

Adopted by the Uniform Education (D) Working Group, Oct. 29, 2024

NAIC – CONTINUING EDUCATION AUDIT PROCEDURES

The purpose of this procedure is to provide instructions on auditing approved continuing education (CE) courses. At a minimum, ___% [optional – determined by state] of all approved CE courses, all active providers, and instructors are reviewed once every [insert timeframe] pursuant to NAIC guidelines. Audits consist of classroom, webinar, self-study, and desk, though no more than [insert percentage – optional state decision] of such audits shall be desk audits.

Perform the following steps during a CE audit:

1. Obtain detailed information on the course location for the auditor.
2. Ensure the class is still scheduled 24 hours prior to the date of course offering.
3. Pull the course outline and all supporting documentation from the system.
4. Email the auditor the authorization letter, course outline, and all supporting documentation 24 hours before the class begins.
5. Auditor to complete prescribed audit form.
6. Receive the audit paperwork back from the auditor.
7. Send follow-up notices, as necessary.
8. Forward requested documentation to [insert state] as necessary.

Once the audit is complete, the auditor will return the materials to [insert state] within ___ days of the audit. [optional – determined by state]

The prescribed audit form is reviewed for any discrepancies or comments.

TASK

ACTIVITY

Initiate Audit:

1. Obtain a list of available course offerings in [insert state].
2. Email auditors the list of course offerings in [insert state].
3. An auditor provides the list of courses they would like to audit and compares it to the completed audits file to ensure the same provider is not audited twice.

Note: This will begin the audit process.

Pull Documents:

1. Pull copies of course information, outlines, and course schedules for courses being offered.
2. Contact the provider (via telephone anonymously, for the most part) to find exact locations and dates of courses ONLY if the provider has not entered the information in the system.

Note: Courses must be in [insert state]. Audits cannot be performed in other states. Occasionally, an additional audit may be requested directly from the state.

- Review Documents:
1. Review documents pulled to be sure all copies are clear prior to forwarding them to the auditor(s).
 2. Add the provider to the established completed audits file.
 3. Confirm the course start and end time with the auditor and verify that the auditor will conduct the audit for the entire duration of the course.
 4. Forward necessary documents and copies of the prescribed audit form to the appropriate auditor.

- Receive Audits:
1. Upon receipt of completed audits, review the prescribed audit form(s) to ensure they are complete. If not, contact the auditor and advise; follow up, as necessary.

Review Audits for Deficiencies: **Note:** All notifications must be emailed to providers within five (5) days of receiving the audit reports. Review the prescribed audit form(s) as follows:

1. If there are no issues, email the provider with a completed course audit letter stating that an audit was conducted and there were no violations.
2. Discrepancies:
 - A. A discrepancy notice should be sent for any “No” responses on the audit form.
 - B. If the provider did not conduct an accurate attendance verification, an explanation must be provided.
 - C. If the number of credits taught is less than the number of credits approved, an explanation must be provided.
 - D. Compare outlines and supply the provider with a detailed breakdown of differences.
 - E. If a licensee who did not sit for an entire class is given credit, an explanation must be provided.
3. If no response is received from the provider within __ business days [optional – determined by state], then a follow-up letter must be sent to the provider. The letter must be sent via certified mail and include a copy of the initial notice.
4. If no response is received after __ business days [optional – determined by state], forward all materials to the [insert appropriate person] for follow-up.
5. [insert state or third-party administrator] will also audit the number of licensees received on banked rosters from the audited course. The auditor indicates the number of attendees on the audit form.

- A. [insert state or third-party administrator] must check to ensure this was the number of licensees submitted on the roster.
- B. If there is a discrepancy, send a notice to the provider questioning this finding.
- C. If no response is received to the notice after ?? business days, forward all material to the [insert appropriate person] for follow-up.

Note: If questions arise from the audit, forward documents to [insert appropriate person] for clarification.

6. [insert state or third-party administrator] will track receipt of the banked rosters from the audited course(s) to ensure that the provider follows through on submission.

Note: The provider must submit the course completion roster to [insert state or third-party administrator] within __ days of completion. [optional – determined by state]

Follow Up:

1. Receive class roster(s) from the provider to confirm information provided by the auditor.
2. Verify roster count and report any deficiencies to the [insert appropriate person].

To Process Desk Audits of Already Held Courses:

1. Generate a list of already banked courses within a certain time frame.
2. Email the provider an audit letter asking for the sign-in sheet used along with the instructor's full name and instructor number.
3. Compare the list of banked students in the system against the sign-in sheet from the provider to make sure the same students who signed in were the ones who received credit. Also, compare the number of students and verify the license number of each student.
4. Confirm the instructor is approved and for the course authority the course is approved for.

Note: Instructors do not have to be approved for a single-session course.

5. If there is no discrepancy, email the provider the completed course audit letter stating the audit is complete and there are no violations.
6. If there are violations, list the violations in the audit letter and wait for the provider to respond in __ days with the corrections. [optional – determined by state]
7. Enter complete audit information on the desk audit list.

For Self-Study/Online Audits:

1. Obtain a list of approved self-study/online courses within a certain time frame.
2. Email the provider an audit letter requesting a user ID, password, exam, and answer key to complete an audit of their self-study/online course.
3. Complete the course as a student, answering the online course audit questionnaire form throughout the course until you have completed the course with a passing grade.
4. If there are no violations, email the provider a completed course audit letter stating that an online audit was completed and there were no violations.
5. If there are violations (all responses must be “Yes”), list the violations in the audit letter and wait for the provider to respond within __ days with the corrections. [optional – determined by state]
6. Audit the course again when the provider has confirmed violations have been corrected. You may have to contact the provider again for a new user ID and password.
7. Track completed audit information.