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March 10, 2000

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INDEPENDENT REGULATORY
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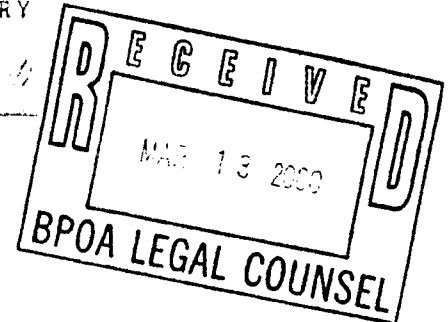
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Steven Wennberg, Esq.
State Board of Accountancy
P.O. Box 2649
Harrisburg, PA 17105-2649

cc:

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Dear Mr. Wennberg:

On behalf of the 19,000 members of the Pennsylvania Institute of Certified Public Accountants (PICPA), we are pleased to support the Continuing Education Program Sponsors regulation [49 PA. Code Ch. 11] proposed by the State Board of Accountancy in the *Pennsylvania Bulletin* (Vol. 30, No. 8, February 19, 2000).

If I may be of assistance to you or the Board on this or other matters in the future, please do not hesitate to contact me at 717.232.1821 or pcalcara@picpa.org.

Sincerely,

Peter N. Calcara, Director
Government Relations Team

cc: PICPA Council
Senator Clarence D. Bell
Senator Lisa M. Boscola
Rep. Mario J. Civera
Rep. William W. Rieger

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COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE
HARRISBURG

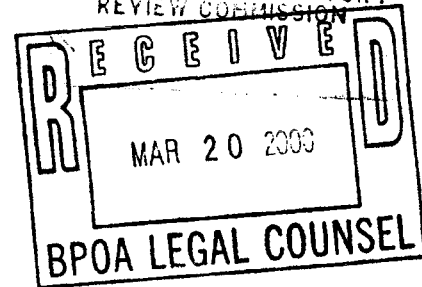
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DEPUTY SECRETARY FOR COMPTROLLER OPERATIONS
OFFICE OF THE BUDGET

March 17, 2000

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INDEPENDENT REGULATORY
REVIEW COMMISSION



Mr. Steven Wennberg, Esquire
State Board of Accountancy
116 Pine Street, Third Floor
PO Box 2649
Harrisburg, Pennsylvania 17105-2649

Dear Mr. Wennberg:

We are pleased to provide comments to the Proposed Rulemaking as it pertains to continuing education program sponsors. We previously provided comments to Exposure Draft 16A-555 on December 9, 1998, and many of our comments remain the same.

The Office of the Budget has been a sponsor of audit training for over 15 years, and has been registered as such with the State Board. We present an average of 20 to 25 classes each year, providing up to 12,000 credit hours of training to auditors from the Office of the Budget, Treasury, Auditor General and other state agencies. Most of the training we provide is lecture style, classroom training, developed and presented by nationally recognized training institutions such as the United States Department of Agriculture Graduate School and the National Association of State Auditors, Comptrollers and Treasurers. Those vendors have developed curriculums of courses, and we contract with them to provide on-site training, using their materials and instructors.

To determine which courses to sponsor, we generally conduct our training needs assessment during the summer months and complete contracting by September for courses to be presented from October through June. The schedule of classes to present is developed on a yearly basis, and our training cycle is based on the state fiscal year. In addition to contracted training, staff periodically develops and presents in-house training sessions to implement a recently issued audit standard, a new procedure or to introduce new skills or topics. This type of training is not normally planned too far in advance.

Our major concern is with section 11.69a of the proposed regulations regarding contents of the application for initial approval; specifically, the requirement to provide the dates and locations of programs, faculty names, titles and degrees, program objectives, outlines and credit hours. We feel that it is unlikely any sponsor (which contracts with outside vendors for courses to be presented on-site) would know what the schedule of classes would be for the next two years. Even if sponsors have a good idea of which subjects are intended to be presented during the next two years, it would be unlikely that contracts would be in place with vendors.

Mr. Steven Wennberg
March 17, 2000
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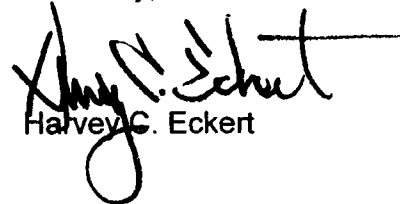
The Office of the Budget recognizes the need for a greater review of continuing education programs and of program sponsors, and for better record keeping. However, we believe the Board should implement a **post-review process rather than a pre-approval process**. We favor a reporting process where sponsors would submit a listing of courses presented during the past two-year period with each application. The Board can then use their off-site review process to ensure individual courses comply with regulations (i.e., course content, faculty qualifications, CPE calculations, attendance listings, etc.). This would be similar to your requirement for individuals to list the continuing education programs attended during the last biennial period as part of their renewal application.

Section 11.71 includes other responsibilities for program sponsors. We foresee no problems complying with all requirements except those related to the development and review of program content and selection of instructors. The Office of the Budget has implemented an Invitation to Qualify (ITQ) process for training through which we pre-qualified 21 vendors. When a need for a specific course arises, we contract with one of these vendors for presentation, but we rely on those vendors to develop all course materials and to provide qualified instructors. The Office of the Budget does not know the qualifications of the individuals that developed the course materials and rarely selects the individual instructors.

We believe other accounting and auditing firms that utilize vendors to present on-site training classes share our concerns. We are available to further discuss these issues with you and the Board.

If you have any questions, please contact Herbert A. Maguire, CPA, Director of the Bureau of Audits, Office of the Budget at 717-783-0114.

Sincerely,



Harvey C. Eckert

cc: Honorable Robert A. Bittenbender
James D. Neilson, Esq.
Herbert A. Maguire