

DEPARTMENT OF ADMINISTRATIVE SERVICES
DIVISION OF PROFESSIONAL REGULATION
100 BOARD OF ACCOUNTANCY
Statutory Authority: 24 Delaware Code, Section 105(a)(1) (24 **Del.C.** §105(a)(1))
24 DE Admin. Code 100

ORDER

After due notice in the *Register of Regulations* and two Delaware newspapers, a public hearing was held on April 20, 2005 at a scheduled meeting of the Delaware Board of Accountancy to receive comments regarding proposed amendments to Regulation 10.8: *Composition of Continuing Professional Education*. The regulation as amended converts the stated requirements from percentages to credit hours and adds a provision that four (4) of the required credit hours shall be in a Delaware specific ethics course approved by the Board. The regulation does not change the total number of required continuing education credit hours. The proposed regulation was published in the *Register of Regulations*, Vol. 8, Issue 9, March 1, 2005.

Summary of the Evidence and Information Submitted

No written comments were received. No public comment was received at the April 20, 2005 hearing.

Findings of Fact with Respect to the Evidence and Information Submitted

There was no public comment received at the public hearing concerning the proposed amendments to the regulation. The Board finds that the amendments to the regulation clarify requirements for continuing education making it easier for licensees to calculate the hours. The regulation does not change the total number of required continuing education credit hours.

The Board further finds that the practice of accountancy requires the highest ethical standards. The Board is persuaded that requiring four (4) of the required credit hours to be in a Delaware specific ethics course approved by the Board meets the primary objective of the Board as set forth in the statute. Specifically, the “primary objective of the Board of Accountancy, to which all other objectives and purposes are secondary, is to protect the general public (specifically those persons who are the direct recipients of services regulated by this chapter) from unsafe practices, including incompetent auditing, accounting and tax services rendered by certificate and permit holders, and from occupational practices which tend to reduce competition or fix the price of services rendered.” 24 **Del.C.** §101.

In summary, the Board finds that adopting the amendments to regulation 10.8 as proposed is in the best interest of the citizens of the State of Delaware and is necessary to protect the general public, particularly the recipients of accountancy services. It is also in the best interests of those individuals regulated by the Board.

The Law

The Board’s rulemaking authority is provided by 24 **Del.C.** §105 (a)(1).

Decision and Effective Date

The Board hereby adopts the changes to Regulation 10.8 be effective 10 days following publication of this order in the *Register of Regulations*.

Text and Citation

The text of the revised rule remains as published in *Register of Regulations*, Vol. 8, Issue 9, March 1, 2005, and as attached hereto as Exhibit A.

SO ORDERED this 20th day of April, 2005.

BOARD OF ACCOUNTANCY

James R. Zdimal, President, CPA Member

Sandra S. Gullledge, Secretary, CPA Member

Joyce Dyer, Public Member
James Harty, CPA Member
Diane Marky, Public Member
John A. McManus, PA Member
Norma Rohleder, CPA Member
Paul Sunshine, Esquire, Attorney Member
Cathel Tanner, PA Member

100 Board of Accountancy

10.0 Continuing Education

10.1 Hours Required: Each permit holder must have completed at least 80 hours of acceptable continuing professional education each biennial reporting period of each year ending with an odd number. The eighty hours of acceptable continuing professional education submitted must have been completed in the immediately preceding two-year period.

10.2 Reporting Requirements: The Board will mail permit renewal forms which provide for continuing professional education reporting to all permit holders. Each candidate for renewal shall submit a summary of their continuing education hours, along with any supporting documentation requested by the Board, to the Board at least 60 days prior to the permit renewal date set by the Division of Professional Regulation.

10.3 Proration: Prorated continuing professional education regulations consisting of less than eighty hours shall only apply to the first permit renewal, thereafter all permit holders are required to complete at least eighty hours of acceptable continuing professional education biennially.

10.3.1 If the initial permit was issued less than one year prior to the renewal date, there shall be no continuing education requirement for that period.

10.3.2 If the initial permit was issued at least one year, but less than two years prior to the renewal date, the continuing education requirement shall be 40 hours for that period.

10.4 Exceptions: The Board has the authority to make exceptions to the continuing professional education requirements for reasons including, but not limited to, health, military service, foreign residency, and retirement.

10.5 Qualified Programs.

10.5.1 General Determination: The overriding consideration in determining if a specific program qualifies as a continuing professional education program is whether it is a formal program of learning which contributes directly to the professional competence of the permit holder.

10.5.2 Formal Programs: Formal programs requiring class attendance will qualify only if:

10.5.2.1 An outline is prepared in advance and the plan sponsor agrees to preserve a copy for five years or the outline is provided to the participant or both.

10.5.2.2 The program is at least an hour (a fifty-minute period) in length.

10.5.2.3 The program is conducted by a qualified instructor or discussion leader.

10.5.2.4 A record of registration or attendance is maintained for five years or the participant is furnished with a statement of attendance, or both.

10.5.3 Programs deemed approved: Provided the criteria in Sections 10.5.1 and 10.5.2 of these Rules and Regulations are met, the following are deemed to qualify for continuing professional education:

10.5.3.1 Programs approved by National Association of State Boards of Accountancy (NASBA);

10.5.3.2 Professional development programs of national, state and local accounting organizations;

10.5.3.3 Technical sessions at meeting of national, state and local accounting organizations and their chapters;

10.5.3.4 University or college courses:

10.5.3.4.1 Credit courses: each semester hour credit shall equal 5 hours of continuing professional education.

10.5.3.4.2 Non-credit courses: each classroom hour shall equal one hour of continuing professional education;

10.5.3.5 Programs of other organizations (accounting, industrial, professional, etc.);

10.5.3.6 Other organized educational programs on technical and other practice subjects including "in-house" training programs of public accounting firms.

10.5.4 Correspondence and Individual Study Programs: Formal correspondence or other individual study

programs which provide evidence of satisfactory completion will qualify, with the amount of credit to be determined by the Board. The Board will not approve any program of learning that does not offer sufficient evidence that the work has actually been accomplished. The maximum credit toward meeting the continuing professional education requirement with formal correspondence or other individual study programs shall not exceed 30% of the total requirement.

10.5.5 Instructors and Discussion Leaders: Credit for one hour of continuing professional education will be awarded for each hour completed as an instructor or discussion leader plus two additional hours of credit for each classroom hour for research and preparation to the extent that the activity contributes to the professional competence of the registrant as determined by the Board. No credit will be awarded for repeated offerings of the same subject matter. The maximum credit toward meeting the continuing professional education requirement as an instructor or discussion leader shall not exceed 50% of the total requirement.

10.5.6 Published Articles and Books: One hour credit will be granted for each 50 minute period of preparation time on a self-declaration basis to a maximum of 20 hours in each biennial reporting period. A copy of the published article must be submitted to the Board upon request.

10.5.7 Committee, Dinner, Luncheon and Firm Meetings. One hour credit will be granted for each 50 minutes of participation. Credit will only be granted for those meetings which are structured as a continuing education program.

10.6 Control and Reporting

10.6.1 Each applicant for permit renewal shall provide a signed statement under penalty of perjury, disclosing the following information pertaining to the educational programs submitted in satisfaction of the continuing education requirements:

- 10.6.1.1 school, firm or organization conducting course;
- 10.6.1.2 location of course;
- 10.6.1.3 title of course or description of content;
- 10.6.1.4 dates attended; and
- 10.6.1.5 hours claimed.

10.6.2 The Board may verify information submitted by applicants by requesting submission of the documentation to be retained by the applicant and/or sponsor and may revoke permits for which deficiencies exist. If a Continuing Professional Education Statement submitted by an applicant for permit renewal is not approved, or if upon verification, revocation is being considered, the applicant will be notified and may be granted a period of time in which to correct the deficiencies. Any license revocation or denial of application for license renewal will proceed in accordance with the provisions of the Administrative Procedures Act, 29 Del.C. §10101, *et. seq.*

10.7 Evidence of Completion - Retention

10.7.1 Primary responsibility for documenting the requirements rest with the applicant. Evidence in support of the requirements should be retained for a period of five years after completion of the educational activity.

10.7.2 Sufficiency of evidence includes retention of course outlines and such signed statements of attendance as may be furnished by the sponsor.

10.7.3 For courses taken for scholastic credit in accredited universities or colleges, evidence of satisfactory completion of the course will satisfy the course outline and attendance record.

10.7.4 For non-credit courses at accredited universities or colleges, a statement of the hours of attendance signed by the instructor or an authorized official of the sponsoring institution, must be obtained and retained by the applicant. Course outlines may be retained by the sponsoring institution for a period of five years in lieu of retention of the outlines by the applicant.

10.8 Composition of Continuing Professional Education: The biennial continuing professional education requirement shall include a minimum of ~~20 percent~~ sixteen (16) credit hours in accounting and/or auditing and a minimum of ~~20 percent~~ sixteen (16) credit hours in taxation and four (4) credit hours in a Delaware specific ethics course approved by the Board. The remaining forty-four (44) credit hours may be satisfied by general subject matters so long as they contribute to the professional competence of the individual practitioner. Such general subject matters include, but are not limited to, the following areas:

- Accounting
- Administrative Practice
- Auditing
- Business Law
- Communication Arts
- Computer Science
- Economics
- Finance, Production and Marketing

Management Services Mathematics, Statistics,
Probability, and Quantitative
Applications in Business
Personnel Relations, Business Management and
Organization
Social Environment of Business
Specialized Areas of Industry
Taxation

***Please Note: As the rest of the sections were not amended they are not being published. A complete set of the rules and regulations for the Board of Accountancy is available at:**

<http://dpr.delaware.gov/boards/accountancy/index.shtml>

8 DE Reg. 1583 (5/1/05)