

Notice of Proposed Rule

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
Board of Accountancy

RULE NO: RULE TITLE

[61H1-33.001](#): Certified Public Accountants Required to Comply with this Chapter[61H1-33.003](#): Continuing Professional Education[61H1-33.0032](#): Board Approval of CPA Ethics Continuing Education by Providers

PURPOSE AND EFFECT: The Board proposes the rule amendments in order to delete the annual laws and rules examination requirement; to clarify the ethics continuing professional education (CPE) requirement; and to change the biennial reporting date from July 15 to December 31.

SUMMARY: The annual laws and rules examination requirement will be deleted; the ethics CPE requirement will be clarified; and the biennial reporting date will be changed from July 15 to December 31.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: No Statement of Estimated Regulatory Cost was prepared. The Board determined the proposed rule will not have an impact on small business.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: [120.55\(1\)\(a\)4.](#), [455.213\(6\)](#), [455.2177](#), [455.2178](#), [455.2179](#), [473.304](#), [473.305](#), [473.312](#), [473.313 FS.](#)LAW IMPLEMENTED: [455.213\(6\)](#), [455.2177](#), [455.2178](#), [455.2179](#), [473.305](#), [473.311](#), [473.312](#), [473.313 FS.](#)

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Veloria Kelly, Division Director, Board of Accountancy, 240 N.W. 76th Dr., Suite A, Gainesville, Florida 32607

THE FULL TEXT OF THE PROPOSED RULE IS:

61H1-33.001 Certified Public Accountants Required to Comply with this Chapter.

(1) Each Florida certified public accountant ~~who is licensed to practice public accounting in Florida~~ shall be required to reestablish his/her professional knowledge and competency in conformity with this rule by the completion of continuing professional education programs ~~and passing the examination on Chapters 455, 473, F.S., and related administrative rules approved by the Board. A grade of at least 80 is a passing grade. Each certified public accountant shall, on or before December 31, prior to biennial license renewal, complete on-line or mail his completed answers to the examination on Chapters 455, 473, F.S., and related administrative rules to the Department of Business and Professional Regulation, or its designee.~~

(2) Each Florida certified public accountant ~~who received an original Florida certification after December 31, 1978;~~ shall commence his/her reestablishment period on the date indicated on his/her Florida certificate. The initial designated reestablishment period for such Florida certified public accountant licensee shall end on the third December 31st June 30th following the date indicated on his/her Florida certificate. Each succeeding reestablishment period shall begin on January 1 and end on December 31st, July 1, and end on June 30 two years thereafter.

(3) ~~The scan sheet for the Laws and Rules Examination must be postmarked or completed on-line by or on December 31. No Laws and Rules Examination scan sheet will be accepted if it is postmarked or completed on-line after December 31.~~

(3)~~(4)~~ See Rule 61H1-37.001, F.A.C., for reinstatement of suspended Florida certified public accountants and Rule 61H1-33.006, F.A.C., for inactive Florida certified public accountants licensees who desire to become active Florida certified public accountants licensees, which rules relate to continuing professional education requirements. Rulemaking Specific Authority 473.304, 473.312, 473.313 FS. Law Implemented 473.311, 473.312, 473.313 FS. History—New 12-4-79, Amended 2-3-81, 12-19-82, Formerly 21A-33.01, Amended 4-8-86, Formerly 21A-33.001, Amended 5-24-07, 11-18-07,_____.

61H1-33.003 Continuing Professional Education.

(1)~~(a)~~ In any given reestablishment period, each current/active Florida certified public accountant must have completed at any time or times during the two-year period, at least 80 hours of educational instruction or training in public accounting subjects or courses of study, as defined hereinafter, of which at least 20 hours must have been in accounting-related and/or auditing-related subjects and of which no more than 20 hours may be in behavioral subjects and at least four hours shall be in Florida Board-approved ethics ~~beginning with the reestablishment period ending June 30, 2006.~~

~~(b) Licensees who do not meet the requirements by June 30th will be granted an automatic extension until September 15th provided the licensee submits an additional 8 hours in Accounting and Auditing subjects. An automatic extension will be granted until December 31st provided the licensee submits an additional 16 hours in Accounting and Auditing subjects. Licensees utilizing the automatic extension must submit the required information postmarked or recorded on-line by September 15th or December 31st.~~

(2) Educational instruction or training in public accounting subjects or courses of study is hereby defined as formal programs of learning, as defined below, which contribute directly to professional competency following licensure to practice public accountancy. Unless otherwise approved by the Board pursuant to Section 120.542, F.S., subjects or courses of study qualifying an individual for the purpose of this rule shall be limited to:

(a) Accounting and auditing subjects to consist of:

1. Accounting-related subjects or courses, including, but not limited to, financial accounting (including current authoritative literature in generally accepted accounting principles in the United States ~~and the Pronouncements of the Accounting Principles Board and the Financial Accounting Standards Board~~), and accounting for specialized industries.

2. Auditing-related subjects or courses, including, but not limited to, general auditing theory and practice (including current authoritative literature in generally accepted auditing standards in the United States ~~and the Statements on Auditing Standards promulgated by the American Institute of Certified Public Accountants~~), auditing for specialized industries (including governmental auditing requirements) and audit applications to computers and information systems; and other category courses to consist of:

(b) Technical business subjects to consist of:

1. Taxation.

2. Management services and management advisory services.

3. General business including, but not limited to, economics, business law, production or operational systems, marketing, finance, quantitative applications in business and business policy, and computers and information systems without audit applications; and

(c) Behavioral subjects to consist of:

1. Oral and written communications.

2. The social environment of business.

3. Administration of a public accounting practice including, but not limited to, behavioral sciences, managerial effectiveness and management by objectives.

(3) Effective July 1, 1999, educational instruction or training in public accounting subjects or courses of study is hereby defined as formal programs of learning as defined below, which contribute directly to professional competency following licensure to practice public accountancy. Subjects or courses of study qualifying an individual for the purposes of this shall be limited to:

(a) Accounting and auditing subjects to consist of: Accounting and financial reporting subjects, the body of knowledge dealing with recent pronouncements of authoritative accounting principles issued by the standard-setting bodies, and any other related subject generally classified within the accounting discipline. Subjects include 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, compilation and review. It also includes assurance services that relate to Standards for Attest Engagements.

(b) Technical business subjects to consist of:

1. Taxation including tax compliance and tax planning.

2. Consulting services including management advisory services; personal financial planning services; planning and control systems dealing with planning, organizing and controlling any phase of individual financial activity or business activity; designing, implementing, and evaluating operating systems as well as business advisory services and personal financial planning.

3. Management including practice management for the public practitioner; financial management of an organization including information systems, budgeting and asset management, planning, buying and selling businesses, contracting for goods and services and foreign operation; budgeting; cost analysis; human resource management; and financial management.

4. Specialized knowledge and applications including subjects related to specialized industries such as not for

profit organizations, health care, oil and gas.

(c) The ethics courses shall be obtained from a provider approved pursuant to Rule 61H1-33.0032, F.A.C. and consist of:

1. A review of Chapters 455 and 473, F.S., and the related administrative rules.
2. The ethics course may include other subjects including but not limited to: ethical conduct, core values and competencies, professional responsibility, responsibility to clients and the public, case studies that require the application of ethics principles, national professional standards and interpretations, and appropriate national issues related to the practice of accounting.

(d) Behavioral subjects including oral and written communications and the social environment of business. All courses not covered above are considered behavior except for business meetings, social functions, committee service and courses in elementary accounting or basic mathematics which do not qualify for credit.

(4) No change.

(5) In order for a Florida certified public accountant licensee to receive credit for programs of learning, as defined above, the following formalities and further requirements must be met:

(a) Courses taken at institutions of higher education:

1. Higher education credit courses taken from an accredited institution as defined in subsection 61H1-27.001(1), F.A.C., shall be credited for continuing professional education purposes at the rate of 15 hours for each semester hour of higher education credit and 10 hours for each quarter hour of higher education credit, provided the number of contact hours (hours in the classroom) totals at least 90% of the continuing professional education credit so determined. Otherwise, continuing professional education credit shall be limited to the actual number of contact hours.

2. Higher education non-credit courses shall be credited for continuing professional education purposes equivalent to the actual number of contact hours.

3. Continuing professional education credit for instructing a higher education course shall be twice the credit which would have been granted participants for the first presentation of a specific course of program, the same as the credit granted a participant for the second presentation and none thereafter, except as permitted by subparagraph 61H1-33.003(4)(b)4., F.A.C.

4. No continuing professional education credit shall be permitted for attending or instructing accounting courses considered to be elementary.

(b) Other professional education or training:

1. Professional development courses shall be credited for continuing professional education purposes in full hours only, equivalent to the actual number of contact hours (hours in the classroom which must include at least fifty minutes of continuous participation) provided an outline (defined as a schedule of activity listing major topics of discussion) is prepared in advance and retained; a course is at least one contact hour in length; the course conducted by a qualified instructor, lecturer or discussion leader; and a record of registration and attendance is maintained. For this purpose, a one-day program will be granted eight hours credit if the total lapsed time is at least eight hours and the contact time is approximately 400 minutes. An instructor, lecturer or discussion leader will be considered qualified if, through formal training or experience, he has obtained sufficient knowledge of the subject matter to competently instruct the course. A course participant will be granted credit for only that portion of a course actually attended. If a record of registration and attendance is not maintained by the sponsoring organization, the course participant must be able to prove registration and attendance.

2. Formal organization in-firm educational programs shall be credited for continuing professional education purposes to the same extent and by the same requirements as other professional development courses.

3. Instructors, lecturers, panelists and discussion leaders for professional development courses and formal organized in-firm educational programs shall be credited for continuing professional education purposes at twice the credit granted participants for the first presentation of a specific course or program, the same as the credit granted a participant for the second presentation and none thereafter, except as permitted in subparagraph 61H1-33.003(4)(b) 4., F.A.C. Co-panelists and co-discussion leaders shall be credited for the portion of specific course or program they must prepare to discuss and lead as a co-panelist or co-discussion leader.

4. To the extent course content has been substantially revised, the revised portion shall be considered a first presentation for the purposes of subparagraph 61H1-33.003(4)(b)3., F.A.C.

(6) Each Florida certified public accountant shall, as a part of the biennial licensure renewal, on or before December 31 ~~July 15~~ prior to his/her biennial license renewal, report on forms prescribed by the Board, compliance with programs of continuing professional education requirements completed during the applicable reestablishment period. Each Florida certified public accountant's documentation supporting such compliance programs shall be retained through the two years following a two-year reestablishment period. Documentation is to be retained to support evidence of completion of the required hours to enable a random audit by the Department of Business and

Professional Regulation to determine compliance with the requirements. If staff review or review by the Committee on Continuing Professional Education determines that courses are either improperly classified or do not otherwise meet the requirements of the chapter, then the Florida certified public accountant licensee will be given 60 days from the date of notification, ~~but no later than December 31~~ to comply with the continuing professional education requirements. Florida certified public accountants licensees who complete the continuing professional education requirements timely but who are found to be deficient after December 31 of their renewal year must correct the error and pay a \$50 fine within 60 days.

(7) No change.

~~Rulemaking Specific~~ Authority 120.55(1)(a)4., 455.213(6), 455.2177, 455.2178, 455.2179, 473.304, 473.305, 473.312 FS. Law Implemented 455.213(6), 455.2177, 455.2178, 455.2179, 473.305, 473.312(1)(a), (c) FS. History—New 12-4-79, Amended 2-3-81, 4-5-83, 10-19-83, 8-20-85, Formerly 21A-33.03, Amended 9-18-88, 7-7-92, 12-2-92, Formerly 21A-33.003, Amended 12-14-93, 1-26-98, 12-17-00, 8-21-01, 3-21-05, 5-18-05, 7-10-05, 7-23-06, _____.

61H1-33.0032 Board Approval of CPA Ethics Continuing Education by Providers.

(1) through (3)(h) No change.

(i) The fee as established in subsection 61H1-31.001(13)(15), F.A.C. If such application is withdrawn or denied, no portion of the fee will be refundable.

(4) through (6) No change.

~~Rulemaking Specific~~ Authority 120.55(1)(a)4., 455.213(6), 455.2178, 455.2179, 473.304, 473.312 FS. Law Implemented 455.213(6), 455.2178, 455.2179, 473.312(1)(a), (c) FS. History—New 6-30-05, Amended 9-24-07, 12-11-07, _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Board of Accountancy

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Board of Accountancy

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: July 17, 2009

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: June 26, 2