



June 13, 2017

Louise Haberman
NASBA
150 Fourth Ave. North, Ste. 700
Nashville, TN 37219-2417

Re: Draft Model Rules for Continuing Professional Education (CPE)

Dear Ms. Haberman,

The North Carolina Association of Certified Public Accountants (NCACPA), representing over 14,000 North Carolina CPAs in public practice, industry, government, and education, welcomes the opportunity to respond to the *Draft Model Rules for Continuing Professional Education (CPE)*. The NCACPA Professional Development Advisory Council (PDAC) deliberated the exposure draft and submits the following responses:

*6-4 CPE requirements for renewal of the certificate or registration.
(a)(3)*

With regard to the proposal that a minimum of fifty percent (50%) of the total CPE credits required for the CPE reporting period be in technical fields of study, the PDAC does not support this rule for various reasons:

- (1) There is not clarity among the technical and non-technical fields of study as outlined in 3.8 and 3.9;
- (2) Tracking the fields of study would become burdensome to firms, organizations, associations, and even state boards of accountancy from a compliance perspective;
- (3) The proposed rule, though well-intended, does not necessarily address the issue that a CPA may or may not be taking the correct technical CPE based on the individual's practice area.

The PDAC strongly feels that since the CPA profession is one based on ethics, self-regulation, and diversity, this rule is unnecessary.

*6-4 CPE requirements for renewal of the certificate or registration.
(c) and (d)*

PDAC feels there are inconsistencies regarding the competency requirement for applicants whose licenses have lapsed or have been suspended. While proposed rule 6-4(c) states that applicants "...shall complete qualifying CPE that averages no fewer than forty (40) credits of qualified CPE...", rule 6-4(d) provides an exception to that mandate but does not provide any circumstances for which the exception would apply. We also feel the verbiage used in 6-4 (a)(c) that states, "An applicant whose certificate or registration has lapsed or has been suspended shall be required to identify and complete a program of learning designed to demonstrate the currency of the licensee's competencies directly related to his or her area of practice," is inaccurate as completing a program of learning does not demonstrate competency and if the intent of this rule is to have a licensee demonstrate competency, there must be clear guidelines as to how competency will be measured.

*6-4 CPE requirements for renewal of the certificate or registration.
(f)*

Proposed rule 6-4(f) allows a state board the discretion to determine the number and type of CPE credits as a requirement for reinstatement. While PDAC is supportive of allowing a state board's discretion in these situations, we feel consideration should be given to articulating specific requirements (or minimums) while noting the state board's ability to exercise their discretion to determine the number and type of CPE credits required for reinstatement. By establishing reinstatement guidelines/minimums, a licensee will be familiar with the expectations for reinstatement, and be aware that the state board will also have some discretionary ability.

If you would like to have additional discussion with respect to the above comments, please feel free to contact Joan Pharr, CPA, CGMA, Chair of the NCACPA Professional Development Advisory Council, at 919-869-3566.

Sincerely,

A handwritten signature in black ink that reads "Joan C. Pharr". The signature is written in a cursive, flowing style.

Joan C. Pharr, CPA, CGMA, Chair
NCACPA Professional Development Advisory Council

cc: Rollin J. Groseclose, CPA, CGMA, Chair, NCACPA Board of Directors
William F. Ezzell, CPA, Chair Elect, NCACPA Board of Directors
Sharon H. Bryson, M.Ed., NCACPA CEO
Mark P. Sotichack, CPA, CGMA, NCACPA COO
Jackie Asekhauno, Learning Manager, Staff Liaison, Professional Development Advisory Council
Amanda Davis, CMP, Director of Learning & Development, Staff Liaison, Professional Development Advisory Council