



Secretary Carol Aichele

# PENNSYLVANIA STATE BOARD OF ACCOUNTANCY



[www.dos.state.pa.us](http://www.dos.state.pa.us)

November 2013

[Disciplinary Actions](#)

## Completion of CPE is Important!

In accordance with the CPA Law and the Regulations of the State Board of Accountancy ("Board"), the Board has the duty and authority to suspend, revoke or otherwise discipline under the CPA Law and the Board's regulations firms and individuals for statutory or regulatory licensing violations. Although there are a variety of professional situations for which the Board may take formal action, one such circumstance is the failure of a licensee to timely complete acceptable Continuing Professional Education ("CPE") as outlined in Board regulations at Sections 11.62 and 11.63.

All licensees must complete 80 CPE hours for professional licensure, with a minimum of 20 CPE hours each year; and with a minimum of 16 acceptable CPE hours in accounting and attest, 8 acceptable CPE hours in tax and 4 acceptable CPE hours in professional ethics for renewal. A mandatory professional ethics component has been added and is desirable to reinforce the critical importance of discharging professional duties not only with the requisite technical competency, but also with due regard for the principles of honesty and integrity that must be the threshold attributes of anyone credentialed to practice public accounting in this Commonwealth. CPE must be in the subject areas of: accounting and auditing; advisory services; management; professional skills development;

specialized knowledge and applications; taxation; and, professional ethics.

A licensee may be subject to disciplinary action under Section 9.1 of the CPA Law if an overall total of 80 acceptable hours are not completed in the biennial reporting period. Under Sections 9.1(a)(4) and 9.1(a)(10) of the CPA Law, a licensee may be censured or reprimanded, or be required to complete additional CPE hours or to undergo other remedial action, or have the CPA certificate and current license to practice public accounting revoked, suspended or otherwise restricted for any violations. Under Section 16(c) of the CPA Law a violating licensee is also subject to being assessed a civil penalty of up to \$10,000 per violation. Further, the Commonwealth may request as part of any disciplinary sanction to recover the costs of investigation in a matter.

In determining a sanction, the Board weighs the seriousness of the violation and any mitigating facts. Section 8.2(b) of the CPA Law requires a licensee to complete CPE as a condition of licensure renewal, and Section 9.2(d) of the CPA Law requires completion of a cycle's worth of CPE during the immediately preceding 24-month period for reactivation. Completion of CPE is required to maintain competence to practice public accounting in our Commonwealth.

[Contact Us](#)

[Report Unethical Activity](#)

[Renew Your License](#)

[Meet the Board](#)

[PHMP](#)

A licensee, who fails to recognize a deficiency in obtaining the necessary CPE, at the time of application to renew or reactivate licensure, may result in a license being issued for a period in which a licensee is not eligible. The Board considers it essential that any licensee cure the CPE deficiency and the Board will typically assess a civil penalty as a means of impressing upon a licensee and other credentialed professional accountants the importance of strictly adhering to the CPE requirements that are a condition of maintaining current licensure in the Commonwealth of Pennsylvania.

The purpose of CPE is to maintain, improve and expand the skills and knowledge of licensees. The maintenance of a current license is the most basic requirement under the CPA Law and is important for verifying compliance with peer review requirements, as well as to allow the Commonwealth to maintain a current listing of those individuals authorized to practice public accounting in Pennsylvania.

It is the responsibility and duty of the State Board of Accountancy to follow our statutory and regulatory laws for the protection of our citizen consumers.

## **Amendment to the Pennsylvania CPA Law to Eliminate "Attest Experience" from Experience Requirement for CPA Certification**

On June 19, 2013, Governor Corbett signed Act 15 of 2013, an amendment to the Pennsylvania CPA Law. The amendment, in part, removes the specific

requirement to obtain attest experience as part of the overall experience requirement to obtain CPA certification in Pennsylvania. Candidates for certification are still required to obtain either one year (1,600 hours) or two years (3,200 hours) of general experience, depending upon whether the candidate is required to comply with the 150 hour education requirement as stated in the CPA Law. The amendment only removes the need to obtain either 400 or 800 hours of attest experience and does not change the need to obtain either 1,600 or 3,200 hours of overall experience for certification.

The amendment was effective on August 18, 2013.

Candidates who previously submitted an application for certification with the Board and have met all statutory requirements for certification were deemed approved for certification at that time. Candidates who have been previously denied certification due to failure to meet the attest activity requirement must resubmit a new application along with the appropriate fee after the effective date of the amended Law. The new application for certification and verification of experience forms are available on the Board website.

Please see the amendments to the CPA Law at:

<http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2013&sessInd=0&billBody=H&billTyp=B&billNbr=0040&pn=0538> (Text that has been added to the Law is underlined and text that has been removed from the Law is bracketed.)

## Renewal reminders from the State Board of Accountancy

### RENEWAL NOTICES:

Renewal notices will be mailed out to all actively licensed CPA's, PA's, Firms and Program Sponsors approximately two months prior to the December 31, 2013 expiration date.

### RENEWAL FEES:

Certified Public Accountants and Public Accountants - \$100.00

Accountancy Firms - \$100.00

Program Sponsors - \$150.00

### ONLINE RENEWALS:

Pay close attention to the instructions when renewing online. Make sure your choices in any drop-down menu have been selected before continuing the renewal process and review all choices to prevent mistakes which could delay your renewal. It is advisable that you do not use your scroll button when making a selection in the drop down menu. You must have your registration code available when renewing your license online. The registration code can be found on the wallet card sized license. When entering your registration code, be sure to properly enter the capital and lower case letters as the registration code is case sensitive.

To renew online you must go to the "MyLicense" website at: [www.mylicense.state.pa.us](http://www.mylicense.state.pa.us) . Online license renewal should be available in October, 2013.

### PEER REVIEW COMPLIANCE PROCEDURES:

A firm or sole practitioner that performs audit or review engagements is no longer required to submit a copy of a current peer review completion letter at the time of application for license renewal. However, the firm or sole practitioner will be required to certify on the renewal application compliance with the peer review requirement and to furnish (1) the name of the organization that administered its most recent peer review (not the name of the firm that performed the peer review), (2) the date of acceptance of that peer review, and (3) the period covered by the peer review. The Board will verify your information with the peer review administering organization. This information is required whether you are renewing online or by paper renewal.

A request for extension of the peer review deadline must be submitted prior to December 31, 2013 in order to give the Board adequate time to consider the request.

### CONTINUING PROFESSIONAL EDUCATION:

You must have completed all required CPE prior to renewing your license. Licenses must be renewed by December 31, 2013. The Board recommends that you renew your license in time to have your new license in hand prior to the expiration date of your current license, December 31, 2013. Please note that you are no longer required to complete the Continuing Professional Education (CPE) reporting form, however, you will be asked to answer certifying questions during the renewal process regarding whether you have met the CPE requirements. CPE compliance will be verified during the Board's audit process following the renewal period.

Any request for a waiver of CPE requirements or extension of time for completion should be submitted at the time the hardship occurs; however, such request must be submitted prior to December 31, 2013 in order to give the Board adequate time to consider the request prior to license renewal.

### **Ethics Requirement Reminder for Upcoming Renewal (December 31, 2013)**

Licenses are reminded that the CPE requirement for renewing your CPA/PA license that will expire December 31, 2013 includes the following:

A total of 80 hours of qualified CPE obtained from approved program sponsors with a minimum of 16

of those 80 hours in accounting and attest courses; a minimum of 8 of those 80 hours in tax courses; a minimum of 4 of those 80 hours in professional ethics courses (professional ethics courses do not have to be state specific, but must be obtained from approved program sponsor). No more than 40 hours of the 80 total hours can be through a combination of individual study programs and authorship of publications. Additionally, you must obtain a minimum of 20 hours of qualified CPE in each calendar year (2012 and 2013).

CPE programs must be obtained from program sponsor's approved by the Pennsylvania State Board of Accountancy, NASBA, or a CPE program sponsor approved by another state's accountancy regulatory body that permits the practice of public accounting under the principles of substantial equivalency.