

RULES AND REGULATIONS

Title 49—PROFESSIONAL AND VOCATIONAL STANDARDS

STATE BOARD OF ACCOUNTANCY [49 PA. CODE CH. 11] Act 73 and Act 15 Amendments

The State Board of Accountancy (Board) amends §§ 11.1, 11.4, 11.5, 11.7, 11.8, 11.16, 11.55, 11.56, 11.63, 11.81 and 11.82 and adds §§ 11.23a and 11.57 (relating to competence to supervise attest services; and education requirements for CPA certification) to read as set forth in Annex A.

Effective Date

This final-form rulemaking is effective January 1, 2018.

Statutory Authority

Section 3(a)(10)—(12) of the CPA Law (act) (63 P.S. § 9.3(a)(10)—(12)) authorizes the Board to promulgate regulations. Specifically, section 3(a)(10) of the act authorizes the Board to promulgate and enforce rules and regulations consistent with the act establishing requirements of continuing education and peer review. Section 3(a)(11) of the act authorizes the Board to promulgate and amend rules of professional conduct. Section 3(a)(12) of the act provides the Board's general authority to promulgate and enforce regulations as necessary and proper to carry into effect the provisions of the act.

Description and Need for this Final-Form Rulemaking

The act of July 9, 2008 (P.L. 954, No. 73) (Act 73) amended the act in a number of significant ways. Act 73 provided for practice in this Commonwealth under substantial equivalence by persons licensed in other states. Act 73 also provided new education and experience standards for licensure. In addition, Act 73 increased from \$1,000 to \$10,000 the maximum civil penalty that the Board could levy in a disciplinary action and authorized the Board to assess the costs of investigation and made other technical revisions to the language of the act. Because the Board's existing regulations prohibit unlicensed practice without mention of substantial equivalency and address what experience and education is acceptable, the Board concluded that it should amend its regulations to implement Act 73. Therefore, the Board proposed, in addition to other amendments, to provide that those practicing under provisions of substantial equivalency would be permitted to use of designations such as "CPA" or "PA" without having a current license issued by the Board and would set the required experience standards for licensure.

The act of June 19, 2013 (P.L. 46, No. 15) (Act 15) also amended the act. Previously, a candidate was required to have at least 1 year of experience that, among other things, included at least 400 hours of experience in attest activity in public accounting, as an internal auditor meeting certain standards, or as an auditor with a unit of the Federal, state or local government. Act 15 replaced this with a requirement that the candidate's year of experience include "providing any type of service or advice involving the use of accounting, attest, compila-

tion, management advisory, financial advisory, tax or consulting skills, which were gained through employment in government, industry, academia or public practice." Additionally, a candidate had been required to have the experience "verified by an individual with a current license to practice public accounting as a certified public accountant or public accountant in this Commonwealth or another state." Act 15 amended this provision to require only that the experience be "verified by" a qualified individual. Because the Board's existing regulations address what experience is acceptable and set standards for the supervisor of that experience, the Board concluded that it should amend its regulations to implement Act 15. The Board proposed, in addition to other amendments, to set competence standards for those supervising attest services or signing an accountant's report and revise the minimum continuing professional education (CPE) requirements.

Summary of Comments to the Proposed Rulemaking and the Board's Response

Notice of proposed rulemaking was published at 45 Pa.B. 2878 (June 13, 2015), with a 30-day public comment period. The Board received comments from the Pennsylvania Institute of Certified Public Accountants (PICPA) and William J. Park, CPA. The Board received comments from the House Professional Licensure Committee (HPLC) and the Independent Regulatory Review Commission (IRRC). The Board did not receive comments from the Senate Consumer Protection and Professional Licensure Committee (SCP/PLC).

William J. Park, CPA indicated that he was overall in agreement with the proposed rulemaking, with certain exceptions. With the pace of change in the accounting profession and the increased importance of the attest function, he believes it would be prudent to require more than 80 hours in each year of experience before a certified public accountant (CPA) is permitted to sign an audit opinion, whereas proposed § 11.23a(b)(1) would require only 400 hours of experience in the previous 5 years in providing attest services. IRRC asked the Board to explain how its proposal sufficiently protects the public.

Prior to Act 15, a candidate was required to have at least 400 hours of experience in attest activity during the prior 5 years to qualify for a license; there were not additional qualifications required to supervise attest activity once licensed. This final-form rulemaking exceeds the prior standard by requiring ongoing attest experience of at least 400 hours within the immediately preceding 5 years before engaging in supervision of attest activity and by requiring 24 hours, not just 16 hours, of CPE within the prior 24 months and for every biennial renewal period, in addition to maintaining the level of education, experience and professional conduct required by applicable generally accepted professional standards as described in § 11.27 (relating to auditing standards and other technical standards). These standards are generally consistent with those applicable to CPAs in other states. For example, in New York, one who supervises attest services or signs or authorizes someone to sign an accountant's report on financial statements shall have maintained the level of education, experience and professional conduct required by generally accepted professional standards, have completed at least 40 hours of continuing education in the area of accounting, auditing or attest during the prior 3 calendar years, and either have at

least 1,000 hours of experience within the previous 5 years in providing attest services or reporting on financial statements or be employed by a firm that has undergone a satisfactory peer review. See 8 CRR-NY 29.10(a)(13)(ii). Comparatively, in California a CPA shall complete a minimum of 500 hours of experience in attest services to be authorized to sign reports on attest engagements. See Cal.Bus.&Prof. Code § 5095(a). The Board recognizes that, to the commentator's point, the experience requirement is less than that of New York, while it exceeds that of California by requiring ongoing experience and continuing education. However, the Board believes that the standards it is setting are both necessary and sufficient to protect the public interest without being overly burdensome.

Similarly, IRRC questioned why proposed § 11.23a(c) should exempt an accountant licensed before August 18, 2013, from the specific requirements of § 11.23a(b) otherwise required to show competence to supervise attest services or sign an accountant's report. In proposing the exemption, it appeared to the Board that an individual licensed before Act 15 would have already equally demonstrated competence through prior experience and ongoing CPE. However, having previously obtained that experience and completed appropriate CPE would not provide justification to waive the ethical requirement to maintain the level of education, experience and professional conduct required by generally accepted professional standards. Accordingly, upon further consideration, the Board determined the proposed exemption will be deleted from § 11.23a. Those licensed before Act 15 will be required to demonstrate competence to the same extent as later-licensed accountants to supervise the provision of attest services or sign an accountant's report for attest services.

Additionally, because the act defines "attest activity" in a way that he believes could only be performed in public accounting or to a lesser extent in government, the commentator suggested that industry and academia be deleted from the settings in § 11.23a(b)(1)(i) in which experience may be acquired to show competence in attest services. The Board disagrees that the definition of "attest activity" in section 2 of the act (63 P.S. § 9.2) necessarily excludes experience obtained in industry or academia. As defined, "attest activity" requires the issuance of a report expressing an opinion as part of the provision of any of various services, including audits in accordance with Statements on Auditing Standards, a review of a financial statement performed in accordance with Statements on Standards for Accounting and Review Services, an engagement performed in accordance with Statements on Standards for Attestation Engagements, an audit performed in accordance with government auditing standards issued by the Comptroller General of the United States or any other engagement performed in accordance with attestation standards established by an organization such as the American Institute of Certified Public Accountants or the Public Company Accounting Oversight Board. This definition does not limit the setting in which these services may be provided. Section 4.2(d)(2) of the act (63 P.S. § 9.4b(d)(2)) requires an applicant for certification to have appropriate experience "providing any type of service or advice involving the use of accounting, *attest*, compilation, management advisory, financial advisory, tax or consulting skills, *which were gained through employment in government, industry, academia or public practice*" (emphasis added). Reading these two provisions together, the Board believes that the General Assembly intended that appropriate experience in any type of professional services should be utilized to demon-

strate competence regardless of the venue in which it was obtained. Because a candidate or CPA might actually obtain attest experience in industry or academia, the Board believes that the provision should remain as proposed.

The commentator objected to § 11.55(c)(10) (relating to experience requirements for CPA certification) including teaching in the experience that qualifies one for certification, as the Board should assure that CPAs have real-life hands-on experience. The Board has not revised this paragraph, as it believes that teaching experience may also contribute to a candidate's own education and competence to practice public accounting.

PICPA objected to the Board's proposed requirement in § 11.55(a) that each year of experience shall include at least 1,600 hours of qualifying experience acquired over a period of no less than 12 months to satisfy the statutory requirement of at least 1 year of experience completed within 60 months prior to application. To illustrate its concern, PICPA hypothesized a tax preparer who works full-time through the first 4 months of the year acquiring over 2,000 hours of experience in 3 years, but would not have at least 1,600 hours in any 12-month period. The HPLC agreed with PICPA's comments. IRRC agreed with the concern of the HPLC and PICPA and recommended that the Board revise its requirement or explain why it is needed and reasonable. As PICPA alluded, the Board does not intend to keep part-time workers from qualifying for licensure. This provision was not intended to require a candidate to obtain 1,600 hours of experience in each 12-month period. Instead, the Board proposed this requirement to prevent those who gather more than 30 hours of experience each week from meeting the 1,600-hour requirement in less than the statutory 1 year. The comments demonstrate that the Board's proposed language was not sufficiently clear. Accordingly, the Board has revised this provision to require 1,600 hours of qualifying experience that shall be acquired over a period of not less than 12 months.

Additionally, IRRC looked at the provisions to implement substantial equivalency. It first questioned how the Board would know how many out-of-State accountants or firms are practicing in this Commonwealth under substantial equivalency and what mechanism the Board would use to obtain this information. The Board will not know how many out-of-State accountants or firms are practicing in this Commonwealth under substantial equivalency. Because in enacting Act 73 the General Assembly determined that it is appropriate to permit this practice and did not provide a mechanism to restrict the number of persons exercising this mobility of practice, the Board has no reason to determine the numbers or take action. IRRC further questioned who would make the important determination of substantial equivalency before services are rendered. It inquired whether all other states' requirements are substantially equivalent or, if not, whether the Board maintains a list of states whose standards are substantially equivalent that is available to the public. The National Qualification Appraisal Service of the National Association of State Boards of Accountancy reviewed the CPA licensure required of its member jurisdictions and determined that all states in the United States, as well as the District of Columbia, Guam and Puerto Rico, have CPA licensure requirements that are substantially equivalent to those of the Uniform Accountancy Act (a degree with 150 hours, minimum 1 year of experience and successful completion of the Uniform CPA Examination). Accordingly, because the education, experience and examination requirements of every other state

are comparable to those of the Commonwealth, a CPA licensed in any state is presumed to have qualifications substantially equivalent to the Commonwealth's requirements and may therefore practice in this Commonwealth under substantial equivalency.

IRRC also commented on the Board's proposed amendments to §§ 11.7 and 11.8 (relating to use of the designation "public accountant" and the abbreviation "PA"; and use of the designation "certified public accountant" and the abbreviation "CPA" in the practice of public accounting) to exempt those practicing under principles of substantial equivalency from the prohibitions against using certain designations unless licensed. Rather than exempting them from the general rule, IRRC recommended that substantial equivalency be added as a substantive requirement, as preferred in the *Pennsylvania Code & Bulletin Style Manual*. The Board revised §§ 11.7 and 11.8 accordingly.

IRRC commented on the clarity of the proposed rulemaking concerning the required amount of CPE. The Board proposed to amend § 11.63(a)(1) (relating to CPE subject areas; relevance to professional competence) so that instead of requiring all licensees to complete at least 16 CPE hours in accounting and attest, only those who participate in attest will be required to do so, although the minimum will increase to 24 CPE hours in these subjects. The Board also proposed adding a note that a licensee who supervises attest services and signs an accountant's report for attest services may also need to complete additional CPE in accounting and attest to comply with § 11.23a, which requires at least 24 CPE hours in the area of accounting, auditing or attest during the 24 months immediately preceding the issuance of the report. IRRC recommended that the Board review and amend these provisions as necessary to clarify how to comply with the CPE requirements. The Board does not perceive conflict or confusion with these provisions. Licensees are required under § 11.62(a) (relating to CPE requirement for issuance of license; waiver or extension) to complete a total of 80 hours of CPE each biennial cycle. A licensee who participates in attest activity is required under final-form § 11.63(a)(1) to complete at least 24 hours of the CPE hours in accounting and attest during each biennial renewal period. A licensee who supervises attest activity or who signs an accountant's report for attest services is required under § 11.23a(b) to complete at least 24 CPE hours in accounting, auditing or attest during the 24 months immediately preceding issuance of the report. Nothing in this final-form rulemaking suggests that a licensee who participates in attest activity by supervising attest activity or signing an account's report and who completes the required 24 hours of CPE within the 24 months prior to issuance of the report cannot also use that CPE to meet the biennial renewal requirements, so long as the CPE hours are applied to the appropriate biennium. However, to make the regulation clearer, the Board added an additional sentence to § 11.23a(b)(1)(i) to require that the CPE required to be competent to supervise attest shall comply with the general requirements for CPE and may be used to satisfy the biennial CPE obligation.

Fiscal Impact

This final-form rulemaking will not have fiscal impact on the regulated community, the general public or the Commonwealth and its political subdivisions.

Paperwork Requirements

This final-form rulemaking will not impose additional paperwork requirements upon the Commonwealth, political subdivisions, the regulated community or the private sector.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on May 29, 2015, the Board submitted a copy of the notice of proposed rulemaking, published at 45 Pa.B. 2878, to IRRC and the Chairpersons of the HPLC and the SCP/PLC for review and comment.

Under section 5(c) of the Regulatory Review Act, the Board shall submit to IRRC, the HPLC and the SCP/PLC copies of comments received during the public comment period, as well as other documents when requested. In preparing the final-form rulemaking, the Board has considered all comments from IRRC, the HPLC and the public.

Under section 5.1(j.2) of the Regulatory Review Act (71 P.S. § 745.5a(j.2)), on August 23, 2017, the final-form rulemaking was deemed approved by the HPLC and the SCP/PLC. Under section 5.1(e) of the Regulatory Review Act, IRRC met on August 24, 2017, and approved the final-form rulemaking.

Additional Information

Further information may be obtained by contacting Sara Fox, Board Administrator, State Board of Accountancy, P.O. Box 2649, Harrisburg, PA 17105-2649, RA-accountancy@pa.gov. Reference No. 16A-5513 (Act 73 and Act 15 amendments) when requesting information.

Findings

The Board finds that:

- (1) Public notice of proposed rulemaking was given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769, No. 240) and regulations promulgated thereunder, 1 Pa. Code §§ 7.1 and 7.2.
- (2) A public comment period was provided as required by law and all comments were considered.
- (3) The amendments to this final-form rulemaking do not enlarge the scope of proposed rulemaking published at 45 Pa.B. 2878.
- (4) The final-form rulemaking adopted by this order is necessary and appropriate for the administration of the act.

Order

The Board, acting under the act, orders that:

- (1) The regulations of the Board, 49 Pa. Code Chapter 11, are amended by adding §§ 11.23a and 11.57 and amending §§ 11.1, 11.4, 11.5, 11.7, 11.8, 11.16, 11.55, 11.56, 11.63, 11.81 and 11.82 to read as set forth in Annex A.
- (2) The Board shall submit this order and Annex A to the Office of Attorney General and the Office of General Counsel for approval as required by law.
- (3) The Board shall submit this order and Annex A to IRRC, the HPLC and the SCP/PLC as required by law.
- (4) The Board shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.
- (5) This final-form rulemaking shall take effect January 1, 2018.

BARRY M. BERKOWITZ, CPA,
Chairperson

(Editor's Note: See 47 Pa.B. 5761 (September 9, 2017) for IRRC's approval order.)

Fiscal Note: Fiscal Note 16A-5513 remains valid for the final adoption of the subject regulations.

Annex A

TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS

PART I. DEPARTMENT OF STATE

Subpart A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS

**CHAPTER 11. STATE BOARD OF ACCOUNTANCY
GENERAL PROVISIONS**

§ 11.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

AICPA—American Institute of Certified Public Accountants.

Act—The CPA Law (63 P.S. §§ 9.1—9.16b).

Attest activity—The provision of any of the following financial statement services together with the issuance of a report expressing or disclaiming an opinion or other assurance on the information:

(i) An audit or other engagement performed in accordance with Statements on Auditing Standards.

(ii) A review or compilation of a financial statement performed in accordance with SSARS.

(iii) An engagement performed in accordance with SSAE.

(iv) An audit or other engagement performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

(v) Other engagement performed in accordance with attestation standards established by an organization granted authority by statute or regulation to establish attestation standards, such as the AICPA or the PCAOB.

Board—The State Board of Accountancy of the Commonwealth.

CPA—Certified public accountant.

CPE—Continuing professional education.

CPE program sponsor—An individual or entity that assumes responsibility for presenting a CPE program that is structured as a group study program, interactive individual study program or noninteractive individual study program.

Candidate—A person sitting for an examination.

Certificate—A certificate as a “certified public accountant” issued under the act or a corresponding right to practice as a certified public accountant issued after examination under the law of another jurisdiction.

Certificate of completion—A document prepared by a CPE program sponsor evidencing a participant's completion of a group study program, interactive individual study program or noninteractive individual study program.

Certified public accountant—An individual to whom a certificate has been issued.

Client—A person that agrees orally, in writing or in electronic form with a certified public accountant, public accountant or firm to receive a professional service.

Commission—

(i) Compensation for recommending or referring a product or service to be supplied by another person.

(ii) The term does not include a referral fee.

Compilation—A service performed in accordance with SSARS that presents, in the form of financial statements, information that is the representation of management or the owners without undertaking to express any assurance on the statements.

Contingent fee—A fee established for the performance of a service under an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of the service.

Engagement—An undertaking by a licensee embodied in an agreement between the licensee and the client which defines the scope and terms of the services.

Enterprise—A person or entity, whether organized for profit or not, with respect to which a licensee performs professional services.

Financial statement—

(i) A statement and footnotes related to the statement that purport to show financial position which relates to a point in time or changes in financial position which relate to a period of time.

(ii) The term includes statements which use a cash or other incomplete basis of accounting.

(iii) The term also includes balance sheets, statements of income, statements of retained earnings, statements of changes in financial position and statements of changes in owner's equity.

(iv) The term does not include incidental financial data included in management advisory services reports to support recommendations to a client, tax returns or supporting schedules.

Firm—A qualified association that is a licensee.

GAAP—Generally Accepted Accounting Principles.

GAAS—Generally Accepted Auditing Standards.

GAGAS—Generally Accepted Government Auditing Standards.

Group study program—A CPE program that is designed to permit a participant to learn a given subject through interaction with an instructor and other participants.

Inactive status—

(i) Status of a CPA or public accountant who has returned his license to practice public accounting to the Board and who has requested in writing that the Board place his name on the inactive roll.

(ii) The term does not apply to the status of a CPA or public accountant whose license to practice public accounting has expired for failure to comply with requirements for biennial renewal of licensure.

Instructional design—A teaching plan that considers the organization and interaction of program materials as well as the method of presentation such as lecture, seminar, workshop or program instruction.

Interactive individual study program—A CPE program that is designed to use interactive learning methodologies that simulate a classroom learning process by employing software, other courseware or administrative systems that provide significant ongoing interactive feedback to the participant regarding the learning process.

Licensee—

(i) An individual who is certified by or registered with the Board and holds a current license to practice under section 8.2 of the act (63 P.S. § 9.8b) or a qualified association that holds a current license to practice under section 8.8 of the act (63 P.S. § 9.8h).

(ii) The term does not include an individual who is on inactive status under section 8.2(a.1) of the act or who does not otherwise hold a current license.

NASBA—National Association of State Boards of Accountancy.

New candidate—A candidate who is taking the examination in this Commonwealth for the first time.

Noninteractive individual study program—A CPE program that is designed to permit a participant to learn a given subject without interaction with an instructor or interactive learning methodologies and requires the participant to achieve a 70% minimum grade on a written examination or workbook.

PCAOB—Public Company Accounting Oversight Board.

Professional competence—Having requisite knowledge, skills and abilities to provide quality professional service as defined by the technical and ethical standards of the profession.

Professional services—Services performed by a certified public accountant, public accountant or firm as part of the practice of public accounting or services that would be part of the practice of public accounting except that the individual performing the services does not hold out as a certified public accountant or public accountant.

Public accounting—Offering to perform or performing for a client or potential client:

- (i) Attest activity.
- (ii) Other professional services involving the use of accounting skills, including management advisory or consulting services, business valuations, financial planning, preparation of tax returns or furnishing of advice on tax matters by a person holding out as a CPA, public accountant or firm.

Public communication—A communication made in identical form to multiple persons as to the world at large, such as by television, radio, motion picture, newspaper, pamphlet, mass mailing, letterhead, business card or directory.

Qualified association—An association as defined in 15 Pa.C.S. § 102 (relating to definitions) that is incorporated or organized under the laws of the Commonwealth or any other state or foreign jurisdiction if the organic law under which the association is incorporated or organized does not afford the shareholders, partners, members or other owners of equity interest in the association or the officers, employees or agents of the association greater immunity than is available to the shareholders, officers, employees or agents of a professional corporation under 15 Pa.C.S. § 2925 (relating to professional relationship retained).

SEC—Securities and Exchange Commission.

SSAE—Statements on Standards for Attestation Engagements.

SSARS—Statements of Standards on Accounting and Review Services.

Statements on auditing standards—The Statements on Auditing Standards of the Auditing Standards Board of the AICPA, or similar professional standard which supersedes these statements.

Substantial equivalency—Either of the following:

(i) The education, examination and experience requirements in the statutes and regulations of another jurisdiction are comparable to or exceed the education, examination and experience requirements in the act.

(ii) A certified public accountant’s education, examination and experience qualifications are comparable to or exceed the education, examination and experience requirements in the act.

§ 11.4. Fees.

Following is the schedule of fees charged by the Board:

Certification and initial licensure of certified public accountant	\$65
Initial licensure of public accounting firm	\$45
Temporary practice permit	\$25
Biennial renewal of license of certified public accountant, public accountant or public accounting firm	\$100
Reinstatement of inactive or expired license	\$35
Certification of scores	\$25
Verification of certification, registration or licensure ..	\$15
Initial approval of program sponsor or reapproval of previously approved program sponsor	\$145
Biennial renewal of approval of program sponsor ...	\$150

§ 11.5. Temporary practice in this Commonwealth; practice under substantial equivalency.

(a) *Requirements for temporary practice.* Except as provided in subsection (e), a CPA or qualified association composed of CPAs of another state may temporarily practice public accounting in this Commonwealth, if the CPA or qualified association:

- (1) Holds a current license or registration to practice public accounting in the other state.
- (2) Concurrently practices public accounting in the other state.
- (3) Obtains from the Board a temporary practice permit prior to performing the temporary work.

(b) *Temporary practice permit.* The temporary practice permit:

- (1) Allows the permitholder to work for not more than 500 hours in this Commonwealth during a 12-month period, except that this 500-hour limitation does not apply if the permitholder is working only on a single, nonrecurring engagement.
- (2) Is valid for not more than 12 months.
- (3) Is renewable if the permit was not granted for a single, nonrecurring engagement in excess of 500 hours.

(c) *Failure to meet requirements for temporary practice.* Except as provided in subsection (e), a CPA or qualified association of CPAs of another state that desires to practice public accounting in this Commonwealth but does not qualify for a temporary practice permit shall

comply, as appropriate, with sections 5, 8.2 and 8.8 of the act (63 P.S. §§ 9.5, 9.8b and 9.8h).

(d) *Exemption from requirement of temporary practice permit.* Subsection (a) does not apply to a CPA or qualified association of CPAs of another state that, while not holding out as a CPA, public accountant or licensee, offers and renders in this Commonwealth bookkeeping and similar technical services or other services involving the use of accounting skills, including the preparation of tax returns and the preparation of financial information without issuing a report or other communication that expresses an opinion or assurance on the statements.

(e) *Practice under substantial equivalency.* An individual who satisfies the requirements of section 5.2 of the act (63 P.S. § 9.5b) may practice public accounting in this Commonwealth to the extent authorized by section 5.2 of the act without holding a registration, certificate or temporary practice permit from the Board. A firm that satisfies the requirements of section 5.4 of the act (63 P.S. § 9.5d) may practice public accounting in this Commonwealth to the extent authorized by section 5.4 of the act without holding a current license or temporary practice permit from the Board.

SUPERVISION

§ 11.7. Use of the designation “public accountant” and the abbreviation “PA.”

(a) Only the following individuals and entities may use the designation “public accountant,” the abbreviation “PA,” or any other title, designation, words, letters or abbreviation tending to indicate that the user is a public accountant or is composed of public accountants:

(1) An individual who holds a public accountant registration and a current license from the Board.

(2) An individual who holds a certificate of certified public accountant from the Board or who has received written notification from the Board that he is qualified to receive a certificate of certified public accountant.

(3) A qualified association that holds a current license from the Board.

(4) An individual or firm practicing under substantial equivalency in accordance with § 11.5(e) (relating to temporary practice in this Commonwealth; practice under substantial equivalency).

(b) An individual or qualified association engaged in the practice of public accounting may not use the designation “public accountant,” the abbreviation “PA,” or any other title, designation, words, letters or abbreviation tending to indicate that the user is a public accountant or composed of public accountants unless the user holds a current license from the Board or the user is practicing under substantial equivalency in accordance with § 11.5(e).

(c) The following are examples of unlawful use under this section:

(1) An individual who is registered by the Board as a public accountant but who does not hold a current license uses a business card bearing the designation “public accountant.” *Explanation:* The individual shall obtain a current license to use the designation “public accountant.”

(2) An individual who is certified by the Board as a CPA but who does not hold a current license signs tax returns that he prepares for clients as “John Doe, PA.” *Explanation:* The individual shall obtain a current license to use the abbreviation “PA” because the preparation of

tax returns while using such an abbreviation constitutes the practice of public accounting.

(d) An individual or entity that violates this section shall be subject to disciplinary action, as appropriate, under sections 9.1, 12, 14 and 16 of the act (63 P.S. §§ 9.9a, 9.9c, 9.14 and 9.16).

§ 11.8. Use of the designation “certified public accountant” and the abbreviation “CPA” in the practice of public accounting.

(a) Only the following individuals and entities may use the designation “certified public accountant,” the abbreviation “CPA,” or any other designation, title, words, letters or abbreviation tending to indicate that the user is a CPA or composed of CPAs while engaged in the practice of public accounting:

(1) An individual who holds a certificate of certified public accountant and a current license from the Board.

(2) An individual who holds a public accountant registration and current license from the Board and who has received written notification from the Board that he is qualified to receive a certificate of certified public accountant.

(3) A qualified association that holds a current license from the Board.

(4) An individual or firm practicing under substantial equivalency in accordance with § 11.5(e) (relating to temporary practice in this Commonwealth; practice under substantial equivalency).

(b) An individual or qualified association engaged in the practice of public accounting may not use the designation “certified public accountant,” the abbreviation “CPA,” or any other title, designation, words, letters or abbreviation tending to indicate that the user is a CPA or composed of CPAs unless the user holds a current license from the Board or the user is practicing under substantial equivalency in accordance with § 11.5(e).

(c) The following are examples of unlawful use under this section:

(1) An individual who is certified by the Board as a CPA but who does not hold a current license offers to establish a bookkeeping system for a potential client and tells the potential client that he is a “certified public accountant.” *Explanation:* The individual shall obtain a current license to use the designation “certified public accountant” because offering to perform a service related to accounting while using the designation constitutes the practice of public accounting.

(2) An unlicensed partnership comprised of two individuals—“Smith” and “Brown”—who possess certificates of certified public accountant and current licenses from the Board offers to perform tax preparation services for clients under the business name “Smith & Brown, CPAs.” *Explanation:* The partnership, being a qualified association, shall obtain a current license to use the designation “CPAs” because offering to prepare tax returns while using the designation constitutes the practice of public accounting.

(d) An individual or entity that violates this section shall be subject to disciplinary action, as appropriate, under sections 9.1, 12, 14 and 16 of the act (63 P.S. §§ 9.9a, 9.9c, 9.14 and 9.16).

EXAMINATIONS

§ 11.16. Examination completion requirement.

(a) The CPA examination will be administered during an examination window that consists of the first 2 months of each quarter of every year. An examination candidate may take the four parts of the examination individually or in combination, and in any order. A candidate may take each unpassed part of the examination once during each examination window. A candidate will receive conditional credit for passing each part of the examination without regard to the scores on the parts not passed.

(b) Unless extended by the Board as provided in subsection (c), an examination candidate shall pass all parts of the examination during a rolling 18-month period that begins on the date the candidate first passes one part of the examination. If the candidate does not pass all parts of the examination within the 18-month period, conditional credit for any part passed outside the 18-month period will expire, and the candidate shall retake that part of the examination.

(c) Notwithstanding the requirements of subsections (a) and (b), the Board may extend the term of a candidate's conditional credit upon the candidate's showing that the conditional credit expired by reason of circumstances beyond the candidate's control.

RELATIONS WITH CLIENTS AND PUBLIC

§ 11.23a. Competence to supervise attest services.

(a) A licensee may not supervise attest services and sign or authorize another to sign an accountant's report for attest services unless the licensee satisfies the competence requirements of this section.

(b) To be competent to supervise attest services and sign or authorize another to sign an accountant's report for attest services, a licensee shall:

(1) Meet at least one of the following:

(i) Have at least 400 hours of experience within the previous 5 years in providing attest services gained in government, industry, academia or public practice and at least 24 hours of CPE in the area of accounting, auditing or attest during the 24 months immediately preceding issuance of the report. This CPE must comply with the standards of §§ 11.61—11.64, 11.67, 11.68, 11.68a, 11.69a, 11.71, 11.71a and 11.72 and may be used to satisfy the requirements of §§ 11.62(a)—(c) and 11.63(a)(1) (relating to CPE requirement for issuance of license; waiver or extension; and CPE subject areas; relevance to professional competence).

(ii) Be a member of or employed by a firm registered with the Board that has met the requirements of § 11.82 (relating to peer review compliance).

(2) Have maintained the level of education, experience and professional conduct required by applicable generally accepted professional standards as described in § 11.27 (relating to auditing standards and other technical standards).

EXPERIENCE

§ 11.55. Experience requirements for CPA certification.

(a) *General requirements.* Except as provided in subsection (b), a candidate for CPA certification shall have completed at least 1,600 hours of qualifying experience during the 60-month period immediately preceding the

date of application that included providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills which were gained through employment in government, industry, academia or public practice. The 1,600 hours of qualifying experience shall be acquired over a period of not less than 12 months.

(b) *Exceptions.*

(1) A candidate who sat for the CPA examination before December 31, 2011, but did not pass at least one part of the examination before that date and satisfies the requirements of § 11.57(a)(1) (relating to education requirements for CPA certification) shall have completed at least 1 year of qualifying experience meeting the requirements of subsections (a) and (c) during the 120-month period immediately preceding the date of application.

(2) A candidate who passed at least one part of the CPA examination before December 31, 2011, and satisfies the requirements of § 11.57(a)(2) shall have completed at least 2 years of qualifying experience meeting the requirements of subsections (a) and (c) during the 120-month period immediately preceding the date of application.

(3) A candidate who passed at least one part of the CPA examination before December 31, 2011, and satisfies the requirements of § 11.57(a)(3) shall have completed at least 1 year of qualifying experience meeting the requirements of subsections (a) and (c) during the 120-month period immediately preceding the date of application.

(c) *Acceptable areas of qualified experience.* A candidate's experience shall be of a caliber satisfactory to the Board and may include one or more of the following areas:

- (1) Attest activity.
- (2) Business valuations.
- (3) Preparation of income and nonprofit tax returns.
- (4) Tax research that is properly documented.
- (5) Representation before a government agency on a tax matter.
- (6) Financial forecasts, analyses and projections.
- (7) Management advisory services that meet AICPA standards.
- (8) Management and supervision of accounting functions and preparing financial statements for profit or not-for-profit entities.
- (9) Professional accounting-related work in a public accounting firm.
- (10) Teaching accounting, auditing, taxation and related courses for academic credit at an accredited college or university. Teaching must include at least two different courses above the introductory level. One year of experience must consist of no less than 24 semester hours, or the equivalent in quarter hours, taught in a period of not less than 12 months and not more than 36 months. Courses outside the fields of accounting, auditing, taxation and related courses will not be counted toward teaching. Nonqualifying courses include, for example, business law, finance, computer applications, personnel management, economics and statistics.

(11) Other areas of experience acceptable to the Board.

(d) *Nonqualifying experience.* A candidate will not receive credit for the following types of experience:

(1) Experience that is not verified in accordance with § 11.56 (relating to verification of experience).

(2) Experience comprising nonprofessional work, including recruiting, marketing, administration and appraisals.

(3) Paraprofessional work and bookkeeping that does not comply with subsection (c)(9).

§ 11.56. Verification of experience.

(a) To receive credit for experience under § 11.55 (relating to experience requirements for CPA certification), a candidate for CPA certification shall have the experience verified by an individual who meets the following conditions at the time the experience is acquired:

(1) Holds a current license to practice as a CPA or public accountant in this Commonwealth or another jurisdiction during the entire period of verification.

(2) Either employs the candidate or is employed by the same employer as the candidate, or has another similar relationship approved by the Board prior to the period of verification.

(3) Is directly or indirectly responsible for evaluating the candidate's work.

(b) An individual verifying a candidate's experience shall submit a verified statement regarding the candidate's experience on a form provided by the Board specifying the dates and the types and hours of experience acquired, along with information demonstrating that the individual satisfies the requirements of subsection (a).

(c) An individual who submits a verified statement shall be responsible for its accuracy. An individual who submits a false or inaccurate verified statement or who refuses to submit a verified statement when qualified experience has been acquired shall be subject to disciplinary action under section 9.1 of the act (63 P.S. § 9.9a).

(d) The Board may reject a verification when the Board questions the independent exercise of judgment by the individual making the verification.

EDUCATION

§ 11.57. Education requirements for CPA certification.

(a) *General requirements.* A candidate to sit for the CPA certification examination shall have graduated with any of the following:

(1) A baccalaureate or higher degree from a college or university accredited by a Nationally recognized accrediting agency recognized by the United States Department of Education or approved by the Board and completed a total of 150 semester credits of post-secondary education, including at least 24 semester credits of accounting and auditing, business law, finance or tax subjects of a content satisfactory to the Board, not necessarily as part of the candidate's undergraduate or graduate work, and an additional 12 semester credits in accounting, auditing and tax subjects of a content satisfactory to the Board, not necessarily as part of the candidate's undergraduate or graduate work.

(2) A baccalaureate or higher degree from a college or university accredited by a Nationally recognized accrediting agency recognized by the United States Department of Education or approved by the Board and completed at least 24 semester credits in accounting and auditing,

business law, finance or tax subjects of a content satisfactory to the Board, not necessarily as part of the candidate's undergraduate work.

(3) A master's degree or other post-graduate degree from a college or university accredited by a Nationally recognized accrediting agency recognized by the United States Department of Education or approved by the Board and completed at least 24 semester credits in accounting and auditing, business law, finance or tax subjects of a content satisfactory to the Board, not necessarily as part of the candidate's undergraduate or graduate work.

(b) *Issuance of certificate.* Except as provided in § 11.55(b) (relating to experience requirements for CPA certification), the Board will not issue a certificate to a candidate who qualified to sit for the CPA certification examination under subsection (a)(2) or (3) unless the candidate has also satisfied subsection (a)(1).

CONTINUING PROFESSIONAL EDUCATION

§ 11.63. CPE subject areas; relevance to professional competence.

(a) The CPE hours required under § 11.62 (relating to CPE requirement for issuance of license; waiver or extension) must be in the following subject areas and with the following minimum hours as noted:

(1) Accounting and attest—minimum of 24 CPE hours if participating in attest activity; otherwise no minimum. A licensee who supervises attest services and signs an accountant's report for attest services may also need to complete additional CPE as provided in § 11.23a (relating to competence to supervise attest services).

(2) Advisory services—no minimum.

(3) Management—no minimum.

(4) Professional skills development—no minimum.

(5) Specialized knowledge and applications—no minimum.

(6) Taxation—no minimum.

(7) Professional ethics—minimum of 4 CPE hours (effective as a condition of obtaining a license for the 2014-15 license period and thereafter).

(b) The CPE hours required under § 11.62 must be relevant to maintaining the professional competence of a certified public accountant or public accountant.

PEER REVIEW

§ 11.81. Definitions.

The following words and terms, when used in this section and §§ 11.82—11.86 have the following meanings, unless the content clearly indicates otherwise:

Administering organization—An entity that meets the standards specified by the Board for administering a peer review program.

Audit engagement—An audit as defined in the AICPA's Statement on Auditing Standards.

Engagement review—A peer review process which provides the reviewer with a reasonable basis for expressing limited assurance that:

(i) The financial statements or information and the related accountant's report on the accounting, review and attestation engagements submitted for review conform with the requirements of professional standards in all material respects.

(ii) The reviewed firm's documentation conforms with the requirements of SSARS and SSAE applicable to those engagements in all material respects.

Firm—A licensee who is a sole practitioner or a licensee that is a qualified association as defined in section 2 of the act (63 P.S. § 9.2).

Peer reviewer—An individual who conducts an engagement or system review. The term includes an individual who serves as captain of a system review team.

Review engagement—A review as defined in the AICPA's Statement of Standards on Accounting and Review Services.

Sole practitioner—A licensed certified public accountant or licensed public accountant who practices public accounting on his own behalf.

System review—A peer review process which provides the reviewer with a reasonable basis for expressing an opinion on whether, during the year under review:

(i) The reviewed firm's system of quality control for its accounting and auditing practice has been designed in accordance with quality control standards established by the AICPA.

(ii) Is being complied with to provide the firm with reasonable assurance of conforming with professional standards in all material respects.

§ 11.82. Peer review compliance.

(a) Unless subject to an exemption under section 8.9(g) of the act (63 P.S. § 9.8i(g)), a firm shall complete a peer review as required under section 8.9(a), (b) and (d) of the act as a condition of renewal of the firm's license.

(b) Unless required earlier under section 8.9(j) of the act, a new firm that is required to complete a peer review shall undergo its first peer review within 18 months after it is granted its initial license. A firm that had been exempt from the peer review requirement under section 8.9(g)(2) of the act or had otherwise not previously been required to undergo a peer review but begins an engagement to perform an attest activity other than a compilation shall complete a peer review within 18 months after commencing the engagement.

(c) A nonexempt firm that performs an audit or review engagement shall submit with its application for initial licensure or license renewal a letter from the peer review administering organization that evidences the firm's completion of a peer review.

(d) A firm that performs an audit or review engagement is entitled to an exemption from peer review if any of the three conditions in section 8.9(g) of the act apply. A firm claiming an exemption shall submit with its application for initial licensure or license renewal information that substantiates its entitlement to an exemption as follows:

(1) *Exemption under section 8.9(g)(1) of the act.* Both of the following:

(i) A letter from an out-of-State peer review administering organization evidencing the firm's completion of a peer review, within 3 years prior to the date of the application, that meets the requirements of the act and this chapter.

(ii) A statement that the firm's internal inspection or monitoring procedures require that the firm's personnel

from an out-of-State office to perform an inspection of the firm's offices in this Commonwealth at least once every 3 years.

(2) *Exemption under section 8.9(g)(2) of the act.* A notarized statement from the firm that the following conditions have been met:

(i) The firm has not accepted or performed any audit or review engagement during the preceding 2 years.

(ii) The firm does not intend to accept or perform any audit or review engagement during the next 2 years.

(iii) The firm agrees to notify the Board within 30 days of accepting an audit or review engagement and to undergo a peer review within 18 months of commencing the engagement.

(3) *Exemption under section 8.9(g)(3) of the act.* One or more of the following:

(i) A physician's statement that a specified medical condition prevents the firm from completing a timely peer review.

(ii) A statement from the appropriate military authority that military service prevents the firm from completing a timely peer review.

(iii) A notarized statement from the firm setting forth unforeseen exigent circumstances that prevent the firm from completing a timely peer review.

(e) A firm that performs no audit or examination engagements but does perform one or more review engagements is only required to undergo an engagement review.

[Pa.B. Doc. No. 17-1573. Filed for public inspection September 22, 2017, 9:00 a.m.]

BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

[49 PA. CODE CH. 43b]

Schedule of Civil Penalties—Accountants

The Commissioner of Professional and Occupational Affairs (Commissioner) amends § 43b.10a (relating to schedule of civil penalties—accountants) to read as set forth in Annex A.

Effective Date

This final-form rulemaking is effective January 1, 2018.

Statutory Authority

Section 5(a) of the act of July 2, 1993 (P.L. 345, No. 48) (Act 48) (63 P.S. § 2205(a)) authorizes the Commissioner, after consultation with licensing boards in the Bureau of Professional and Occupational Affairs (Bureau), to promulgate a schedule of civil penalties for violations of the acts or regulations of the licensing boards.

Description and Need for this Final-Form Rulemaking

Act 48 authorizes agents of the Bureau to issue citations and impose civil penalties under schedules adopted by the Commissioner in consultation with the Bureau's boards and commissions. Act 48 citations streamline the disciplinary process by eliminating the need for formal orders to show cause, answers, adjudications and orders, and consent agreements. An individual who receives an Act 48 citation retains his due process right to a hearing

prior to the imposition of discipline. Under the authority of Act 48, the Commissioner previously published a schedule of civil penalties for certain violations of the CPA Law (63 P.S. §§ 9.1—9.16b) and the regulations of the State Board of Accountancy (Board). This schedule includes violations of the Board’s continuing professional education (CPE) regulations. Because the Board is amending its regulations concerning required CPE in a separate final-form rulemaking, the Commissioner, with approval of the Board, is similarly amending § 43b.10a to reflect the Board’s final-form rulemaking. See 47 Pa.B. 5940 (September 23, 2017).

Summary of Comments and Responses to Proposed Rulemaking

Notice of proposed rulemaking was published at 45 Pa.B. 2874 (June 13, 2015), with a 30-day public comment period. The Pennsylvania State Association of Township Supervisors commented that it did not have a position on the rulemaking, as it does not affect the organization’s members. The Commissioner received no other comments from the public. The Senate Consumer Protection and Professional Licensure Committee (SCP/PLC) did not submit comments. The House Professional Licensure Committee (HPLC) notified the Commissioner that it would not take formal action until the final-form rulemaking is promulgated. The Independent Regulatory Review Commission (IRRC) notified the Commissioner that it did not have objections, comments or recommendations and that, if the final-form rulemaking was delivered without revisions and the Legislative committees do not take action, the final-form rulemaking would be deemed approved. In that there were no substantive comments on the proposed rulemaking, the Commissioner did not revise the final-form rulemaking.

Fiscal Impact

This final-form rulemaking will not have fiscal impact on the regulated community, the general public or the Commonwealth and its political subdivisions.

Paperwork Requirements

This final-form rulemaking will not impose additional paperwork requirements upon the Commonwealth, political subdivisions, the regulated community or the private sector.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on May 29, 2015, the Commissioner submitted a copy of the notice of proposed rulemaking, published at 45 Pa.B. 2874, to IRRC and the Chairpersons of the HPLC and the SCP/PLC for review and comment.

Under section 5(c) of the Regulatory Review Act, the Commissioner shall submit to IRRC, the HPLC and the SCP/PLC copies of comments received during the public comment period, as well as other documents when re-

quested. In preparing the final-form rulemaking, the Commissioner has considered all comments from the HPLC and the public.

Under section 5.1(j.2) of the Regulatory Review Act (71 P.S. § 745.5a(j.2)), on August 23, 2017, the final-form rulemaking was deemed approved by the HPLC and the SCP/PLC. Under section 5(g) of the Regulatory Review Act, the final-form rulemaking was deemed approved by IRRC effective August 23, 2017.

Additional Information

Further information may be obtained by contacting Sara Fox, Board Administrator, State Board of Accountancy, P.O. Box 2649, Harrisburg, PA 17105-2649, RA-accountancy@pa.gov. Reference No. 16A-5514 (schedule of civil penalties—accountants) when requesting information.

Findings

The Commissioner finds that:

- (1) Public notice of proposed rulemaking was given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769, No. 240) and regulations promulgated thereunder, 1 Pa. Code §§ 7.1 and 7.2.
- (2) A public comment period was provided as required by law, and all comments were considered.
- (3) This final-form rulemaking does not include any amendments that would enlarge the scope of the proposed rulemaking published at 45 Pa.B. 2874.
- (4) The final-form rulemaking adopted by this order is necessary and appropriate for the administration of the CPA Law and Act 48.

Order

The Commissioner, acting under Act 48, orders that:

- (a) The regulations of the Commissioner, 49 Pa. Code Chapter 43b, are amended by amending § 43b.10a to read as set forth in Annex A.
- (b) The Commissioner shall submit this order and Annex A to the Office of Attorney General and the Office of General Counsel for approval as required by law.
- (c) The Commissioner shall submit this order and Annex A to IRRC, the HPLC and the SCP/PLC as required by law.
- (d) The Commissioner shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.
- (e) This final-form rulemaking shall take effect January 1, 2018.

IAN J. HARLOW,

Commissioner of Professional and Occupational Affairs

(Editor’s Note: See 47 Pa.B. 5761 (September 9, 2017) for IRRC’s approval order.)

Fiscal Note: Fiscal Note 16A-5514 remains valid for the final adoption of the subject regulation.

Annex A

TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS

PART I. DEPARTMENT OF STATE

Subpart A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS

CHAPTER 43b. COMMISSIONER OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

SCHEDULE OF CIVIL PENALTIES, GUIDELINES FOR IMPOSITION OF CIVIL PENALTIES AND PROCEDURES FOR APPEAL

§ 43b.10a. Schedule of civil penalties—accountants.

STATE BOARD OF ACCOUNTANCY

<i>Violation under 63 P.S.</i>	<i>Title/Description</i>	<i>Civil Penalty</i>
Section 9.8b(b)	Failure to complete 80 hours of acceptable continuing professional education during reporting period	1st offense—1 to 20 hour deficiency—\$300; 21 to 40 hour deficiency—\$600; 41 to 60 hour deficiency—\$800; 61 to 80 hour deficiency—\$1,000 ² 2nd or subsequent offense—formal action
Section 9.12(a)	Unlawful use of “certified public accountant,” “CPA” or similar representation by person who has not received a CPA certificate or whose certificate is revoked or suspended	1st offense—\$1,000 ¹ 2nd or subsequent offense—formal action
Section 9.12(c)	Unlawful use of “certified public accountant,” “public accountant,” “CPA,” “PA” or similar representation by a firm never licensed	1st offense—\$1,000 ¹ 2nd or subsequent offense—formal action
Section 9.12(j)	Unlawful use of “public accountant,” “PA” or similar representation by person who has not received a PA registration or CPA certificate	1st offense—\$1,000 ¹ 2nd or subsequent offense—formal action
Section 9.12(o)	Unlawful representation of membership in professional society, association or organization of CPAs or PAs by person not credentialed as CPA or PA or firm not licensed	1st offense—\$250 ¹ 2nd or subsequent offense—formal action
Section 9.12(q)	Engaging in the practice of public accounting in this Commonwealth when the individual’s license is expired	1st offense—less than 6 months—\$500; 6 months or more—formal action 2nd or subsequent offense—formal action
<i>Violation under 49 Pa. Code Chapter 11</i>		
Section 11.62(b)	Failure to complete 20 hours of acceptable continuing professional education during each year of reporting period	1st offense—\$300 2nd or subsequent offense—formal action
Section 11.63(a)(1)	Failure to complete 24 hours of acceptable continuing professional education in accounting and attest subjects during reporting period, if required	1st offense—\$50 per hour deficient, not to exceed \$1,000 ² 2nd or subsequent offense—formal action
Section 11.63(a)(7)	Failure to complete 4 hours of acceptable continuing professional education in professional ethics during reporting period	1st offense—\$300 ² 2nd or subsequent offense—formal action
Section 11.67(b)	Failure to timely submit documentation of continuing professional education during Board audit (assumes no other continuing education violation)	1st offense—\$500 2nd or subsequent offense—formal action

¹ The first offense provision does not apply to a situation involving multiple occurrences or a pattern or practice of misconduct.

² When there are violations of both 63 P.S. § 9.8b(b) and 49 Pa. Code § 11.63(a)(1) or (7) (relating to CPE subject areas; relevance to professional competence), a combined civil penalty will not be assessed for both sets of violations. The highest civil penalty will be assessed whether for the violation of 63 P.S. § 9.8b(b) or 49 Pa. Code § 11.63(a)(1) or (7).