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Ron DeSantis, Governor

## Report of the Florida Board of Accountancy's 2021 100% CPE Compliance Task Force

**Executive Summary: A broad group of providers, licensees and regulators participated in the 100% CPE Compliance Task Force deliberations. The consensus of the Task Force is:**

- 1. 100% CPE Compliance is Necessary for a Learned Profession such as Accountancy**
- 2. Responsibility for Complying with CPE Requirements Ultimately Rests with the Licensee.**
- 3. The Fastest and Most Efficient First Step Toward 100% Compliance should be Individual Licensee Reporting of Courses Coupled with Proof of Completion at the Time of Reporting.**

The CPE Compliance Task Force was assembled by the Florida Board of Accountancy for the purpose of developing and providing advice to the Florida Department of Business and Professional Regulation and the Division of Certified Public Accounting with the goal of reaching 100% compliance with Continuing Professional Education (CPE) obligations for CPAs.

### Task Force Members:

Mr. William Blend, Florida Board of Accountancy & MSL CPA's  
Mr. Ed Duarte, FPD  
Dr. M.G. "Bud" Fennema, Florida State University  
Ms. Jennifer Green, Liberty Partners (FICPA)  
Mr. Steve Platau, Florida Board of Accountancy & The University of Tampa  
Mr. Paul Shamoun, FGFOA  
Mr. Daniel Snider, Checkpoint Learning  
Mr. Justin Thames, FICPA

### Attendees and Contributors to the Discussions:

Mr. Shane Barry, Accountants Coalition  
Ms. Venus Batista, BDO  
Mr. Kevin Brown, Division of Certified Public Accounting  
Ms. Lisa Chamberlin, LCvista  
Mr. Tie Miller, BDO  
Ms. Evelyn Morse, BDO  
Rachelle Munson, Esq., Board Counsel, Office of the Attorney General  
Ms. Karen Pastula, FGFOA  
Mr. Roger Scarborough, Division of Certified Public Accounting (Executive Director)

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## Appendix A

Initial Analysis Prepared by Division of Certified Public Accounting

## Appendix B

Official Comment Letters received from:

Florida Institute of Certified Public Accountants (FICPA)

American Institute of Certified Public Accountants (AICPA)

Email – Ed Duarte, CPA (CGMA)

Email – Alfredo Ruiz, CPA (Verizon)

Email – Elizabeth Spencer (CLA, LLP)

## Appendix C

Florida DBPR CPA 41 Form

## Background

Under Chapter 473, F.S. and Rule 61H1-33.003, F.A.C., Florida CPAs are required to complete 80 hours of continuing education over each biennial licensing period. A minimum of eight hours in Accounting and/or Auditing subjects and a four hour (Board Approved) Florida-Specific Ethics, Law and Rules course must be completed. A maximum of 20 hours in each 80-hour cycle can be reported in behavioral subjects.

CPAs report their continuing education over a 24-month cycle ending on June 30<sup>th</sup> of the year their license renews on or before December 31<sup>st</sup>. CPAs unable to complete their 80 hours by June 30<sup>th</sup> are permitted to complete (up to 16) additional hours prior to December 31<sup>st</sup> of their licensing year and maintain an active, current license without sanction (beyond the additional hours).

Over time, the reporting of CPE hours completion has evolved. At different points in time CPAs have reported continuing education compliance in different ways. The most recent (and current) CPE reporting model has required licensees to “check the box” as part of the license renewal representing compliance with the CPE requirements. In order to renew the license, CPAs must indicate they have records to support their representation that they have completed the required CPE hours.

In support of compliance, the Department of Business and Professional Regulation (DBPR) conducts random audits of CPAs’ “check the box” representations of compliance.

Sadly, many audits of licensees have revealed non-compliance with documentation of CPE requirements leaving the Division of Certified Public Accounting with less than the 95% compliance required under s.455.2177(3), F.S.. The time and cost of prosecuting those CPAs failing (on audit) to provide evidence of compliance with CPE requirements has become significant for the Board.

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Faced with CPAs failing to provide documentation (upon audit) in support of their “check the box” representation of completion of CPE requirements, this Task Force was assembled to gather stakeholder input regarding how to get to 100% CPE compliance.

Successful audit compliance consists of a CPA completing a DBPR form providing data on course completion coupled with providing copies of Certificates of Completion issued by providers as evidence of completion of various courses satisfying the requirements of 61H1-33.003 (5), F.A.C.

“Documentation for each course shall be in a format to include course title and date, number of hours earned, attendee name, certified public accountant course provider name, number, and signature of the provider furnishing said certificate”.

### **Task Force Process**

Division Director Roger Scarborough and Board Chair Steve Platau identified stakeholders and invited interested parties to join the Task Force. Task Force meetings were noticed to the public, who were invited to attend and participate.

The Task Force held two virtual meetings on April 5<sup>th</sup> and on May 6<sup>th</sup> to collect stakeholder and public comment on how to achieve 100% compliance. All interested parties were invited to submit written comments by the end of May 2021.

Key to the discussions of the Task Force was evaluation of how to increase compliance, ease of recordkeeping and the ability of DBPR’s Bureau of Education and Testing (BET) to timely and economically implement a system to gather and store CPE submissions.

Nearly every participant had contributions to make regarding the mechanics, benefits, risks and costs associated with a change in reporting of CPE by licensees. Participants also provided valuable insight into possible improvements at the Board and Division level to enable better communication with licensees.

### **CPE Providers**

There are a great many ways that Florida CPAs satisfy their CPE requirements. Roughly half of Florida CPAs are engaged in public practice rendering assurance, advisory and tax services to the public. Roughly half of Florida CPAs are employed in industry, government, non-profit and education entities. Of all Florida CPAs, nearly one-third have principal addresses (residency) outside Florida and would be required to be licensed in another state or territory.

In public practice, the larger firms provide in-house trainings, maintain in-house records for their licensees and provide CPE transcripts in support of their employees’ licensing obligations. Some of the largest firms have in-house administrative teams to track and support compliance. Other large firms engage external enterprises such as LCvista to assist in satisfying employee education and compliance obligations.

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Smaller public practice firms and sole practitioners obtain CPE in many ways including from trade associations such as the FICPA and AICPA, firm associations such as CPAmerica and Integra, commercial providers such as Thompson Reuters, Bisk and Gleim, conferences organized and sponsored by colleges and Universities such as the University of Florida and Florida Southern College, formal for-credit university courses from institutions such as Louisiana State University and Arizona State University, other accounting firms such as Dixon Hughes Goodman and Carr Riggs & Ingram, industry providers such as Raymond James Financial and Bank of America and specialized organizations such as the Institute of Internal Auditors and the Certified Financial Planner Board of Standards.

CPAs in industry, government and education obtain credits from some of the providers available to public practice CPAs, from in-house courses offered by employers and academic conferences held anywhere on the planet. Instructors, lecturers and panelists can obtain special credit for the first presentation of a course.

“Self-Study” courses must be approved by the National Association of State Board of Accountancy Quality Assurance Service pursuant to Rule 61H1-33.003 (5), F.A.C.

Florida CPAs must obtain substantiation from providers in the form of a certificate of completion in accordance with Rule 61H1-33.003(5), F.A.C. to include course title and date, number of hours earned, attendee name, certified public accountant course provider name, number, and signature of the provider furnishing said certificate.

Because Florida CPAs obtain CPE from such a diverse group of providers located all over the globe, 100% provider reporting seems unlikely.

### **Reporting/Audit of CPE**

In prior iterations of CPE reporting, CPAs were required to submit a listing of courses completed utilizing an online submission in a format similar to the form now known as DBPR CPA 41 (attached as Appendix C). Licensees are instructed to retain the supporting documentation through the two years following the two year reestablishment period. Documentation is usually in the form of certificates of completion distributed by the CPE course provider/sponsor. Today’s reporting only requires “a check the box” to renew a license. Only those CPAs audited (lately about 5% of renewals) submit the DBPR CPA 41 with documentation.

### **Task Force Discussions**

During the Task Force work sessions many vocal responses were delivered and all participants were invited to provide written responses - five did so, and those are included as Appendix B. Some of the discussions referenced the only public item from the Division of Certified Public Accounting prior to convening the Task Force; the analysis attached as Appendix A (calling for provider reporting of CPE).

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An early issue in the Task Force discussions related to a framework initially advanced in Appendix A suggesting a change from licensee reporting to provider reporting. A small number of vocal Task Force members advocated in favor of either a provider system or a system allowing both providers and licensees to report hours. A system requiring provider submission would set up a structure of registration, fee payment and what some characterized as “licensure” or at a minimum, registration of CPE providers at the state level.

While the Task Force is concerned only with Florida CPE compliance, providers were clearly concerned that 55 licensing jurisdictions could, or would, each develop separate reporting systems creating a significant additional burden (and eventually cost) to licensees.

Some very large CPE providers indicated that spreading the cost of a required Provider Responsibility Reporting system over a large number of users would add a relatively small cost to CPE. Smaller providers or those providers with less robust technology indicated that shifting to a provider reporting system would result either in an expensive burden for those providers (driving up CPE costs) or that the provider would cease to offer courses available for CPE credit in Florida.

CPA firms commenting had varying thoughts about the reporting process and expressed concerns about classifying courses, reporting for different jurisdictions, and placing responsibility on entities rather than the licensee to ensure reporting of CPE completion.

Nearly one-third of Florida CPAs have licenses in other jurisdictions and concerns were voiced regarding licensees from states other than Florida with CPE reciprocity under SB 616 (2021) and whether a licensee residing in another state would have disparate treatment from a licensee residing in Florida.

The cost of developing CPE reporting systems differed significantly. Based on initial estimates from DBPR’s Division of Technology, the cost of activating a licensee input system whereby a licensee would input courses completed and upload certificates (Licensee Responsibility Reporting) would be roughly \$5,000.

Since Florida CPAs obtain CPE from providers all over the globe, 100% provider reporting to Florida seems unlikely. Moving to a provider reporting system would include an approval or at a minimum a registering of providers and their courses, a significant challenge for the limited resources of the Division. In a Provider Responsibility Reporting system an exception system requiring individual review of courses by individuals that are taken from providers not reporting (such as companies, conferences and small providers or providers out of state) would add an unknown factor to the expense and time of administering a Provider Responsibility Reporting system. Some sort of manual approval process for non-provider reported courses seems necessary. However, the cost and time associated with one-by-one approval (by BET, the Department, Division or the Board) of courses taken from non-reporting providers was not quantifiable.

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Some discussion included the thought that systems could be developed to provide for both Licensee Responsibility Reporting and allow Provider Reporting or even allow other tracking or reporting systems to report DBPR's system. For this discussion, we referred collectively to providers and/or tracking systems as Provider reporting. The time and cost required to implement a Licensee Responsibility Reporting system coupled with a parallel system for Provider Reporting seemed to present challenges. The initial estimates for developing a system that would allow licensees and providers to report was \$70,000 to \$80,000.

The cost and complicating factors resulting from providers reporting along with the regulatory concerns regarding registering of courses and/or approval of providers would add significant time and cost to a system requiring Licensees and allowing Providers to both report CPE. While a system for the Ethics, Law and Rules Course approval is in place, that system is time consuming and addresses only 5% of all CPE required hours.

### **Conclusions of the Task Force**

All members of the Task Force expressed support of the goal of 100% licensee compliance.

All members of the Task Force expressed support of the ultimate responsibility resting with the individual CPA licensee to complete their CPE documentation requirements.

A majority of Task Force members favored licensee responsibility reporting while a minority favored a system requiring licensee reporting and allowing provider reporting.

A licensee reporting system that includes copies of certificates of compliance should significantly improve the efficiency of the audit process.

### **Significant Additional Recommendations**

Increased frequency of communication with licensees regarding completion status, license renewal and reporting deadlines will be helpful to licensees and could bolster compliance.

With a submission system, a link could be provided to allow licensees to see their recorded progress in periodic (planned newsletter) communications with licensees.

A "dashboard" available to licensees indicating progress toward compliance would benefit licensees.

A requirement to have submitted courses, hours and supporting documentation/certificates prior to renewal will be beneficial to licensees and will require 100% compliance.

Providing options to licensees at renewal along with an explanation of the different status choices could lead to better compliance.

A reporting due date (July 15) slightly later than the CPE completion date (June 30) should improve compliance.

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The current CPE course completion renewal cycle ending on June 30<sup>th</sup> of the license year compared to the licenses expiration date of December 31<sup>st</sup> is also beneficial. The “automatic extension” process allows CPAs deficient at the time of the CPE completion deadline (June 30<sup>th</sup>) to complete extra hours (up to 16) between July 1<sup>st</sup> and December 31 to keep the license current (see s. 473.312, F.S.). During this same window of time, the Division could use the proposed reporting system to identify non-compliant licensees and notice them regarding their options.

The FICPA made substantive suggestions about details of a reporting system:

- Uniform data fields (Course type, credit hours, delivery method, etc.)
- Ability to import individual and multiple CPE course data
- Ability to calculate credit hours and type to determine compliance
- Inclusion of a digital certificate
- Online submission of data to the state’s reporting database
- Providing licensees direct access links to Chapter 455, 473, F.S. and the related administrative rules on the Board’s web page as well as both hard copy and electronic (email) license renewal notices – licensees should be able to easily find the statutes and rules surrounding the practice of public accounting in Florida. This will ultimately increase compliance and lessen disciplinary cases before the probable cause panel and Board.

The FICPA also suggested that the Board encourage the Division to supplement the audit process:

- Change the notification process for licensees who are selected for audit from a regular USPS letter to a certified letter and an email notification with confirmation – this will ensure the licensee receives the communication and streamlines the process to minimize numerous attempts by the Department to reach the licensee.
- Develop a sliding disciplinary process for non-response to an audit notice to include fines up to suspension of a license until a licensee responds to the audit notice. This will streamline the audit process so that Department staff isn’t continuing to attempt contact a licensee with no response.
- Ensure the Board’s probable cause panel is strictly enforcing the statutory requirements for CPE course completion including Florida-specific ethics courses requiring a majority of content on the Florida laws and rules surrounding the practice of public accounting in Florida.

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Presumably, the audit process in a Licensee Responsibility Reporting system would entail verification of submissions or evaluation of submission classifications since, by definition, submission of proper CPE Certificates would constitute compliance.

The AICPA and other providers encouraged development of a system that would allow licensees to upload excel files (or perhaps a BET-provided template) that could be in a format common to other reporting models to benefit licensees and firms from multiple jurisdictions. (Since CPE reciprocity was enacted effective July 1, 2021, a common CPE template across jurisdictions is a wish list suggestion).



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## Appendix A

### **Suggestion:**

Implement a 100% Compliance Strategy for Continuing Education Requirements for CPAs

### **Primary Goals:**

The new process would comply with F.S. 455.2177

The new process would improve public and CPA protection over current practices

### **Key Points**

- CE hour requirements are unchanged
- Shift reporting requirements from the licensee to the course providers
- Implement a process requiring continuing education providers to report courses completed by individual licensees and creates an official record of courses completed
- BET has an experienced database system already servicing other professions.
- The course category and credits are officially established prior to offering
- Requires CE compliance before a CPA renews their license
- Eliminate the need for a CE audit
- Make the need for a CE deficiency discipline case extremely rare

The concept that course providers report is not new to the profession. NASBA's goal for *The CPE Audit Service* is for course providers to report rather than licensees and they are working an implementation strategy.

### **Emphasis of Course Approvals**

The criteria considered when approving a course are based heavily on the AICPA/NASBA *Standards for Continuing Professional Education (CPE)* and requirements of the *NASBA National Registry of CPE Sponsors*. However with a goal to use limited resources to maximize accuracy, only portions of the Standards were incorporated in the process. The following areas are emphasized in the new process:

- courses are accurately categorized based on subject matter
- require submission biographical information on instructors or course developers
- an increased emphasis on matching instructional methods with monitoring mechanisms
- requires documentation supporting the number of CE credits to be awarded

### **Other Opportunities**

1. Simplify our rules and processes
  - a. Eliminate the QAS requirement for Self-Study
  - b. Revise the application requirements for Ethics CE providers
2. Adopt acceptance of a combination of "nano-learning" credits totaling a whole number
3. Marry the CPE and renewal periods--move the 6/30 CPE deadline to the 12/31 renewal
4. Remove the automatic extension process

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### **Suggestions:**

1. During the first two years of implementation, any “program sponsors” in the NASBA National Registry of CPE Sponsors that apply to be an approved Florida course provider are automatically approved. In the future, if the board remains comfortable with the processes of the National Registry, they could “expand or update” the window for automatic approvals.

### **Executive Summary of the Proposed Process**

Continuing Education Providers are assigned a unique number for reporting purposes.

Approved Continuing Education Provider status allows them to provide courses for 2 years.

For each instructional method used, the provider will submit a course to be evaluated & approved.

For subsequent courses offered using the same instructional method, the Provider will simply register the course through BET

For first time providers, BET assigns them a unique provider number and a unique course number for each course.

After a course is completed, the provider will report course data to BET by

- keying names and license numbers of participants to BET’s portal or
- submitting a course roster to BET using a text file

BET then populates the corresponding licensee’s record.

The BET database

- becomes the “official record” of licensee’s reported CPE
- allows licensees continuous access to their records
- allows periodic status updates in an email blast to licensees
- provides a public list of Approved Providers and Courses

The provider renewal process will mirror the initial application process. A timely renewal allows them to continue offering courses previously registered. A new reporting period requires submission & review of one course for each type of instructional delivery method to be used. If a provider does not renew, their approved CE provider status and courses will expire.

Evaluations & Audits

The board reserves the right to further evaluate courses by observation of courses or reviewing the files of the provider to gain information about any course offered to certified public accountants.

The CPA Board/office reserves the right to audit a sample of courses to determine and/or confirm compliance with the approval criteria.

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### **Definitions and Concepts:**

***Continuing Education Provider***-the organization issuing the certificate of completion to the course participants is the continuing education (CE) provider. Providers may purchase course content from other entities and developers. Providers are responsible for fulfilling the Approved Course Criteria and assuring the course is accurate, current and addresses the subject matter.

***Subject Matter Experts***-CE courses should be developed by a person(s) who has expertise in the specific subject area. Expertise may be demonstrated through education, practical experience or both. CE course packages submitted for review must include biographical information on the developer or instructor adequate to allow a comparison against the subject matter presented in the course. This review may include a request for verification or supporting documentation of the biographical information.

***Subject Category*** – one of the four categories of subjects or courses of study in which all acceptable subject matter for CE credit is classified:

**Accounting and Auditing**-is narrowly limited to include only courses on accounting and financial reporting subjects, professional pronouncements of authoritative accounting principles issued by the standard setting bodies and any other related subject generally classified within the accounting discipline.

**Technical Business**-this category is broad, including courses on taxation, general business and management advisory services.

**Behavioral**-includes courses on oral and written communications, the social environment of business and administration of an accounting practice.

**Ethics**- a Florida ethics class consists of a review of Chapters 455 and 473 F.S. and the related administrative rules. An ethics course may include other subjects but is not limited to ethical conduct, core values and competencies, professional responsibility, responsibility to clients and the public and case studies that require the application of ethics principles, national professional standards and interpretations, and appropriate national issues related to accounting.

***Asynchronous*** – a learning activity in which the participant has control over time, place or pace of learning. Examples include self-study or nano-learning courses.

***Synchronous***- a group activity in which the participants engage simultaneously in learning activities. Examples include any group live or group internet course.

***Delivery Method*** - is based on the instructional delivery format. Examples include: group live, group internet based, self-study, nano-learning and blended learning.

**Group live**-synchronous learning in a group environment with real time interaction of an instructor that provides the required elements of attendance monitoring and engagement

**Group Internet based**-individual participation in synchronous learning with real time interaction of an instructor and built in processes for attendance monitoring and interactivity

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Self-study –a course completed individually without assistance of a real time instructor. This includes independent study courses and adaptive learning self-study courses.

Nano-learning-designed for a participant to learn a given subject in 10 to 20 minutes through the use of electronic media and without interaction of real time instructor. It differs from self-study in that it is focused on a single learning objective. It is not a group course. Credits are issued in increments of either one-fifth or two-fifths.

Blended-a course that incorporates more than one instructional method

**Monitoring Mechanisms** –Documentation of attendance by the course provider is required to provide CE credits. Monitoring mechanisms are tools used to encourage engagement and participation of learners within the course while documenting their attendance and engagement. Both group live and group internet based courses must involve attendance monitoring mechanisms. Examples include but are not limited to sign-in and sign out sheets, group discussion, polling questions, instructor-posed questions with time for participant reflection, role play or demonstration. Mechanisms should be of sufficient frequency but lack predictability to ensure the participants' engagement.

Group Live- Group live courses must include at least one monitoring mechanism during each full credit.

Group Internet- group internet based courses must employ some type of real time monitoring mechanism to verify the participant's participation. For group internet courses, there must be at least three monitoring mechanisms for every credit. Examples of monitoring mechanisms include but are not limited to polling questions or in smaller sessions might simply include the instructor asking a question of a specific attendee.

Because a self-study course is completed individually without the assistance or interaction of a real time instructor, the standards for the self-study delivery method are more rigorous than other instructional delivery methods such as group live and group internet based. A self-study course must include a qualified assessment that measures at least 75% or more of the learning objectives for the course. Completion of a self-study course is confirmed during or after the course through a minimum passing grade of at least 70% of the qualified assessment.

Nano learning courses must require participants to successfully complete a qualified assessment with a passing rate of 100% before issuing credit for the course. Assessments may contain questions of varying format (i.e. multiple choice, rank order and matching). True or false questions are not permitted. Only two questions must be included. If the participant fails the qualified assessment, then the participant must retake the course and retake the assessment.

Because blended courses involve both asynchronous and synchronous learning, these courses must deploy a blend of monitoring mechanisms. For the group based portion of the course, three monitoring mechanisms for every credit should be deployed. If more than 50% of the credits are based on asynchronous learning activities, then the blended learning course must include a qualified assessment.

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**CE Credit Calculation**-CE Providers are responsible to calculate the number of credits assigned to courses they provide and provide that calculation in the CE Course approval package.

Minimum Initial Credits and Subsequent Credits

	<u>Minimum Initial</u>	<u>Subsequent Credit Increments</u>
Group	One	One-half
Self-Study	One-half	One-half
Nano learning	One-fifth	One-fifth
Blended	One	One-half

Group Courses-the total number of credits earned for continuing education course is measured by actual course length, with one 50 minute period equal to one CE credit. Only the learning content portions of a course qualify towards credit amounts. This may include pre-course or homework assignments. Time outside of actual learning activities, including for example, excessive welcomes, introductions, housekeeping instructions and breaks is not accepted toward credit. CE providers may round down credits awarded to the nearest one-half.

For learning activities with individual segments less than 50 minutes, the sum of the segments would be considered one total course. For example, five 30 minute presentations would equal 150 minutes and would be counted as 3 credits. When the total minutes are greater than 50, but not equally divisible by 50, the credits granted must be rounded down to the nearest one-half credit. (does not apply to Nano learning courses)

Self-Study-The total number of credits earned for a self-study course must be based on either a pilot test of the completion time or a computation using the prescribed word count formula.

- *Pilot Tests*-a sample of intended participants must be selected to test course materials in an environment and manner similar to how the course is presented. The sample group must consist of at least three individuals who are independent of the course developer. If the results of pilot testing are inconsistent, the sample should be expanded. Inconsistent results should be eliminated from the calculation.

If subsequent to course release, actual participation completion time warrants a change in the credit hours, re-pilot testing is required to substantiate a change in the credit hours prospectively. The change in credit hours would require Division approval.

When course providers purchase courses from other vendors or course developers, the course provider should review the pilot test results for appropriateness. For purchased courses, with no pilot tests conducted or provided, the course provider must conduct pilot testing or perform a word count as prescribed.

- *Word Count Formula*-this computation begins with a word count of the number of words contained in the required reading. The formula is based on 180 words per minute, the average reading speed of adults. Review questions and exercises are rated 1.85 minutes per question.

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The word count should exclude any material not critical to the learning objectives of the course. Examples of excluded material are the course introduction, instructions, author/course developer biographies, table of contents, glossary, pre-course assessment and appendixes containing supplementary materials.

Review questions, exercises, and qualified assessment questions are considered separately in the formula and should not be included in the word count.

The actual duration time of audio and video segments of a self-study course that constitute additional learning activities-(not a narration of the text) may be added to the time calculation in the formula.

If the entire self-study course constitutes a video, then the prescribed word count formula would consist of the actual video time plus the time for the questions. There would be no word count for text used in the formula.

The formula is based on 180 words per minute, the average reading speed of adults. Review questions and exercises are rated 1.85 minutes per question.

The prescribed word count formula is as follows:

$$[(\# \text{ of words}/180) + \text{actual audio/video duration time} + (\# \text{ of questions} \times 1.85)]/50 = \text{CE Credit}$$

When course providers purchase courses from other vendors or developers, in which the word count formula was used to calculate the credits, the provider should review the calculation for appropriateness. For purchased courses, in which the word count formula calculation was not performed or provided, the provider must perform the word count formula calculation or conduct pilot testing as described above.

Nano Learning-credit for nano learning courses is based on the actual course length and must be for either one fifth credit or two-fifth credit.

Blended-credit for blended learning courses must equal the sum of the credit determinations for each of components of the course. Credits for components could be determined by actual duration time, pilot tests or word count or any combination thereof, based on the component type.

**Certificates of Completion** – after a participant completes a course, in addition to being required to report to BET course attendance rosters, CE Providers must provide course participants documentation (electronic or paper) of their participation in the form of a *Certificate of Completion*. The certificate must include the CE Provider's name and contact information, the participant's name, the course title and unique reporting number, the date offered or completed, if applicable- the location, course subject category, instructional delivery method and the number of credits awarded.

**Records Responsibilities for CE Providers** –Course providers must retain adequate documentation (electronic or paper) for a minimum of 5 years

- to support their compliance with the course criteria and
- records of participation including the participant names and license numbers, course names and numbers, course dates and locations (when applicable), number of credits earned by participants

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## Appendix B

### Letter from the FICPA

June 1, 2021

Steve M. Platau  
Chair  
Florida Board of Accountancy  
240 NW 76th Drive, Suite A  
Gainesville, FL 32607

Dear Chair Platau:

On behalf of the more than 19,500 members of the Florida Institute of CPAs (FICPA) statewide, I would like to first thank you again for the opportunity for Jennifer Green and I to serve as FICPA representative members of the **100% Compliance Task Force** and provide comments on the proposed changes to the continuing professional education (CPE) reporting for licensed Certified Public Accountants. It has been an honor to work side-by-side with the Board of Accountancy (Board) to develop a process that not only is fair to licensees, but also increases compliance with the statutory requirements for continuing education in s. 473.312, F.S. and the individual license renewal requirements in s. 473.311, F.S. – both of which result in the protection of the public.

As we previously stated in our December 6, 2020 letter to then-Secretary Beshears and during subsequent Board meetings, we fully support the Department's goal of increasing licensee compliance with CPE reporting requirements and further support increased enforcement authority for the Board. However, we continue to have concerns around the potential for (CPE) providers to be required or even *voluntarily* take over the CPE reporting responsibility previously done by licensees and the unintended consequences it could present. From a public protection standpoint, initial licensure and the requirements surrounding renewal should always reside with the licensee.

In response to the discussion and proposals considered during the Task Force's meeting on May 6, 2021, we would offer our support for the concept presented to go back to allowing individual licensees to report CPE to the Department using an approved online tracking system. We also continue to support increasing the Board's enforcement authority over non-compliant licensees. Combined, we believe licensees will be able to meet their reporting requirements more efficiently, the state will be more effective in monitoring compliance, and the enforcement of non-compliance will be streamlined which will ultimately provide greater protection of the public.

As the Board and Task Force continue to evaluate the potential for individuals to utilize a tracking system as a means of complying with their reporting requirement, there are several functionalities and user experiences that should be considered.

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The expectation should be that licensees will have the opportunity to select a system that best fits their individual needs, but there will be certain requirements of every system in order to provide uniform data to the state. With statutory requirements for 80 hours of CPE every two years, a system that can accurately calculate the requirements for renewal is imperative (*per 61H1-33.003, FAC: at least 8 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 – the balance may be technical business subjects*).

At a minimum, we anticipate the following would need to be taken into account:

- Uniform data fields (Course type, credit hours, delivery method, etc.)
- Ability to import individual and multiple CPE course data
- Ability to calculate credit hours and type to determine compliance
- Inclusion of digital certificate
- Online submission of data to the state's reporting database
- Providing licensees direct access links to Chapter 455, 473 and the related administrative rules on the Board's web page as well as both hard copy and electronic (email) license renewal notices – licensees should be able to easily find the statutes and rules surrounding the practice of public accounting in Florida. This will ultimately increase compliance and lessen disciplinary cases before the probable cause panel and Board.

In addition, we would suggest the following enhancements to enforcement of the CPE audit process:

- Change the notification process for licensees who are selected for audit from a regular USPS letter to a certified letter and an email notification with confirmation – this will ensure the licensee receives the communication and streamlines the process to minimize numerous attempts by the Department to reach the licensee.
- Develop a sliding disciplinary process for non-response to an audit notice to include fines up to suspension of a license until a licensee responds to the audit notice. This will streamline the audit process so that Department staff isn't having to continue to contact a licensee with no response.
- Ensure the Board's probable cause panel is strictly enforcing the statutory requirements for CPE course completion including Florida-specific ethics courses requiring a majority of content on the Florida laws and rules surrounding the practice of public accounting in Florida.

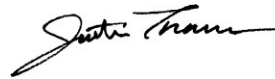


**Julie I. Brown**, Secretary

**Ron DeSantis**, Governor

Again, we support the Board and Task Force's efforts to increase compliance with the CPE reporting requirements for CPA licensees. We believe this solution would ensure licensees are completing the required CPE for license renewal without creating an entirely new burdensome regulatory structure and ensures the Board has the appropriate enforcement authority to increase compliance. Please feel free to contact me directly by email at [justin@ficpa.org](mailto:justin@ficpa.org) or (850) 528-2209.

Sincerely,



Justin A. Thames  
FICPA Director of Governmental Affairs

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Julie Brown, Secretary, Department of Business and Professional Regulation  
Roger Scarborough, Executive Director, Division of Certified Public Accounting  
Jennifer Green, FICPA Consultant

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**Julie I. Brown**, Secretary

**Ron DeSantis**, Governor

### Letter from the AICPA

June 1, 2021

Dr. Steve Platau  
Chairman, Florida Board of Accountancy  
Division of Certified Public Accounting  
Florida Department of Business and Professional Regulation  
240 NW 76th Drive, Suite A  
Gainesville, FL 32607

Dear Chairman Platau,

On behalf of the American Institute of CPAs (AICPA), thank you for the opportunity to participate on the Florida Board of Accountancy's (Board) task force call. The AICPA supports the task force's consideration of a voluntary program based on individual licensees reporting of continuing profession education (CPE) through an online tracking mechanism. However, we believe the Board should consider the technological and financial challenges that come with implementing such a program. We also believe the Division should consider strengthening its enforcement efforts of non-compliant CPAs in an effort to drive greater individual accountability and recourse. We also believe this approach is consistent with what the Board has heard from the Florida Institute of CPAs (FICPA).

The AICPA is the world's largest member association representing the CPA profession, with more than 431,000 members in the United States and worldwide, and a history of serving the public interest since 1887. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting. The AICPA sets ethical standards for its members and U.S. auditing standards for private companies, nonprofit organizations, and federal, state and local governments. It develops and grades the Uniform CPA Examination, offers specialized credentials, builds the pipeline of future talent and drives professional competency development to advance the vitality, relevance and quality of the profession.

While the AICPA favors an approach founded on enforcement, the Board's consideration of a tracking mechanism for CPE is an appropriate step in its effort to improve compliance. Tracking mechanisms will provide licensees with a straightforward approach to reporting the needed CPE required for maintaining their CPA license. Moreover, such mechanisms will allow the Board to appropriately monitor licensees' completion of the state's CPE requirement and appropriately sanction those licensees who do not meet that requirement.

As the Board continues developing its approach, we believe that approach should allow licensees to utilize the most appropriate CPE tracking mechanism that fits their needs to maximize acceptance and usage of such tools. We understand, and as discussed on the task force call, many CPAs use Excel to track their own compliance. A system that would allow uploading of data from such source would be ideal in promoting ease of use and ultimately, improve compliance in reporting. With the number of options available to licensees, the Board's approach should ensure strong linkages between these

tracking mechanisms and the central repository for this data. This may require significant technological and financial investment from the Board.

Again, we recognize and support any mechanism that aims to improve compliance, but we encourage the Board to balance this approach by strengthening its enforcement efforts. Please feel free to contact me at [Amy.Eubanks@aicpa-cima.com](mailto:Amy.Eubanks@aicpa-cima.com) if we can provide additional information.

Sincerely,

A handwritten signature in black ink that reads "Amy M. Eubanks". The signature is written in a cursive, flowing style.

Amy M. Eubanks  
Vice President, Professional  
Development AICPA

cc: Shelly S. Weir, President & CEO, FICPA  
Justin Thames, Director of Governmental Affairs, FICPA  
Roger Scarborough, Division Director, Florida Board of Accountancy

**Email – Ed Duarte, CPA (CGMA)**

Good morning,

Hope this message finds you and yours doing well.

I wanted to share my thoughts herein which I briefly communicated during our call on May 6<sup>th</sup>.

- I think we should make it optional for CPE providers to report CPE (and those attending) to DBPR/BOA – I think making this mandatory will be a massive undertaking and could ultimately & inadvertently misreport data on behalf of the licensee
- Accountability is key and should be the responsibility of the licensee to maintain their hours and certificates (even during my first 15 years of public accounting my firms would take care of this but I would always verify the information was accurate. Currently I use an excel spreadsheet to maintain and update my CPE accordingly
- FICPA has a CPE tracker for members that is extremely useful. Consideration should be made to have something similar available for all FL license holders
- A standardized / uniform certificate that can be uploaded directly should be the norm for all CPE providers. Many today have this option, but perhaps a tool that would allow all licensees access to this would be a great time saving tool
- I was not aware how many letters/emails/alerts are sent to a licensee holder to verify and produce CPE support before any fines or sanctions are imposed if any. I recall many years ago where I sat in on several BOA meetings and certain penalties and addtl CPE was assigned to those that did not adhere to such requirements. Enforcement is important to continue to maintain the highest ethical standard to our CPA license.

I thank you for having me participate and give my thoughts in this task force.

Wishing you all a great day and rest of your week.

Best, ed



**Ed Duarte, CPA, CGMA | CFO | Foreign Parts Distributors**

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## Email – Alfredo Ruiz, CPA (Verizon)

Hello Mr. Scarborough,

1. I wasn't clear on whether this reporting was going to be required for all CPA's in Florida or if this was going to be an optional service for when and if reporting is needed?
2. I agree that the ultimate responsibility for certifying information is accurate and should lie with the licensee. I also think it is a great idea to allow both CPE providers and other organizations that serve as a liaison to licensee's (such as other CPE Tracker organizations, administrative staff for large corporations and CPA Firms, etc) This would be extremely beneficial if all of the CPE I took with one provider were available on the DPBR's CPE Compliance Tracker (NEW PORTAL)
3. I think we should also have a phased approach if this project is big enough and if both features can't be done at the same time. We should first worry about making sure the licensee's have a more streamlined process today to upload and certify their CPE certificates and reporting form data. 2nd phase should then be the ability to have providers and other organizations transfer CPE data on behalf of the licensee. Would require more time to get how these reporters would prefer to interact with this system and have the ability to groom the requirements so that the process can be applied by any organization.
4. As a way to design the option for duplicates. I think anything a provider/organization uploads to a members license should be up and available on the licensee's account but would still require a confirmation by the licensee before it is officially on their transcript, meaning nothing can be added to a license tracker without the licensee's consent and acknowledgement that they took the class and qualify for CPE and any discrepancies would have to be made then and there. Example AA 4 hrs vs TB 4 Hrs or incorrect # of hrs etc. The responsibility would still lie on the licensee
5. A suggested name would be the CPE Compliance Tracker (CCT)
6. I think we should allow up to 4 months after the reporting window for members to key in CPE reporting data. I think 4 months past the reporting window is a fair amount of time to get the information in. This would mean you would get 3 notices at 30/60/90 to get the required CPE reporting information in time. I think 3 notices is more than fair.

Thank you again for letting me be a part of this process.

Regards,

**verizon**<sup>✓</sup>

**Alfredo (Freddy) Ruiz, CPA**

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## Email – Elizabeth Spencer (CLA, LLP)

Dear Mr. Scarborough,

Thank you for the opportunity to provide input regarding the CPE Task Force's ideas toward solving the non-compliance rates of audits for the Board of accountancy. The discussion yesterday was very helpful.

- Concept of “approved reporters” – we like this idea very much. If not fully possible for certain CPE tracking systems or organizations like the FICPA to be able to send feeds of reports, we would at minimum really appreciate the possibility of providing an approved spreadsheet file to our licensees from the LCvista system that they could upload, and then the ability for them to upload an official transcript in lieu of a certificate of completion for each program. Several Boards our employees are licensed with will accept a transcript from a CPA firm or state society in lieu of individual certificates and this streamlines the experience significantly for the licensee.
- Optional approved providers reporting completion records for licensees – As a provider of continuing education, we would not do optional reporting. I can't speak for all providers, but my perception is that an optional program would not be that successful and may not be worth the time to build out the online interface needed for this. It is not that we don't want to help out the attendees of our sessions. We already provide a certificate of completion directly to them after we ensure programs have met all requirements and they meet the requirements to earn the CPE. However, based on our experience as IRS CE sponsors, we find that regulatory reporting of continuing education completions is fraught with errors, from participants using nicknames or other names that are not their official name on file with a Board to participants inputting their license numbers incorrectly. It creates a situation where records are rejected by the entity we are reporting to, and at least in the case of the IRS, as sponsors we are required to make at least 3 attempts to correctly report attendance, which means tracking down attendees to find out the necessary correct information.
- Timing for the licensee's reporting of CPE – it would be helpful if the date when CPE reporting is due to be complete is at least 30 days past 6/30, if not longer. We find in states where CPE reporting is due on the same day that the CPE cycle ends, the chances of individuals getting their information input correctly by the due date decreases. It also allows for individuals to obtain certificates of completion for programs that take place near the end of the reporting cycle. Not all sponsors issue certificates the same day of an event.

Thank you in advance for your time. If you need any additional information about these items, please do not hesitate to contact me.

Sincerely,  
Beth



**Elizabeth (Beth) M. Spencer**  
Director of Licensure & CPE

