirement;

c. an individual initially licensed during the third calendar year of his first three-year CPE compliance period shall not have any hours required.

F. Compliance Period

1. The first compliance period for continuing professional education was the three-year period ended December 31, 1982, and subsequent compliance periods shall end on December 31 each third year thereafter.

§1303. Standards for Programs

A. Program Development

1. The program shall contribute directly to the professional competence of the participants.
2. The stated program objectives shall specify the level of knowledge the participant should have obtained or level of knowledge he should be able to demonstrate upon completing the program.
3. The education and/or experience prerequisites for the program should be stated.
4. Programs shall be developed by individual(s) qualified in the subject matter.
5. Program content shall be current.
6. A program shall be reviewed by an individual(s) qualified in the subject matter and knowledgeable in instructional design, other than the preparer(s).

B. Program Presentation

1. Participants should be informed in advance of objectives, prerequisites, experience level, content, advance preparation, teaching methods, and continuing professional education credit.
2. Instructors, lecturers or speakers should be qualified with respect to program content and teaching method used.
3. The number of participants and physical facilities should be consistent with the teaching method(s) specified.
4. Written evaluations shall be solicited from participants for each program, summarized to provide an effective means for evaluating program quality, and retained.

§1305. Programs which Qualify

A. The overriding consideration in determining whether a specific program qualifies as acceptable continuing education is that it be a formal program of learning which contributes directly to the professional knowledge and professional competence of an individual certificate holder. Formal programs of learning are those programs that are designed, and primarily intended, as educational activities, and comply with all CPE standards. Magazines and reference materials are not designed as educational programs nor do they comply with CPE standards. Accordingly, examinations on magazine articles or reference materials will not qualify for credit unless a formal program of learning was developed in addition to the examination. CPE credit will not be allowed for programs which have content that is in violation or is not in compliance with the Act or rules of the board.

B. Continuing education programs qualify if they meet the above standards and if:

1. a written outline of the program is prepared in advance and preserved;
2. the program is at least one hour (50 minute period) in length; and
3. a record of registration and attendance or test results is maintained.

C. The following are deemed to be qualifying programs:

1. accredited University or College Courses (see definition at §501). Credit and non-credit courses earn continuing education credit as set forth in §1309.A;
2. formal correspondence or other individual study programs designed to permit a participant to learn a given subject without major involvement of an instructor, which require registration and provide evidence of satisfactory completion as set forth in §1309.B;

3. formal group programs designed to permit a participant to learn a given subject through live interaction with an instructor and other participants either in a classroom, conference setting, or by use of the Internet or other technological methods that allow for verification of registration, interaction, and attendance during the presentation;

4. technical sessions at meetings of recognized national and state professional organizations and their chapters;

5. formal organized in-firm educational programs.

D. The board may look to recognized state or national professional organizations for assistance in interpreting the acceptability of and credit to be allowed for individual courses.

E. The responsibility for substantiating that a particular program is acceptable and meets the requirements rests solely upon the certificate holder.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:71 et seq.

HISTORICAL NOTE: Adopted by the Department of Commerce, Board of Certified Public Accountants, January 1974, promulgated LR 6:5 (January 1980), amended by the Department of Economic Development, Board of Certified Public Accountants, LR 15:614 (August 1989), LR 17:1068 (November 1991), LR 23:1116 (September 1997), LR 26:1977 (September 2000), amended by the Office of the Governor, Board of Certified Public Accountants, LR 34:2561 (December 2008).

§1307. Subjects which Qualify

A. The following general subject matters are acceptable as long as they contribute to the professional knowledge and professional competence of the individual certificate holder and are relevant to the services rendered or to be rendered by the individual certificate holder in public practice, industry, academia or government.

1. Accounting and Auditing. This field of study includes accounting and financial reporting subjects, pronouncements of authoritative accounting principles issued by the standard-setting bodies and any other related subject generally classified within the accounting discipline. It also includes auditing subjects related to the examination of financial statements, operations systems, and programs; the review of internal and management controls; and the reporting on the results of audit findings, compilations, and reviews. It also includes assurance services that relate to standards for attest engagements.

2. Consulting. This field of study deals with all advisory services provided by professional accountants. Services provided that encompass those for management such as designing, implementing, and evaluating operating systems for organizations as well as business advisory services and personal financial planning. The systems include those dealing with planning, organizing and controlling any phase of individual financial activity or business activity. Subjects may include designing and implementing a computer system to process the financial and management operations of a business; litigation support services and the related fields of law; personal financial planning services; investment planning for individuals or organizations; and management advisory services. This Subsection is primarily for consultants in public practice; however, internal consultants employed by a business entity providing advisory services within the entity may also use these subjects.

3. Taxation. This field of study includes subjects dealing with tax compliance and tax planning. Compliance covers tax return preparation and review and IRS examinations, ruling requests, and protests. Tax planning focuses on applying tax rules to prospective transactions and understanding the tax implications of unusual or complex transactions. Recognizing alternative tax treatments and advising on tax saving opportunities are also part of tax planning.

4. Management. This field of study considers the management needs of individuals in public practice, industry, and government. Acceptable subjects for individuals in public practice concentrate on the practice management area, such as organizational structures, marketing services, and administrative practices. For individuals in industry or government, there are subjects dealing with the financial management of the organization, including information systems, budgeting, asset management, as well as buying and selling businesses, contracting for goods and services, cost analysis and foreign operations. In general, the emphasis in this field is on the specific management needs of certificate holder's and not on general management skills.

5. Specialized Knowledge and Applications. This field of study treats subjects targeted to specialized industries, such as not-for-profit organizations, health care, oil and gas. An industry is specialized if it is unusual in one or more of the following ways: form of organization, economic structure, legislation of regulatory requirements, marketing or distribution, terminology, technology; and either employs unique accounting principles and practices, encounters unique tax problems, requires unique advisory services, or faces unique audit issues. This area applies to certificate holders in the three employment areas, i.e., public practice, industry, and government. A certificate holder would use this classification for courses not already reportable under categories listed in §1307.A.1 - 4, such as Medicare cost reporting or rate regulations in the telephone and utility industry.

6. Personal Development. Personal Development is the field of study which includes self-management and self-improvement both inside and outside of the business environment. It includes issues of quality of life, interpersonal relationships, self-assessment, and personal improvement. Personal Development courses are intended to be more of a self-improvement category, as compared to courses that are directly related to the certificate holder's job duties or job requirements. Courses above the basic skill level that otherwise might qualify as Personal Development courses may be claimed in the management area or the consulting area if they relate to the certificate holder's job duties or job requirements.

7. Professional Ethics. Professional Ethics includes the study of the codes of professional ethics applicable to all CPA registrants and their effect on business decisions.

B. Special rules

1. For purposes of categorizing courses, a course may be categorized in its entirety based on the majority of its content.

2. Courses which have product or service sales as their underlying content shall not qualify for CPE credit.

§1309. Credit Hours Granted

A. Class Hours

1. Only class hours or the equivalent (and not student hours devoted to preparation) will be counted.

2. Continuing education credit will be given for whole hours only, with a minimum of 50 minutes constituting one hour. As an example, 100 minutes of continuous instruction would count for two hours; however, more than 50 minutes but less than 100 minutes of continuous instruction would count only for one hour. For continuous conferences, conventions and other programs when individual segments are less than 50 minutes, the sum of the segments will be considered equal to one total program.

3. Credit courses at accredited universities or colleges shall earn 15 hours of continuing education for each semester hour of credit. A quarter hour credit shall equal 10 hours.

4. Continuing education credit allowable for noncredit short courses at accredited universities or colleges shall equal time in class in accordance with §1309.A.2.

B. Individual Study Program. The amount of credit to be allowed for correspondence and formal individual study programs is to be recommended by the program developer. These programs shall be pre-tested by the developer to determine the average completion time. Credit will be allowed in the period in which the course is completed as indicated on the certificate of completion.

1. Only interactive self-study programs shall receive CPE credit equal to the average completion time provided the course satisfies the following criteria:

a. An interactive self-study program is one which simulates a classroom learning process by providing ongoing responses and evaluation to the learner regarding his or her learning progress. These programs guide the learner through the learning process by:

i. requiring frequent student response to questions that test for understanding of the material presented;

ii. providing evaluative responses and comments to incorrectly answered questions; and

iii. providing reinforcement responses and comments to correctly answered questions.

b. Ongoing responses, comments, and evaluations communicate the appropriateness of a learner's response to a prompt or question. Such responses, comments, and evaluations must be frequent and provide guidance or direction for continued learning throughout the program by clarifying or explaining assessment of inappropriate responses, providing reinforcement for appropriate responses, and directing the learner to move ahead or review relevant material. It is the response of the learner that primarily guides the learning process in an interactive self-study program. Not all technology based self-study programs constitute interactive programs. Technology based self-study programs must meet the criteria set forth in the definition of interactive self-study programs, as must other self-study programs developed using different modes of delivery.

2. Courses developed by or registered with the AICPA, NASBA, or a state society of CPAs are acceptable as continuing education provided that the developer or sponsor confirms to participants that the course is *interactive self-study*.

3. CPE program developers shall keep appropriate records of how the average completion time of self-study programs was determined.

C. Service as Lecturer or Speaker

1. Credit for one hour of continuing professional education will be granted for each hour completed as a lecturer or speaker to the extent it contributes directly to the individual's professional knowledge and competence and provided the program would qualify for credit under these rules. Credit for such service will be awarded on the first presentation only, unless a program has been substantially revised.

2. In addition, a lecturer or speaker may claim up to two hours of credit for advance preparation for each teaching hour awarded in §1309.C.1, provided the time is actually devoted to preparation.

3. The maximum credit for teaching and preparation, cannot exceed 50 percent of the three-year requirement under these rules.

D. Writing of Published Articles, Books, CPE Programs, etc.

1. Credit for writing published articles, books, and CPE programs will be awarded in an amount determined by the board representative provided the writing contributes to the professional competence of the certificate holder. The board and author shall mutually approve this representative. CPAs requesting this service will be charged a fee; the fee is to be negotiated and agreed upon prior to the engagement.

2. The maximum credit for preparation of articles and books cannot exceed 25 percent of the three-year requirement under these rules.

3. Credit, if any, will be allowed only after the article or book is published.

E. Committee Meetings, Dinner and Luncheon Meetings, Firm Meetings

1. Credit will be awarded for participation in committee meetings, dinner and luncheon meetings, etc., provided the program portion thereof meets the other requirements of these rules.

2. Credit will be awarded for firm meetings or meetings of management groups if they meet the requirements of these rules. Portions of such meetings devoted to administrative and firm matters cannot be included.

F. CPE for Completion of Exams

1. CPE credit may be allowed for the successful completion of exams for Certified Management Accountant (CMA), Certified Information Systems Auditor (CISA), Certified Financial Planner (CFP), as well as other similar exams.

2. Credit will be awarded at a rate of 5 times the length of each exam taken and limited to 50 percent of the three-year requirement.

G. CPE Credit for Reviewers. Credit will be granted for actual time expended reviewing reports for the board's positive enforcement programs as determined by the board and approved by the board's practice monitoring administrator provided the reviewer completes and returns the assigned checklist(s), in a timely manner.

§1311. Maintenance of Records and Control

A. Participants in formal CPE programs shall retain the documentation of their participation in CPE programs for a period of five years after the end of the calendar year in which the program is completed. Participants in formal CPE programs shall also retain advance materials, which should include the requirements set forth in §1303.B.1, and other promotional material which reflects the content of a course and the name of the instructor(s) in the event the participant is requested by the board to substantiate the course content.

B. Acceptable evidence of completion includes, but is not limited to, the following:

1. for group programs, a certificate of attendance or other verification supplied by the sponsor which includes:

- a. sponsorship organization;
- b. location of course;
- c. title and/or description of content;
- d. dates attended; and
- e. the qualifying hours recommended by the course sponsor;

2. for individual study programs, a certificate supplied by the sponsor after satisfactory completion of a workbook, an examination, or an interactive course that confirms the name of the sponsor, the title and/or description of the course contents, the date of completion and the qualifying hours recommended by the course sponsor;

3. for a university or college course that is successfully completed for credit, an official transcript reflecting the grade earned;

4. for instruction credit, evidence obtained from the sponsor of having been the seminar lecturer or speaker at a program in addition to the items required by §1311.B.1; and

5. for published articles, books, or CPE programs, evidence of publication;

6. for completion of exams, evidence of satisfactory completion and qualifying hours of length of exam taken.

C. Sponsors shall furnish a record of attendance or completion to participants, which includes the requirements set forth in §1311.B and retain same information.

D. Practitioners, partners, members, or shareholders and employees of a firm of certified public accountants will not be required to maintain the above records personally if the firm has a policy of maintaining such records for its members and professional employees and does maintain the records required herein for the required time and reports such information to each person at least once each year.

E. Each sponsoring organization shall maintain records of programs sponsored which shall show:

1. that the programs were developed and presented in accordance with the standards set forth in §1303-1305. If a program is developed by one organization and sponsored by another, the sponsoring organization shall not be responsible for program development standards and related record maintenance if:

a. it has reviewed the program and has no reason to believe that program development standards have not been met; and

b. it has on record certification by the developing organization that the program development standards have been met and that the developing organization will maintain the required records relative thereto.

F. The CPE program sponsor shall maintain records and information required under these rules for a period of five years after the end of the calendar year in which the CPE course was completed.

G. Records required under this rule shall be maintained for five years and shall be made available to the board or its designee(s) for inspection at the board's request.

H. Failure of a CPE program sponsor to comply with the CPE standards shall be cause for the board to deny credit for courses offered by the CPE sponsor until such time as the CPE sponsor can demonstrate to the board that the compliance standards are being met.

I. The board specifically reserves the right to approve or disapprove credit for all continuing education under this state board's rules.