

Article 4.--PERMITS TO PRACTICE

74-4-1. (Revoked Nov. 17, 2000.)

**74-4-1a. Experience requirements for attest services.** (a) Each permit holder who supervises attest services or who signs or authorizes a person to sign a report on any audit, attest, review, or compilation engagement, on behalf of a firm shall meet the requirements set forth in the "statements on quality control standards" issued by the auditing standards board of the American institute of certified public accountants and contained in the "AICPA professional standards," as adopted by reference in K.A.R. 74-5-2.

(b) Notwithstanding subsection (a), each permit holder who supervises attest services or signs or authorizes a person to sign a report on any applicable engagement on behalf of a firm that is registered with the PCAOB shall comply with the applicable standards of the PCAOB which are adopted by reference in K.A.R. 74-5-2.

(c) Each permit holder who supervises attest services or who signs or authorizes a person to sign a report for a governmental audit engagement on behalf of a firm shall comply with the government auditing standards adopted by reference in K.A.R. 74-5-2. (Authorized by and implementing K.S.A. 1-202 and K.S.A. 1-302b; effective November 17, 2000; amended May 27, 2005; amended May 19, 2006; amended February 16, 2007.)

**74-4-2a. Evidence of experience.** (a) Any certified public accountant who refuses to verify an applicant's experience may be required to inform the board of the certified public accountant's reason for refusing to verify this experience.

(b) Any certified public accountant who has verified the experience of an applicant may be required by the board to substantiate any information provided to the board.

(c) Any documentation relating to an applicant's experience may be reviewed by the board. The applicant may be required to appear before the board or its designee to supplement or verify the applicant's experience. (Authorized by K.S.A. 1999 Supp. 1-202, as amended by L. 2000, Ch. 81, § 4; implementing K.S.A. 1999 Supp. 1-302b, as amended by L. 2000, Ch. 81, § 9; effective Nov. 17, 2000.)

**74-4-3a. Permit renewal.** (a) Each application for renewal of a permit shall be submitted on a form provided by the board.

(b) A renewal application that is insufficient shall not be processed and shall be returned to the applicant.

(1) An application shall be deemed insufficient if it meets any of the following conditions:

(A) Is not completely filled out;

(B) lacks the required number of continuing education hours;

(C) lacks the required documentation; or

(D) does not include the renewal fee.

(2) If the renewal fee is paid by credit card, the application shall be deemed insufficient if it meets either of the following conditions:

(A) The information necessary to process the credit card payment is deficient.

(B) The credit card company rejects payment. (Authorized by K.S.A. 1-202; implementing K.S.A. 2016 Supp. 1-310; effective Nov. 17, 2000; amended Nov. 2, 2001; amended May 25, 2012; amended Jan. 26, 2018.)

**74-4-4. Experience requirement for permits.** (a) The accounting experience required under K.S.A. 1-302b, and amendments thereto, may include any type of service or advice involving the use of attest or nonattest skills pursuant to K.S.A. 1-302b and amendments thereto. Attest and nonattest services shall be as defined in K.S.A. 1-321, and amendments thereto.

(b) One year of experience shall consist of full- or part-time employment that extends over a period of no less than one year and no more than three years and that includes no fewer than 2,000 hours of performance of services as described in subsection (a). (Authorized by K.S.A. 2000 Supp. 1-202, as amended by 2001 HB 2343, § 7; implementing K.S.A. 2000 Supp. 1-302b, as amended by 2001 HB 2343, § 1; effective, E-82-27, Dec. 22, 1981; effective May 1, 1982; amended Jan. 12, 1996; amended Sept. 25, 1998; amended Nov. 17, 2000; amended Nov. 2, 2001.)

**74-4-7. Continuing education requirements.** (a)(1) Each applicant for renewal of a permit to practice as a certified public accountant in Kansas shall have completed 80 hours of acceptable continuing education (CE) during each biennial period for renewal and shall be in possession of proof of attendance or completion of the CE hours claimed before the applicant submits an application for renewal. Each applicant for renewal or reinstatement of a permit shall have completed two hours in professional ethics relating to the practice of certified public accountancy as part of the continuing education requirement.

(2) Ethics courses, which shall be defined as courses dealing with regulatory and behavioral ethics, shall be limited to courses on the following:

(A) Professional standards;

(B) licenses and renewals;

(C) SEC oversight;

(D) competence;

(E) acts discreditable;

(F) advertising and other forms of solicitation;

(G) independence;

(H) integrity and objectivity;

(I) confidential client information;

(J) contingent fees;

(K) commissions;

- (L) conflicts of interest;
- (M) full disclosure;
- (N) malpractice;
- (O) record retention;
- (P) professional conduct;
- (Q) ethical practice in business;
- (R) personal ethics;
- (S) ethical decision making; and
- (T) corporate ethics and risk management as these topics relate to malpractice and relate solely to the practice of certified public accountancy.

(b) Each applicant for renewal of a permit to practice as a licensed municipal public accountant in Kansas shall have completed a 16-hour program of acceptable continuing education during each year within the biennial period. At least eight of the 16 hours shall be in the area of municipal accounting or auditing.

(c) The standards used to determine acceptable continuing education shall include the following:

(1) One hour of credit shall be granted for each 50 minutes of participation in a group, independent study, or self-study program. One-half hour of credit shall be granted for each 25-minute period after the first hour of credit has been earned.

(2) Hours devoted to actual preparation time by an instructor, discussion leader, or speaker for formal programs shall be computed at a maximum of up to twice the number of continuing education credits that a participant would be entitled to receive, in addition to the time for presentation. No CE credit shall be granted for time devoted to preparation by a participant.

(3) Hours served as an instructor, discussion leader, or speaker shall be included to the extent that they contribute to the professional competence of the applicant in the practice of certified public accountancy. Repeated presentations of the same course shall not be counted unless it is demonstrated that the program content involved was substantially changed and the change required significant additional study or research.

(4) Hours devoted to actual preparation as specified in paragraph (c)(2) and hours served as an instructor, discussion leader, or speaker as specified in paragraph (c)(3) shall not exceed, alone or in combination, 50 percent of the total number of continuing education hours required for permit renewal or reinstatement.

(d) The requirements of subsection (a) may be waived by the board for reasons of health, military service, foreign residence, or retirement, or for other good cause determined by the board.

(e) Any applicant for renewal of a permit to practice as a certified public accountant may carry over a maximum of 20 hours of continuing education earned in the previous renewal period. Any professional ethics hours that exceed the two-hour requirement may be included in the 20-hour carryover, but these hours shall not be used to meet the professional ethics requirement for any subsequent renewal period.

(f) If an applicant for renewal fails to obtain the continuing education required by this regulation, the applicant shall be required by the board to obtain an additional eight hours of continuing education within a period of time specified by the board before the applicant's permit to practice is renewed. (Authorized by K.S.A. 1-202 and K.S.A. 75-1119; implementing K.S.A. 1-202, K.S.A. 2016 Supp. 1-310, and K.S.A. 75-1119; effective, E-82-27, Dec. 22, 1981; effective May 1, 1982; amended May 1, 1985; amended July 13, 1992; amended Sept. 25, 1998; amended Nov. 17, 2000; amended Nov. 15, 2002; amended Nov. 14, 2003; amended May 19, 2006; amended May 23, 2008; amended May 29, 2009; amended May 25, 2012; amended Jan. 26, 2018.)

**74-4-8. Continuing education programs; requirements.** (a) A program designed to allow a participant to learn a given subject through interaction with an instructor and other participants in a classroom or conference setting, or intrafirm program using the internet, may be approved for continuing education credit under K.A.R. 74-4-7 if the program meets the following conditions:

(1) It is a formal program of learning that maintains or improves the professional competence of a certified public accountant and requires attendance.

(2) Participants are informed in advance of the learning objectives, prerequisites, program level, program content, any requirements for advance preparation, instructional delivery methods, recommended CE credit, and course registration requirements.

(3) The program is at least 50 minutes in length.

(4) The program is conducted by a person qualified in the subject area.

(5) The program sponsor issues to each participant a certificate of attendance that reflects the name of the program sponsor, title and course field of study, date and location of the program, delivery method of the course, name of the participant, signature of a representative of the program sponsor, and number of CE contact hours.

(6) A record of registration and attendance is retained for five years by the program sponsor.

(b) The following types of programs addressing the subjects of accounting, auditing, consulting services, specialized knowledge and applications, taxation, management of a practice, ethics, or personal development may qualify as acceptable continuing education if the programs meet the requirements of subsection (a):

(1) Programs of the American institute of certified public accountants, state societies and local chapters of certified public accountants, and providers of continuing education courses;

(2) technical sessions at meetings of the American institute of certified public accountants, and of state societies and local chapters of certified public accountants;

(3) university or college credit courses. Each semester hour of credit shall equal 15 hours of continuing education credit. Each quarter hour of credit shall equal 10 hours of continuing education credit;

(4) university or college non-credit courses. These courses shall qualify for continuing education credit that equals the number of actual, full 50-minute class hours attended; and

(5) formal, organized, in-firm or interfirm educational programs.

(c) Hours from personal development courses shall not exceed 30 percent of the total number of continuing education hours required for permit renewal or reinstatement. Personal development courses, which shall be defined as courses dealing with self-management and self-improvement both inside and outside of the business environment, shall be limited to courses on communication, leadership, character development, dealing effectively with others, interviewing, counseling, career planning, emotional growth and learning, and social interactions and relationships.

(d) Any author of a published article or book and any writer of a continuing education program may receive continuing education credit for the actual research and writing time if all of the following conditions are met:

(1) The board determines that the research and writing maintain or improve the professional competence of the author or writer.

(2) The number of credit hours claimed is consistent with the quality and scope of the article, book, or program.

(3) The article or book has been published or the program was created during the biennial period for which credit is claimed.

(e) (1) Group internet-based programs and individual self-study programs that allow a participant to learn a particular subject without the major involvement of an instructor may be eligible for continuing education credit if all of the following requirements are met:

(A) The program sponsor shall meet one of the following requirements:

(i) Has been approved by NASBA's national registry of continuing professional education sponsors or NASBA's quality assurance service;

(ii) is the American institute of certified public accountants; or

(iii) is a state society of certified public accountants.

(B) The program shall require registration.

(C) The sponsor shall provide a certificate of satisfactory completion.

(2) In addition to meeting the requirements specified in paragraph (e)(1), each individual self-study program shall meet the following requirements:

(A) The program shall include a final examination.

(B) Each participant shall be required to score at least 70 percent on the final examination.

(f) The amount of credit for group internet-based programs and self-study programs shall be determined by the board, as follows:

(1) Programs may be approved for one hour of continuing education credit for each 50 minutes of participation and one-half credit for each 25-minute period of participation after the first hour of credit has been earned.

(2) The amount of credit shall not exceed the number of recommended hours assigned by the program sponsor.

(g) Independent study programs that are designed to allow a participant to learn a given subject under the guidance of a continuing education program sponsor may be eligible for continuing education credit if all of the following conditions are met:

(1) The program meets one of the following requirements:

(A) Has been approved by NASBA's national registry of continuing professional education sponsors or NASBA's quality assurance service;

(B) is sponsored through the American institute of certified public accountants; or

(C) is sponsored through a state society of certified public accountants.

(2) The participant has a written learning contract with a program sponsor that contains a recommendation of the number of credit hours to be awarded upon successful completion of the program.

(3) The program sponsor reviews and signs a report indicating that all of the requirements of the independent study program, as outlined in the learning contract, are satisfied.

(4) The program is completed in 15 weeks or less.

(h) A participant in an independent study program may receive up to one hour of credit for each 50 minutes of participation and one-half hour of credit for each 25-minute period of participation after the first hour of credit has been earned. (Authorized by K.S.A. 1-202 and K.S.A. 75-1119; implementing K.S.A. 1-202, K.S.A. 2016 Supp. 1-310, and K.S.A. 75-1119; effective, E-82-27, Dec. 22, 1981; effective May 1, 1982; amended May 1, 1985; amended Feb. 14, 1994; amended Sept. 25, 1998; amended Nov. 2, 2001; amended Nov. 15, 2002; amended Nov. 14, 2003; amended May 27, 2005; amended May 19, 2006; amended May 23, 2008; amended May 29, 2009; amended Nov. 29, 2010; amended May 25, 2012; amended Feb. 19, 2016; amended Jan. 26, 2018.)

**74-4-9. Continuing education controls and reporting.** (a) When applying for renewal of the permit to practice, each applicant shall sign a statement indicating the applicant's compliance with the requirements in K.A.R. 74-4-7 and 74-4-8, unless the applicant qualifies for the exemption outlined in K.S.A. 1-310, and amendments thereto.

(b)(1) Any applicant may be required by the board to verify the number of CE hours claimed in subsection (a), on a form provided by the board, which shall include the following information:

(A) The name of the organization, school, firm, or other sponsor conducting the program or course;

(B) the location of the program or course attended;

(C) the title of the program or course, or a brief description;

(D) the course field of study;

(E) the delivery method of the program or course;

(F) the dates attended or the date the program or course was completed; and

(G) the number of continuing education credits that the applicant received for participating in a program or course.

(2) Each applicant specified in paragraph (b)(1) shall provide the board with a certificate of completion or attendance for all attended, group, independent, and self-study program CE hours claimed. Each certificate of completion or attendance shall include the following:

(A) The name of the organization, school, firm, or other sponsor conducting the program or course;

(B) the location of the program or course attended;

(C) the title of the program or course, or a brief description;

(D) the dates attended or the date the program or course was completed;

(E) the delivery method of the program or course;

(F) the name of the participant;

(G) the signature of a representative of the program sponsor; and

(H) the number of continuing education credits that the applicant received for participating in a program or course.

(3) For instruction credit, each applicant shall provide the board with a certificate or other verification supplied by the CE program sponsor.

(4) For a university or college course that is successfully completed for credit, each applicant shall provide the board with an official transcript of the grade that the participant received.

(5) For a university or college non-credit course, each applicant shall provide the board with a certificate of attendance issued by a representative of the university or college.

(c) Each applicant shall retain documentation of completion or attendance for any continuing education program or course for five years from the end of the year in which the program or course was completed.

(d) Each applicant required to verify the number of CE hours claimed shall respond to the board's request for verification within 30 days.

(Authorized by K.S.A. 1-202 and K.S.A. 75-1119; implementing K.S.A. 1-202, K.S.A. 2016 Supp. 1-310, and K.S.A. 75-1119; effective, E-82-27, Dec. 22, 1981; effective May 1, 1982; amended May 1, 1985; amended Sept. 25, 1998; amended Nov. 22, 2002; amended Nov. 14, 2003; amended May 23, 2008; amended Nov. 29, 2010; amended March 21, 2014; amended Feb. 19, 2016; amended Jan. 26, 2018.)

**74-4-10. Continuing education requirements for renewal of initial or reinstated permits.** (a) To renew an initial or reinstated permit to practice as a certified public accountant in Kansas, each applicant shall complete the number of continuing education (CE) hours proportionate to the number of hours required for the renewal period, given the number of full months from the date of the issuance of the permit to the June 30 renewal date. This requirement shall include two hours of ethics.

(b) CE hours used to reinstate a permit shall not be used toward a subsequent renewal of a permit.

(c) Continuing education credit obtained by the applicant on and after July 1 of the issuance year of the permit may be used to satisfy the continuing education requirement in subsection (a) if the credit meets the requirements specified in K.A.R. 74-4-7 and 74-4-8 and was not used to reinstate a permit. (Authorized by K.S.A. 1-202; implementing K.S.A. 2016 Supp. 1-310; effective, E-82-27, Dec. 22, 1981; effective May 1, 1982; amended Sept. 25, 1998; amended Sept. 10, 1999; amended Nov. 17, 2000; amended May 23, 2008; amended May 25, 2012; amended Jan. 26, 2018.)