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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

October 19, 2000

Thomas J. Baumgartner, Chairman
State Board of Accountancy
116 Pine Street
Harrisburg, PA 17105

Re: Regulation #16A-556 (IRRC #2056)
State Board of Accountancy
Peer Review

Dear Chairman Baumgartner:

The Independent Regulatory Review Commission approved your regulation on October 19, 2000. Our Order is enclosed and is available on our website at www.irrc.state.pa.us.

We appreciate the joint effort that went into producing a regulation that met the criteria and intent of the Regulatory Review Act.

Sincerely,

Alvin C. Bush
Vice Chairman
wbg
Enclosure

cc: Honorable Mario J. Civera, Jr., Majority Chairman, House Professional Licensure Committee
Honorable William W. Rieger, Democratic Chair, House Professional Licensure Committee
Honorable Clarence D. Bell, Chairman, Senate Consumer Protection & Professional Licensure Committee
Honorable Lisa M. Boscola, Minority Chairman, Senate Consumer Protection & Professional Licensure Committee
Honorable Kim Pizzingrilli, Secretary of the Commonwealth
David Williams, Deputy Commissioner, Bureau of Professional and Occupational Affairs, Department of State
Steven Wennberg, Department of State
Joyce McKeever, Deputy Chief Counsel, Department of State

**INDEPENDENT REGULATORY REVIEW COMMISSION
APPROVAL ORDER**

Commissioners Voting:

Public Meeting Held October 19, 2000

John R. McGinley, Jr., Chairman, by proxy
Alvin C. Bush, Vice Chairman
Arthur Coccodrilli
Robert J. Harbison, III
John F. Mizner

Regulation No. 16A-556
State Board of Accountancy
Peer Review

On August 11, 1999, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the State Board of Accountancy (Board). This rulemaking amends 49 Pa. Code §§ 11.81 – 11.86. The proposed regulation was published in the August 21, 1999 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on September 25, 2000. The regulation was tolled and simultaneously resubmitted on October 6, 2000, to correct the peer review compliance date for firms that conduct review engagements, but not audit engagements, after May 1, 1998. The revised regulation requires these firms to complete an offsite peer review before the license biennium that begins May 1, 2006.

The regulation implements Section 8.9 of Act 140 of 1996 (Act) (63 P.S. § 9.8i). The regulation establishes standards for performing and reporting peer reviews. Additionally, the regulation prohibits the use or public disclosure of information obtained during a peer review.

We have determined this regulation is consistent with the statutory authority of the Board (63 P.S. § 9.8i(c)) and the intention of the General Assembly. Having considered all of the other criteria of the Regulatory Review Act, we find promulgation of this regulation is in the public interest.

BY ORDER OF THE COMMISSION:

This regulation is approved.





Alvin C. Bush, Vice Chairman