STATEMENT ON STANDARDS
FOR
CONTINUING PROFESSIONAL EDUCATION
(CPE) PROGRAMS

AICPA
ISO9001 Certified

American Institute of
Certified Public Accountants

NASBA

National Association of
State Boards of Accountancy

Statement on Standards for
Continuing Professional Education (CPE) Programs

The following standards are issued jointly by the AICPA and NASBA.

Preamble

The right to use the title "Certified Public Accountant" is granted and regulated in the public interest. The title imposes a duty to maintain public confidence and implies a responsibility to be current in knowledge, skills, and abilities in relevant areas so that quality, competent service is assured. This duty and this responsibility extends to all accounting professionals.

The environment within which the accounting professional functions is more dynamic and demanding today than ever before. The profession is characterized by an explosion of relevant knowledge, a changing and expanding nature, and increasing complexity as a result of advancing technology; globalization of commerce; increasing specialization, proliferating regulations, and the complex nature of business transactions. These conditions require a renewed emphasis on the continuing development of competence among accounting professionals.

Individuals, firms, and regulatory bodies have recognized that the continuing development of competence involves a program of lifelong educational activities. The development of standards for Continuing Professional Education (CPE) activities has been recognized as important and necessary to satisfying the objective of achieving quality in such activities.

The following standards have been broadly stated in recognition of the diversity of practice and experience among accounting professionals. They establish a framework for the development, presentation, measurement, and reporting of CPE programs and thereby help to ensure that accounting professionals receive the quality continuing professional education necessary to satisfy their obligations to serve the public interest.

The uniform adoption of these standards by professional regulatory bodies will assist in assuring consistent quality in an environment of high mobility of participants and great variability in program sponsors.

General Standards

Standard No. 1. Accounting professionals should participate in programs of learning that maintain or increase their professional competence or do both.

Commentary. The fundamental purpose of CPE is to maintain or increase professional competence or do both. An accounting professional's field of employment does not limit the need for continuing professional education.

A person performing services of a professional nature needs to have a broad range of knowledge, skills, and abilities. Thus, the concept of professional competence should be interpreted broadly. Accordingly, programs contributing to the development and maintenance of nontechnical professional skills should also be recognized as acceptable continuing education.

Acceptable subjects may include accounting and auditing, consulting services, specialized knowledge and applications, management, personal development, and taxation. Other subjects may also be acceptable if they maintain and/or increase the accounting professional's competence.

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Standard No. 2. It is the responsibility of each accounting professional to comply with all applicable continuing professional education requirements.

Commentary. An accounting professional may have to meet CPE requirements of a state licensing body, other governmental entities, a membership association, or other organizations or bodies. The professional must meet the highest applicable requirements. Exceptions to such requirements may be granted by the appropriate body for reasons of health, military service, foreign residency, retirement, or other good reason if such reason prohibits compliance with these requirements.

Standard No. 3. CPE program sponsors have a responsibility to comply with all applicable standards.

Commentary. Sound administration, adequate resources, competent supervision, and an effective and supportive organizational structure are necessary elements in the design, development, implementation, and monitoring of CPE programs. For each program sponsor; there should be an identifiable administrator charged with demonstrating compliance with these standards.

When a sponsor works with others to develop, distribute, and/or present CPE programs, the responsibility for ensuring that all standards are met rests with the sponsor. The functions of each party should be identified and documented.

Standards for CPE Program Development

Standard No. 1. Program developers should state learning objectives and specify the program level.

Commentary. Learning objectives should clearly state what level of knowledge or skill is expected to be achieved by a participant completing a particular program.

Program level descriptions should be informative to potential participants. Examples of descriptions are:

Basic - Covers fundamental principles and skills. This level is for participants with limited or no exposure to the subjects.

Intermediate - Builds on a basic level program in order to relate fundamental principles or skills to practical situations and extend them to a broader range of applications. This level is for participants with some exposure to the subjects.

Advanced - Focuses on the development of in-depth knowledge, a variety of skills, or a broader range of applications. This level is for participants with significant exposure to the subjects.

Update - Provides a general review of new developments. This level is for participants with a background in the subjects who wish to be kept current.

Overview - Develops a broad perspective in a subject area.

Standard No. 2. Program developers should state the prerequisites for education, experience, or both for all programs.

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Commentary. All programs should clearly identify prerequisites including advanced preparation. If no prerequisite or advanced preparation is necessary, a statement to this effect should be made. Prerequisites should be written in precise language so that potential participants can readily ascertain whether they qualify for the program or whether the specified program level is appropriate for them.

Standard No. 3. Program developers should be qualified in the subject matter and be knowledgeable in instructional design.

Commentary. Qualification in subject matter and a knowledge of instructional design may be obtained through appropriate practical experience or education or both. This standard is not intended to require that any individual program developer be both technically competent and competent in instructional design. Its purpose is to ensure that both types of competency are represented in a program's development, whether one or more persons are involved in that development.

Standard No. 4. Program developers should ensure materials are technically accurate, current and sufficient to meet the program's learning objectives. Program developers should specify the instructional methods to be used in the delivery of the material.

Commentary. Program developers should review the course materials periodically to assure that they are accurate and consistent with currently accepted standards relating to the program's subject matter.

Standard No. 5. Program developers should ensure program materials are reviewed by qualified persons other than the persons who developed them, in order to assure that the program is technically accurate, current, and sufficient to achieve the learning objectives. This review should occur before the materials are used.

Commentary. A program should be reviewed by individuals qualified in the subject matter and knowledgeable in instructional design. Any one reviewer need not be competent in both areas, but both aspects of a program should be reviewed. However, it may be impractical to review certain programs, such as lectures given only once. In these cases, more reliance must be placed on the recognized competence of the instructor.

Standards for CPE Program Presentation

Standard No. 1. Program sponsors should inform participants in advance of learning objectives, prerequisites, program level, program content, advance preparation, instructional methods, recommended CPE credit, and relevant administrative policies.

Commentary. In order for potential participants to effectively plan their CPE, the significant features of the program should be disclosed in advance (e.g., brochures or other announcements). When CPE programs are offered in conjunction with non-educational activities, or when several CPE programs are offered concurrently, an appropriate schedule of events indicating those components that are recommended for CPE credit should be made available to participants. The program sponsor's registration policies and procedures should be formalized, published, and made available to participants.

Standard No. 2. Program sponsors should encourage participation only by individuals with appropriate education or experience.

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Commentary. This standard also means that participants will be expected to complete any advance preparation. Program sponsors should distribute program materials in a timely manner and encourage participants to complete advance preparation requirements.

Standard No. 3. Program sponsors should ensure instructors are qualified with respect to both program content and instructional methods used.

Commentary. The instructor is a key ingredient in the learning process in any group program. Therefore, it is imperative that program sponsors exercise great care in selecting qualified instructors for all group programs. Qualified instructors are those who are capable through background, training, education, or experience of communicating effectively and providing an environment conducive to learning. They should be competent and current in the subject matter, skilled in the use of the appropriate instructional methods, and prepared in advance.

Program sponsors should evaluate the instructor's performance at the conclusion of each program to determine the instructor's suitability to serve in the future.

Standard No. 4. Program sponsors should ensure that the number of participants and physical facilities are appropriate for the instructional methods specified by the developer.

Commentary. The number of participants, quality of facilities, and seating arrangements are integral and important aspects of the educational environment and should be carefully controlled.

Standard No. 5. Program sponsors should employ an effective means for evaluating program quality with respect to content and presentation.

Commentary. The objectives of evaluation are to increase subsequent program effectiveness and to assess participant satisfaction with the specific program. Written evaluations should be solicited from all participants and instructors for each specific session. At a minimum, each program presentation, including self-study, should be evaluated to determine whether:

♦Stated learning objectives were met.
♦Prerequisite requirements were appropriate.
♦Program materials contributed to the achievement of the learning objectives.
♦Program content was timely and relevant.
♦Time allocations were appropriate.

In addition, each presentation of a group program should be evaluated to determine whether:

♦Individual instructors were effective.
♦Facilities were appropriate.
♦Handout or advance preparation materials were
 satisfactory.
♦Audiovisual materials were effective.

Program sponsors should periodically review evaluation results to assess program effectiveness and inform developers and instructors of evaluation results.

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Standards for CPE Program Measurement

Standard No. 1. Continuing professional education credit should be recommended only for programs of learning that maintain or increase the professional competence of the individual.

Commentary. A program of learning is a process that is designed and intended as an educational activity and that complies with these standards. Generally, CPE credit should not be allowed for attending committee or staff meetings because meetings are normally designed for other objectives related to managing the organization. However, a part of a meeting that is a program of learning and complies with these standards would qualify for CPE credit.

A self-study program that primarily involves reading a publication and passing a test on the contents of the publication would not be considered a program of learning. However, a program that includes the reading of a publication could be designed to qualify as a program of learning by complying with each of the CPE standards.

Standard No. 2. All programs should be measured in fifty-minute contact hours. The shortest program for CPE credit purposes should consist of one contact hour.

Commentary. The purpose of this standard is to develop uniformity in the measurement of CPE programs. A contact hour is fifty minutes of participation in a group program. Under this standard, credit is granted only for full contact hours. For example, a group program lasting one hundred minutes would count for two contact hours; however, one lasting between fifty and one hundred minutes would count for one contact hour. For programs in which individual segments are less than fifty minutes, the sum of the segments should be considered one total program. For example, five thirty-minute presentations would equal one hundred fifty minutes and should be counted as three contact hours.

Program sponsors are encouraged to monitor group programs in order to accurately assign the appropriate number of contact hours for participants who arrive late or leave early.

Self-study programs should be pretested to determine average completion time. Interactive self-study programs (see definition) should receive CPE credit equal to the average completion time. Noninteractive self-study programs (see definition) should receive CPE credit equal to one-half of the average completion time. For example, an interactive self-study program that takes an average of eight hundred minutes to complete should be recommended for sixteen contact hours of CPE credit. A noninteractive self-study program that takes an average of eight hundred minutes to complete should be recommended for eight contact hours of CPE credit.

Program developers should keep appropriate records of how the average completion time was determined.

For university or college courses that meet these CPE Standards, each unit of credit shall equal the following CPE contact hours:

Semester System	15 hours
Quarter System	10 hours

Credit is not granted to participants for preparation time.

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Standard No. 3. Instructors or discussion leaders should be given CPE credit for their preparation and presentation time to the extent the programs increase their professional competence and qualify for CPE credit for participants. Credit for instructors or discussion leaders should be measured in contact hours.

Commentary. Instructors and discussion leaders should receive CPE credit for both preparation and presentation. The first time they present a program, they should receive credit for actual preparation hours up to two times the number of presentation hours. For example, if a program is presented for eight contact hours, the instructors could receive up to twenty-four contact hours of credit (sixteen contact hours for preparation and eight contact hours for presentation). For repeat presentations, instructors should receive no credit unless they can demonstrate that the program content involved was substantially changed and such change required significant additional study or research.

In addition, the maximum credit for preparation and presentation should not exceed 50 percent of the total CPE credit required in a reporting period. For example, if an instructor's requirement is forty contact hours of CPE every year, the maximum credit that could be claimed would be twenty contact hours. (If the instructor actually taught eight hours and took sixteen hours to prepare, the most credit that could be claimed would be twenty hours during that period.)

Standard No. 4. Writers of published articles, books, or CPE programs should be given CPE credit for their research and writing time to the extent this time increases their professional competence.

Commentary. Writing articles, books, or CPE programs for publication is a structured activity that involves a process of learning. For the writer to receive CPE credit, the article, book, or CPE program must be formally reviewed and published by a publisher not under the control of the writer. Credit for writers should be measured in contact hours and not exceed 25 percent of the CPE credit required in a reporting period.

The writer should document the claim for CPE credit with (1) a copy of the publication (or in the case of a CPE program, course development documentation) that names the writer as author or contributor and (2) a statement from the writer supporting the number of CPE hours claimed.

Standards for CPE Program Reporting

Standard No. 1. Participants in programs of learning should document their participation, including: (1) program sponsor, (2) title and description of content, (3) date, (4) location, and (5) number of CPE contact hours. Evidence of completion should be retained for an appropriate period.

Commentary. This standard is designed to require participants to document their claim of continuing professional education credit. Acceptable evidence of completion includes:

⬩For group programs, a certificate or other verification supplied by the program sponsor.

⬩For self-study programs, a certificate supplied by the program sponsor after satisfactory completion of a workbook or examination.

⬩For a university or college course that is successfully completed for credit, a record of the grade the participant received.

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⬥For instruction credit, evidence obtained from the program sponsor of having been the instructor or discussion leader at a program.

⬥For published articles, books, or CPE programs, evidence of publication. (See Program Measurement Standard No. 4)

In the absence of legal or other requirements, a reasonable policy would be to retain documentation for five years from the date the program is completed.

Standard No. 2. In order to support the reports that may be required of participants, the program sponsors should retain the following information for an appropriate period: (1) record of participation, (2) copy of the program materials, (3) date, (4) location, (5) instructors, (6) number of CPE contact hours, (7) results of program evaluations, and (8) evidence of compliance with responsibilities set out under these standards.

Commentary. Because participants may come from any state or jurisdiction, the appropriate amount of time for retention of this information is not dependent solely on the location of the program or program sponsor. Therefore, program sponsors should retain this information for a period of five years from the date the program is completed.

The record should reflect the CPE credit hours earned by each participant, including those who arrived late or left early.

Glossary

Accounting Professional. One who provides accounting or consulting services under circumstances where there is an expectation of public confidence in such services. Thus, those practicing accounting either in firms or as individual Certified Public Accountants, or those accountants employed in industry, government, and education, would generally be considered accounting professionals. With respect to firms of CPAs, the term *accounting professional* may extend to other persons employed to provide client services, including but not limited to non-certified accountants, auditors, actuaries, engineers, and other management consultant professionals.

Contact Hour. Fifty minutes of participation in a group program or interactive self-study program. One hundred minutes of participation in a non-interactive self-study program.

Continuing Professional Education (CPE). An integral part of the lifelong learning required to provide competent service to the public; the set of activities that enables accounting professionals to maintain and increase their professional competence.

Group Program. An educational process designed to permit a participant to learn a given subject through interaction with an instructor and other participants.

Instructional Design. A plan that specifies the learning objectives of the program; the content of the program; the instructional methods; and, if practical, the manner of evaluating whether the learning objectives were achieved.

Instructional Methods. The delivery strategies used in group or self-study programs such as case studies, computer assisted learning, lectures, group participation, programmed instruction, teleconferencing, use of audiovisual aids, or work groups.

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Learning Objectives. Specifications of what participants are expected to be able to perform as a result of completing a CPE program. They also help program developers decide on the appropriate instructional methods and determine how much time to devote to certain subjects in the program.

Pretesting. The term "pretest" is used to measure the average completion time from which the recommended CPE credit is determined. The average completion time is determined in order to enable program sponsors to inform participants of the recommended CPE credit. Further, program evaluation obtained from participants to assess the quality of the program should address the reasonableness of the program completion time.

A sample of the targeted participant population should be selected for pretesting the program materials. Care should be taken to ensure that the sample group has the appropriate level of knowledge prior to taking the program. The sample group selected should be independent of the program development group. The sample size should be sufficient to obtain consistency and reliability of observations. However, it does not have to be a statistically valid sample. The pretest should simulate the environment and manner in which the program is expected to be completed by participants.

Prior to the pretest, the program materials should be reviewed for technical accuracy, currency, and sufficiency to achieve the learning objectives. If substantive changes are subsequently made to program materials, consideration should be given to further pretests of the revised program materials to affirm or amend, as appropriate, the average completion time.

Program developers should keep appropriate records to document the following: when the pretest was conducted; the target participant population; how the sample was determined; names and profiles of sample participants; a summary of participants' actual completion time; and the calculation of the recommended CPE credit, taking into account whether the program is interactive or non-interactive.

Professional Competence. Having requisite knowledge, skills, and abilities to provide quality services as defined by the technical and ethical standards of the profession.

Professional Developer. The individual or organization responsible for setting learning objectives, creating the program materials to achieve such objectives, and maintaining the records required by these standards.

Program of Learning. A process that is designed and intended as an educational activity and that complies with these standards.

Program Sponsor. The organization responsible for presenting a program to the final users and maintaining the records required by these standards.

Self-Study Program. An educational process designed to permit a participant to learn a given subject without major involvement of an instructor. There are two types of self-study programs, interactive and non-interactive.

A.   **Interactive Self-Study Program.** A program designed to use interactive learning methodologies that simulate a classroom learning process by employing software, other courseware, or technology-based systems that provide significant ongoing, interactive feedback to the participant regarding his or her learning progress. Evidence of satisfactory completion of each program segment by the participant is often built into such programs.
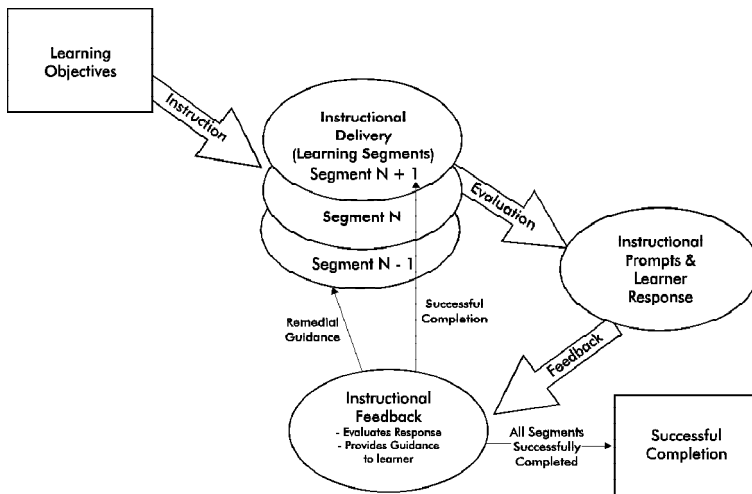
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These programs clearly define lesson objectives and manage the participant through the learning process by (1) requiring frequent participant response to questions that test for understanding of the material presented, (2) providing evaluative feedback to incorrectly answered questions, and (3) providing reinforcement feedback to correctly answered questions. Therefore, capabilities are used that, based on participant response, provide appropriate ongoing feedback to the participant regarding his or her learning progress through the program.

Technology-based self study programs do not constitute interactive programs per se; they must meet the criteria set forth in the definition of interactive self-study programs. The following diagrams contrast the management of participant through the learning process in an interactive self-study program vs. a non-interactive self-study program.

B.   **Non-Interactive Self-Study Program.** Any self-study program that does not meet the above criteria for interactive self-study programs.

Interactive Self-Study Programs

Non-Interactive Self-Study Programs