
April 1991

Interpretation of Continuing Education and Training Requirements



Foreward

Continuing education and training for auditors, hereafter referred to as continuing professional education (CPE), improves their knowledge and refines their skills, allowing them to better meet the challenges of a complex and ever-changing audit environment. Such education and training, since it enhances auditor proficiency, helps ensure the quality of audits.

The 1988 revision of the Government Auditing Standards established for the first time specific hourly CPE requirements for auditors working on audits made in accordance with the standards. This interpretation guides audit organizations and individual auditors on implementing the CPE requirements by answering the most frequently asked questions from the audit community.

In September 1990, an exposure draft of this interpretation was sent to professional organizations that are representative of the audit community and to other interested parties for comment. We appreciate the suggestions and comments of those who responded and have incorporated such commentary as appropriate. This interpretation is effective for CPE reporting periods beginning on or after January 1, 1991. The major contributors to this interpretation were Patrick L. McNamee and William J. Anderson, Jr.

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Introduction

1. In recent years, continuing education and training, hereafter referred to as continuing professional education (CPE), has become an important topic in the audit community. In an environment of increasingly complex audit work and accelerating change, audit organizations have recognized the need to make a strong commitment to the CPE of their staff. The success of an audit organization in carrying out its mission depends on having a qualified, well-trained staff. CPE for auditors serves not only to maintain the individual auditor's professional proficiency but to enhance it, resulting in an audit staff that continually improves and refines their knowledge and skills in areas applicable to the discipline in which they work.
2. The 1988 revision of the Government Auditing Standards, often referred to as the "yellow book," was issued by the Comptroller General of the United States in July 1988. Auditors and audit organizations are to follow the standards when required by law, regulation, agreement or contract, or policy. The standards are for audits of government organizations, programs, activities, and functions, and of government funds received by contractors, nonprofit organizations, and other nongovernment organizations.
3. The first general standard for government auditing is "qualifications." The qualifications standard, as stated in chapter 3, paragraph 3, of the yellow book, is, "The staff assigned to conduct the audit should collectively possess adequate professional proficiency for the tasks required." That standard establishes CPE requirements for auditors working on audits made in accordance with the yellow book.
4. The qualifications standard places responsibility on the audit organization to ensure that the audit is conducted by staff who collectively have the knowledge and skills necessary for the audit to be conducted. The staff should also have a thorough knowledge of the government environment and government auditing or of the specific or unique environment in which they are auditing.
5. Paragraphs 6 and 7 of chapter 3 of the yellow book set the CPE requirements as follows:

"To meet this standard, the audit organization should have a program to ensure that its staff maintain professional proficiency through continuing education and training. To satisfy this requirement, auditors responsible for planning, directing, conducting, or reporting on government audits

should complete, every 2 years, at least 80 hours of continuing education and training which contributes to the auditor's professional proficiency. At least 20 hours should be completed in any one year of the 2-year period. Individuals responsible for planning, directing, conducting substantial portions of the field work, or reporting on the government audit should complete at least 24 of the 80 hours of continuing education and training in subjects directly related to the government environment and to government auditing. If the audited entity operates in a specific or unique environment, auditors should receive training that is related to that environment."

"The audit organization is responsible for establishing and implementing a program to ensure that auditors meet the continuing education and training requirements stated above. The organization should maintain documentation of the education and training completed."

6. The qualifications standard and CPE requirements place responsibilities on both the audit organization and individual auditors. Carrying out these responsibilities requires exercising sound professional judgment. To assist audit organizations and individual auditors in exercising that judgment this interpretation is being issued. Among the issues this interpretation addresses are:

- a. Who is subject to CPE requirements?
- b. When should compliance with CPE requirements be determined?
- c. What qualifies as acceptable CPE?
- d. How are CPE requirements to be administered?

7. The CPE requirements are based on the premise that all auditors should maintain and enhance their professional proficiency in the discipline in which they work. Auditors will have wide latitude in selecting suitable CPE.

Who Is Subject to CPE Requirements?

8. The CPE requirements stated under the qualifications standard apply to external and internal auditors, both government and nongovernment (e.g., public accountants, both certified and noncertified), who work on audits made in accordance with the yellow book. The CPE requirements set forth the minimum number of hours of CPE that auditors, whether employed full- or part-time by an audit organization or self-employed, must complete.

9. Auditors who work on yellow book audits must meet the 80-hour CPE requirement. Those responsible for planning, directing, reporting, or conducting substantial portions of the field work must also meet the 24-hour CPE requirement. Paragraphs 10 through 21 of this interpretation address whom the CPE requirements apply to.

Definition of Planning, Directing, Conducting, and Reporting

10. Question—The 80-hour requirement applies to auditors responsible for planning, directing, conducting, or reporting on yellow book audits. What do the terms planning, directing, conducting, and reporting mean?

11. Interpretation—An individual is considered responsible for “planning,” “directing,” “conducting,” or “reporting” when he or she performs the following work:

a. Planning - determining audit objectives, scope, and methodology; establishing criteria to evaluate matters subject to audit; or coordinating the work of other audit organizations. This excludes individuals whose role is limited to gathering information used in planning the audit.

b. Directing - supervising the efforts of others who are involved in accomplishing the objectives of the audit or reviewing audit work to determine whether those objectives have been accomplished.

c. Conducting - performing audit tests and procedures necessary to accomplish the audit objectives in accordance with generally accepted government auditing standards.

d. Reporting - determining report contents and substance and/or reviewing reports for technical content and substance prior to issuance.

Definition of Conducting Substantial Portions of the Field Work

12. Question—The 24-hour requirement applies not only to auditors responsible for planning, directing, or reporting on yellow book audits, but it also applies to those “conducting substantial portions of the field work.” What does the phrase “conducting substantial portions of the field work” mean?

13. Interpretation—For purposes of the 24-hour CPE requirement, individuals are considered responsible for “conducting substantial portions of the field work,” when in a given CPE year, their time chargeable to yellow book audits is 20 percent or more of their total chargeable time.

Applicability of CPE Requirements to Other External and Internal Auditors

14. Question—Are the CPE requirements applicable to other external and internal auditors whose work is relied on by auditors performing yellow book audits?

15. Interpretation—The CPE requirements apply to other external auditors (e.g., subcontractors) who perform a portion of an audit made in accordance with the yellow book, and internal auditors who provide direct assistance to an external auditor performing an audit in accordance with the yellow book.

24-Hour Requirement for Audits of Different Environments

16. Question—If auditors do yellow book audits of a government entity and other types of entities—say, a private university and a nonprofit museum—are they required to get 24 hours of CPE related to government and 24 hours of CPE related to universities and nonprofits?

17. Interpretation—No, 24 hours of CPE allocated in any manner among topics related to government and/or other specific or unique environments would meet the requirement. However, auditors should exercise care to ensure that they maintain sufficient professional proficiency to perform audits in several different environments.

Exemptions and Exceptions

18. Question—Are some individuals exempt from meeting the CPE requirements?

19. Interpretation—The following individuals should be qualified to perform their assigned tasks and are encouraged to maintain or enhance

their professional proficiency through CPE, but are not required to meet the yellow book CPE requirements.

- a. External consultants and internal experts and specialists such as actuaries, appraisers, attorneys, engineers, geologists, medical doctors, and statisticians.
- b. Auditors performing nonaudit activities within the audit organization, such as individuals assigned to staff positions in budgeting, policy, personnel, and training.
- c. Auditors performing services not considered to be audits, such as gathering information about a program without analyses, conclusions, and recommendations.
- d. Employees who assist in the audit by performing nonaudit tasks (e.g., typing, collating, reproduction of report pages, footing schedules), performing literature searches, and editing reports.
- e. College and university students employed on a temporary basis for a limited period of time (e.g., during a semester or term break) or enrolled in a formal program sponsored by the college or university for a specific period of employment, such as a term or semester.

20. Question—Can the audit organization grant exceptions from the CPE requirements?

21. Interpretation—The audit organization may grant exceptions from the CPE requirements if a reason such as foreign residency, ill health, maternity leave, or military service prohibits an auditor from fulfilling those requirements. The audit organization should document the reasons for any exceptions granted and retain that documentation for an appropriate period of time. (See paragraph 67.)

When Should Compliance With CPE Requirements Be Determined?

22. The yellow book's CPE requirements must be satisfied every 2 years. Paragraphs 23 through 36 of this interpretation address issues related to determining compliance with those requirements.

Establishing Measurement Date

23. Question—When should the audit organization measure its staff's compliance with the CPE requirements?

24. Interpretation—The yellow book states that all of the CPE requirements should be met within 2 years from the yellow book's effective date, which was January 1, 1989. Therefore, auditors that were subject to the yellow book on its effective date should have met the CPE requirements for the first 2-year period as of December 31, 1990.

25. Audit organizations that were not subject to the yellow book on its effective date subsequently may perform yellow book audits. The staff assigned to perform yellow book audits should collectively possess adequate professional proficiency prior to starting the audit, and satisfy the CPE requirements within 2 years of the date they start audits made in accordance with the yellow book.¹

26. Question—Since all auditors have 2 years from the date that they start their first audit made in accordance with the yellow book to meet the 80- and 24-hour CPE requirements, all auditors employed by an audit organization may not have the same 2-year period for completing the required CPE. May an audit organization establish one organizationwide date for measuring its staff's compliance with the CPE requirements?

27. Interpretation—To simplify administration of the CPE requirements, an audit organization may establish a standard 2-year CPE period for all of its auditors.

28. An audit organization may use a measurement date other than the effective date of the yellow book or the date it started its first yellow book audit to coincide with a fiscal year or another reporting requirement (e.g., state board of accountancy). However, during the transition period to another measurement date, the staff should complete at least a pro rata number of the required 20 hours of CPE per year. For example, if an audit organization's staff started its first yellow book audit on January 1, 1991, and the organization adopts July 1 as its measurement date, its staff should

¹Proposed changes to the yellow book would mandate that CPE requirements be satisfied prior to starting an audit made in accordance with the yellow book. Such proposals, if adopted, would be phased in most likely by December 31, 1992.

satisfy the CPE requirements during the 2 years ended June 30, 1993. However, during the audit organization's transition period (January 1, 1991 to June 30, 1991), its staff should complete at least a pro rata number of the required 20 hours of CPE per year—10 hours for the 6-month transition period in this example.

Measuring Compliance After Beginning of a 2-Year Period

29. Question—How should compliance with the CPE requirements be measured for auditors who become subject to the yellow book after the beginning of an audit organization's 2-year CPE period?

30. Interpretation—Footnote 1 on page 3-2 of the yellow book states that, "For entry-level employees with less than 2 years with the audit organization, on the effective date of [the CPE] requirement, a pro rata number of hours would be acceptable." Similarly, a pro rata number of hours would be acceptable for other auditors hired or assigned to a yellow book audit after the beginning of a 2-year CPE period. An audit organization may define a "pro rata number of hours" as follows:

- a. Auditors who have been employed for less than 1 year of a given 2-year period are not required to obtain a minimum number of CPE hours.
- b. Auditors who have been employed at least 1 year, but less than 2, in a given 2-year period are required to meet at least the 20-hour per year minimum in the second year of the 2-year period.

CPE Carryover

31. Question—May an auditor carry over CPE hours earned in excess of the 80- and 24-hour requirements from one period to the next 2-year period?

32. Interpretation—No, the 80- and 24-hour requirements are the minimum number of hours of CPE that auditors should complete every 2 years.

Measuring Compliance If No Longer Doing Yellow Book Audits

33. Question—If an audit organization discontinues conducting yellow book audits before its auditors complete the CPE requirements, are those auditors still required to satisfy the CPE requirements?

34. Interpretation—No. However, the audit organization should have its auditors complete those requirements if it is reasonably possible that it will be doing yellow book audits in the future.

Deficiency Makeup

35. Question—Can auditors make up deficiencies in the CPE requirements?

36. Interpretation—Auditors who have not completed the required number of CPE hours for any 2-year period will have the 2 months immediately following the 2-year period to make up the deficiency. Any CPE hours completed toward a deficiency in one period should be documented in the CPE records and may not be counted toward the requirements for the next 2-year period. Auditors who still have not satisfied the CPE requirements after the 2-month grace period should not participate in yellow book audits until those requirements are satisfied.

What Qualifies as Acceptable CPE?

37. Paragraphs 38 through 50 of this interpretation address what activities and subjects would and would not satisfy the CPE requirements.

CPE Programs

38. Question—What are CPE programs?

39. Interpretation—CPE programs are structured educational activities designed to maintain or enhance participants' knowledge and skills in areas applicable to the discipline in which they work. This may be achieved through interaction with an instructor and other participants—a group program—or without major interaction with an instructor—an individual study program.

Criteria for CPE Programs

40. Question—What criteria should be used to determine if group and individual study programs qualify for CPE hours?

41. Interpretation—The yellow book does not establish detailed criteria for CPE programs. However, it does require that CPE contribute to the auditor's professional proficiency and that audit organizations maintain documentation of the CPE completed. To determine if programs contribute to professional proficiency and to facilitate documentation, the following criteria for CPE programs may be considered as appropriate.

a. For both group and individual study programs:

(1) An agenda or outline is prepared in advance and retained that indicates the name(s) of the instructor(s); the subject(s)/topic(s) covered; the date(s) and length of the program; and, when appropriate, the program's learning objectives and any prerequisites.

(2) The program is developed by individuals qualified or experienced in the subject matter.

(3) Program materials are technically accurate, current, and sufficient to meet the program's learning objectives.

(4) The program is reviewed, when appropriate, by other qualified or experienced individuals. The nature and extent of any review may vary depending on characteristics of the program.

- (5) Evaluations of the program are obtained from instructors and participants, when appropriate.
- b. For group programs:
 - (1) Attendance records are maintained.
 - (2) The program is presented by an instructor or discussion leader who is qualified or experienced with respect to the program content.
- c. For individual study programs:
 - (1) Participants are required to register for the program.
 - (2) The program sponsor provides evidence of satisfactory completion (e.g., a certificate or transcript).

Programs and Activities That Qualify

- 42. Question—What CPE programs and activities qualify for CPE hours?
- 43. Interpretation—The following programs and activities qualify for CPE hours provided they are in acceptable subjects and topics as discussed in paragraphs 44 through 48:
 - a. Group programs such as:
 - (1) Internal training programs (e.g., courses, seminars, and workshops).
 - (2) Audit organization staff meetings when a structured educational program is presented (e.g., that portion of the meeting where a structured educational program is used to brief staff on an auditing standard and demonstrate its applicability to their work). Informal discussions of current events in the audit/evaluation profession do not qualify for CPE hours.
 - (3) University and college courses (credit and noncredit).
 - (4) Education and development programs presented at conferences, conventions, meetings, seminars, and workshops of professional organizations.

(5) Training programs presented by other audit organizations, educational organizations, foundations, and associations.

b. Individual study programs such as:

(1) Correspondence courses, self-study guides, and workbooks.

(2) Courses given through audio cassette tapes, videotapes, and computers.

c. Other professional activities, subject to the limitations discussed in paragraphs 59 and 60 are:

(1) Serving as a speaker, instructor, or discussion leader at group programs that qualify for CPE hours.

(2) Publishing articles and books or developing CPE courses on subjects and topics that qualify for CPE hours and that contribute directly to the author's professional proficiency.

Subjects and Topics That Qualify

44. Question—What subjects and topics qualify for CPE hours?

45. Interpretation—CPE programs include a wide variety of subjects and topics that may contribute to maintaining or enhancing the professional proficiency of some auditors, but not others. Therefore, the audit organization is ultimately responsible for determining whether a subject or topic qualifies as acceptable CPE for its auditors.

46. CPE that would satisfy the 80-hour requirement should be in subjects and topics that maintain or enhance auditors' knowledge and skills in areas applicable to the discipline in which they work. Examples of such subjects and topics include but are not limited to the following:

accounting principles and standards
analytical precedures
assessment of internal controls
audit methodologies
audit risk and materiality
audit standards
budgeting
compliance with laws and regulations

computer science
contracting and procurement
cost accounting
data analysis
economics
evaluation design
financial management
financial reporting
forecasts and projections
industrial engineering
interviewing techniques
mathematics
operations research
oral and written communication
pension accounting
principles of management and supervision
probability
productivity
program evaluation
public administration
public finance
public policy and structure
quality control
report writing
sampling
social sciences
taxation
workpaper preparation

Except as discussed in paragraph 50, instruction in subjects and topics that meet the CPE requirements of licensing bodies (such as state boards of accountancy) or professional organizations (such as the American Institute of Certified Public Accountants or the Institute of Internal Auditors) would also satisfy the 80-hour CPE requirement.

47. The 24-hour requirement calls for auditors to obtain 24 hours of CPE in subjects and topics directly related to the government environment and to government auditing or the specific or unique environment in which the audited entity operates. The following guidelines are presented to help auditors determine what subjects and topics would qualify for the 24-hour requirement.

a. Government environment - Subjects and topics directly related to the government environment may include government accounting principles, budgeting, procurement and contracting in government, legislative policies and procedures, effects of current economic conditions on government operations, relevant laws and regulations, and government program and service performance measurement and reporting.

b. Government auditing - Subjects and topics directly related to government auditing may include Government Auditing Standards and, because they are incorporated by reference in Government Auditing Standards, the American Institute of Certified Public Accountants' statements on auditing standards for field work and reporting. Other topics include special government audit requirements established by law or regulation, such as the Single Audit Act of 1984.

c. Specific or unique environment - Subjects and topics directly related to a specific or unique environment may include relevant accounting principles; economic, operating, or regulatory developments in the specialized area in which the audited entity operates; and relevant laws and regulations.

48. Determining what subjects are appropriate for individual auditors to satisfy the 24-hour requirement is a matter of professional judgment to be exercised by auditors in consultation with their supervisors. Among the considerations in exercising that judgment are the auditors' experience and the responsibilities they assume in performing yellow book audits. For example, it may be appropriate for entry-level auditors who conduct yellow book audits to concentrate their CPE in subjects related to basic auditing standards and procedures. Those subjects, however, generally will not be appropriate for experienced auditors who plan, direct, and report on yellow book audits. Experienced auditors should concentrate their CPE in subjects related to special government auditing requirements, the government environment, and any specific or unique environments where they perform yellow book audits.

Programs and Activities or Subjects and Topics That Do Not Qualify

49. Question—What education and training programs and activities or subjects and topics do not qualify for CPE hours?

50. Interpretation—Examples of programs and activities or subjects and topics that do not qualify for CPE hours include, but are not limited to, the following:

What Qualifies as Acceptable CPE?

- a. On-the-job training.
- b. Basic or elementary courses in subjects and topics in which the auditor already has the necessary knowledge and skills.
- c. Programs that are not designed to maintain or enhance auditors' professional proficiency, but are designed for the general public, such as resume writing, improving parent-child relations, personal investments and money management, and retirement planning.
- d. Sales-oriented programs that demonstrate office equipment.
- e. Programs restricted to the audit organization's administrative operations.
- f. Business sessions at professional organization conferences, conventions, and meetings.
- g. Participation as a member of a committee of a professional organization.
- h. Preparation and presentation time for repeated presentations within the 2-year period.
- i. Conducting external quality control reviews.

How Are CPE Requirements to Be Administered?

51. The yellow book requires that audit organizations implement programs to ensure that auditors meet the CPE requirements. Paragraphs 52 through 69 of this interpretation address the types of policies and procedures that would satisfy that requirement. Specific guidance is provided on measuring CPE hours, documenting completion of CPE, retaining CPE records, and preparing reports on CPE.

Policies and Procedures

52. Question—What policies and procedures should be established and implemented by an audit organization to ensure that auditors meet the CPE requirements?

53. Interpretation—The audit organization’s policies and procedures for CPE should address the following:

- a. Identifying all employees required to meet the CPE requirements. (See paragraphs 8 through 21.)
- b. Determining programs, activities, subjects, and topics that qualify for CPE. (See paragraphs 37 through 50.)
- c. Making information on CPE programs available to employees.
- d. Providing employees with the opportunity to attend internal or external CPE programs.
- e. Assigning the number of CPE hours for each CPE program the audit organization presents. (See paragraphs 54 through 56, and 58.)
- f. Identifying the number of CPE hours for external programs and other professional activities. (See paragraphs 54 through 60.)
- g. Documenting the number of CPE hours completed by each employee. (See paragraphs 61 through 65.)
- h. Monitoring employee progress towards meeting the CPE requirements. (See paragraph 69.)

Measuring CPE Hours

54. Question—How are CPE hours measured for qualifying group programs, individual study programs, and other professional activities?

55. Interpretation—A CPE hour may be granted for each 50 minutes (i.e., contact hour) of participation in programs and activities that qualify. Fractional hours may also be granted if appropriate. At conferences and conventions where individual presentations are less than and/or more than 50 minutes, the sum of the presentations should be considered as one total program. For example, two 90-minute, two 50-minute, and three 40-minute presentations equal 400 minutes or 8 CPE hours.

56. Sponsors of CPE programs should monitor their programs to accurately assign the appropriate number of hours. Participants should receive CPE hours only for the actual time they attend the program. Preparation time for students participating in a CPE program is not counted.

57. For university or college credit courses, each semester hour credit equals 15 CPE hours, and each quarter hour credit equals 10 CPE hours.

58. Participants in correspondence or individual study programs should be granted CPE hours when they satisfactorily complete the program. These programs generally should be pretested by the vendor or sponsor to determine the average completion time, and CPE hours should be granted in an amount equal to the average completion time. For example, a correspondence course that takes an average of 600 minutes to complete should be granted 12 CPE hours. However, if the program has not been pretested, participants may still be granted CPE hours in an amount equal to one-half of the time they actually spent on the program. For example, a person who takes 800 minutes to complete an individual study program may be granted 8 CPE hours.

59. Speakers, instructors, and discussion leaders at programs that qualify for CPE should receive CPE hours for preparation and presentation time to the extent the subject matter contributes directly to their professional proficiency. One hour of CPE should be granted for each 50 minutes of presentation time, and up to 2 additional hours of CPE may be granted for advance preparation for each 50 minutes of their presentation. For example, a discussion leader could receive up to 21 hours of CPE for a presentation of 350 minutes (7 hours for presentation and 14 hours for preparation). An individual should not receive CPE hours for either preparation or presentation time for repeated presentations that they make within the 2-year period, unless the subject matter involved was changed significantly. The maximum number of CPE hours that may be

granted to an individual as a speaker, instructor, or discussion leader should not exceed 40 hours for any 2-year period.

60. Articles, books, or CPE courses written by auditors on subjects and topics related to their expertise and/or work that contribute directly to professional proficiency will qualify for CPE hours in the year they are published. One hour of CPE should be granted for each hour devoted to writing articles, books, or course materials that are published. However, CPE hours for published writings should not exceed 20 hours for any 2-year period.

Maintaining Documentation

61. Question—What are the audit organization’s and auditor’s responsibilities for maintaining documentation of CPE?

62. Interpretation—The audit organization is responsible for maintaining documentation of the CPE hours completed by each auditor subject to the CPE requirements.

63. The audit organization’s records should include the following information for each CPE program or activity attended or completed by an auditor:

- a. the sponsoring organization,
- b. the location at which the program was given,
- c. the title of the program and a brief description of its contents,
- d. the dates attended for group programs or dates completed for individual study programs, and
- e. the number of CPE hours earned toward the 80-hour and 24-hour requirements.

64. Auditors are responsible for providing the above information to their audit organization for all external CPE programs and other professional activities attended or completed. Evidence of attendance or completion might include the following:

- a. Record of the grade received for a university or college credit course.

b. An outline and evidence of attendance or of having been the instructor or discussion leader from the program sponsor.

c. Evidence of completion from the program sponsor.

d. A copy of the published book, article, or course.

65. The audit organization should also maintain a record of the following information for each CPE program that it presents:

a. A record of attendance or completion.

b. Number of CPE hours earned by each participant.

c. An agenda or outline of the program that shows the name(s) of the instructor(s); the subjects and topics covered; the dates and length of the program; and, when appropriate, the learning objective(s).

d. Locations where the program was given.

Retaining Records

66. Question—How long should CPE records be maintained?

67. Interpretation—All CPE records should be maintained for an appropriate period of time to satisfy legal and administrative requirements.

Preparing Reports

68. Question—Are audit organizations required to prepare reports on CPE?

69. Interpretation—No. However, audit organizations may consider preparing a semiannual CPE report to monitor their staffs' progress towards meeting the CPE requirements.

Other CPE Issues

Individual Auditors' Responsibilities

70. Question—What are the specific responsibilities of the auditor for obtaining CPE?

71. Interpretation—Individual auditors are responsible, in conjunction with the audit organization, for seeking opportunities for CPE, for successful completion of CPE programs and activities, and for providing documentation of the CPE hours completed. In addition, individual auditors are responsible for monitoring their own progress towards meeting the CPE requirements.

Relationship Between Yellow Book and Other CPE Requirements

72. Question—Would satisfying the CPE requirements of the American Institute of Certified Public Accountants (AICPA) or of a state board of accountancy also satisfy the requirements of the yellow book?

73. Interpretation—Individual auditors who are members of the AICPA or are licensed certified public accountants are cautioned that the yellow book CPE requirements, while similar in many respects to those of the AICPA and of state boards of accountancy, are not identical. For example, the yellow book requires that auditors obtain at least 80 hours of CPE every 2 years, whereas the AICPA requires that its members in public practice obtain at least 120 hours every 3 years, and its members not in public practice to obtain 60 hours for the first 3 years (i.e., 1/1/90-12/31/92) and 90 hours every 3 years thereafter. Individuals should carefully consult the relevant AICPA and state boards of accountancy requirements to ensure compliance.

Monitoring Compliance

74. Question—How will compliance with the CPE requirements be determined?

75. Interpretation—Compliance with the CPE requirements would be evaluated during the performance of an external quality control review.

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