

JOHN R. MCGINLEY, JR., ESQ., CHAIRMAN
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ROBERT J. HARBISON, III
JOHN F. MIZNER, ESQ.
ROBERT E. NYCE, EXECUTIVE DIRECTOR
MARY S. WYATTE, CHIEF COUNSEL



PHONE: (717) 783-5417
FAX: (717) 783-2664
irrc@irrc.state.pa.us
<http://www.irrc.state.pa.us>

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

October 10, 2000

Thomas J. Baumgartner, Chairman
State Board of Accountancy
116 Pine Street
P.O. Box 2649
Harrisburg, PA 17105-2649

Re: Regulation #16A-556 (IRRC #2056)
Peer Review

Dear Chairman Baumgartner:

We received your October 6, 2000, letter informing us of your intent to toll the subject regulation and your revisions to the regulation. The Commission does not object to tolling the review of the regulation and acknowledges receipt of the revisions.

Pursuant to Section 5.1(g)(3) of the Act (71 P.S. § 745.5a(g)(3)), the Committees will now have until October 16, 2000, to complete their review. The Commission will act on this regulation at its public meeting on October 19, 2000.

If you have any questions, please contact me at 783-5506 or bobn@irrc.state.pa.us.

Sincerely,

Robert E. Nyce
Executive Director
wbg

cc: Honorable Mario J. Civera, Jr., Majority Chairman, House Professional Licensure Committee
Honorable William W. Rieger, Democratic Chairman, House Professional Licensure Committee
Honorable Clarence D. Bell, Chairman, Senate Consumer Protection and Professional Licensure Committee
Honorable Lisa M. Boscola, Minority Chairman, Senate Consumer Protection and Professional Licensure Committee
David J. DeVries, Esq.
Office of General Counsel
Steven Wennberg, Board Counsel
Joyce McKeever

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

October 5, 2000

Thomas J. Baumgartner, Chairman
State Board of Accountancy
116 Pine Street
P.O. Box 2649
Harrisburg, PA 17105-2649

Re: Regulation #16A-556 (IRRC #2056)
Peer Review

Dear Chairman Baumgartner:

On October 4, 2000, we discussed a problem with this final-form regulation with Board Counsel, Steven Wennberg, Esq. This problem could be corrected through the tolling procedure. Therefore, we recommend that you toll the review period to consider revising Section 11.82(b).

Subsection 11.82(a) has been revised to require a firm that performs an audit engagement after May 1, 1998, to complete an onsite peer review before the licensing biennium that begins May 1, 2002. This revision brings the regulation into conformance with Act 140 of 1996 (Act). The Board did not, however, revise Subsection (b). This subsection requires a firm that performs a review engagement, but not an audit engagement, to complete an offsite peer review before the license biennium that begins May 1, 2004. For consistency with the Act, the date in Subsection (b) should be changed to May 1, 2006.

If the Department chooses to toll the review period, it must deliver written notice to both the Standing Committees and the Commission on the same day. The written notice must be delivered prior to any Standing Committee action on the regulation, or before the end of the Standing Committee's review period on October 16, 2000, whichever occurs first.

As required by Section 307.5 of our regulations, written notice must include:

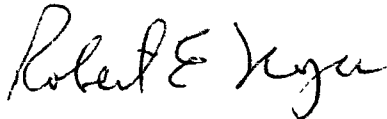
1. A citation to the section(s) the Department is considering revising,
2. A description of the revisions being contemplated, and
3. An explanation of how the revisions will satisfy our concerns.

Thomas J. Baumgartner, Chairman
October 5, 2000
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If the Commission objects to tolling the review period, we will notify you and the Standing Committees within two business days after receipt of your tolling notice. In that event, the review period will not be tolled and the Commission will consider your regulation at our public meeting on October 19, 2000. If the Commission does not object, the review period is tolled for up to 30 days beginning with receipt of your letter and ending on the day you resubmit the regulation.

If you have any questions, please call me at 783-5506.

Sincerely,



Robert E. Nyce
Executive Director
wbg

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Honorable William W. Rieger, Democratic Chairman, House Professional Licensure Committee
Honorable Clarence D. Bell, Chairman, Senate Consumer Protection and Professional Licensure Committee
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