

Major Changes from the 1991 CPE Interpretation

1. Changes the title from “Interpretation” to “Guidance” to better reflect the nature of the document.
2. Modifies language throughout to be consistent with the 2003 revision of *Government Auditing Standards*.
3. Reorders sequence of information presented to improve clarity and facilitate the use of the guidance. [Change from exposure document.]
4. Adds effective date for CPE measurement periods beginning on or after June 30, 2005, with earlier adoption encouraged. (paragraph 1) [Change from exposure document.]
5. Creates a partial exemption for auditors who are only involved in performing field work but not involved in planning, directing, or reporting on the audit or attestation engagement, and who charge less than 20 percent of their time annually to audits and attestations conducted in accordance with GAGAS by requiring that they comply with the 24-hour CPE requirement to take training in each 2-year period in subjects and topics directly related to government auditing, the government environment, or the specific or unique environment in which the audited entity operates but exempts them from the remainder of the 80-hour CPE requirement. (paragraph 8) [Change from exposure document.] [Note: This will require a technical amendment to the CPE section of the Competence standard in the Yellow Book.]
6. Allows an audit organization greater flexibility in granting exceptions to the CPE requirements for such reasons as extended family leave, military leave, and disasters. Also specifies that exceptions to the CPE requirements should not be made for reasons such as workload, budget, or travel constraints. (paragraph 9)
7. Changes the calculation for pro rated number of hours for periods other than 2-year periods (e.g., transition periods and new hires) to result in a pro rated approach based on 6-month intervals. (paragraphs 12 and 13) [Change from exposure document.]
8. Clarifies that CPE programs should have learning objectives. (paragraph 15)
9. Expands and updates the lists of subjects and topics that could satisfy the 24-hour and 80-hour CPE requirements under GAGAS. (paragraphs 18 and 19)
10. Specifies that for certification review courses, the only segments that count are those related to auditing, attestation, the government environment, or the specific environment of the audited entity counts. (paragraph 20)

11. Allows for auditors who attend meetings of an accounting or auditing standard-setting organization or a professional organization to receive CPE hours for the segments of such meetings that are specifically designated as CPE and are devoted to issues related to audits and attestation engagements, the government environment, or the unique environment in which the audited entity operates. (paragraph 21) [Change from exposure document.]
12. Deletes criteria for providers of CPE programs and activities because such criteria are often beyond the control of the audit organization. [Change from exposure document.]
13. Adds a paragraph specifically dealing with taxation and examples of when tax training would and would not qualify as CPE under GAGAS. (paragraph 23)
14. Specifies that some subjects and topics that are acceptable to state licensing bodies or professional organizations may not qualify as CPE under GAGAS. Conversely, some CPE that qualifies for GAGAS may not qualify for state licensing bodies or professional organizations. Specifies that auditors are responsible for determining the CPE requirements of other entities to which they report their CPE. (paragraph 25)
15. Adds a paragraph clarifying that certain subjects and topics not generally considered to be related to conducting audits or attestation engagements would not meet GAGAS CPE requirements unless they directly enhance the auditors' professional proficiency to perform audits or attestation engagements or relate to the subject matter of an audit or attestation engagement. (paragraph 26)
16. Allows credit for half-hours of CPE after the first full hour of CPE has been earned in a given program or activity. (paragraph 27)
17. Allows for participants' preparation time for a group CPE program to be counted as CPE hours if the provider has designated the preparation time as individual study. (paragraph 28)
18. Adds the flexibility for the audit organization to delegate responsibility to auditors for maintaining evidence of completion of a CPE program or activity. If the audit organization elects to delegate to the auditor the responsibility for maintaining this information, the audit organization should have adequate procedures in place to ensure that its records of CPE hours taken by auditors are supported by the documentation maintained by the auditors. (paragraph 36)