



Activity Review

North Carolina State Board of Certified Public Accountant Examiners



1101 Oberlin Rd., Ste. 104 • PO Box 12827 • Raleigh, NC 27605 • 919-733-4222 • nccpaboard.gov • No. 1-2018



Firm Registration Renewal and Peer Review Compliance Reporting Due January 31

January 31, 2018, is the deadline by which each North Carolina CPA firm's registration must be renewed and peer review compliance information reported to the Board.

Access to the firm registration renewal and peer review reporting is available by clicking on the "Renew my Firm" link in the "How Do I" section of the Board's homepage, nccpaboard.gov.

During the CPA firm registration renewal process, users should check the peer review information listed to ensure that it is correct.

If the information is not correct, the appropriate documents should be sent to the Board as soon as possible. It is not necessary to wait until the information is updated in the Board's database to complete the firm registration renewal.

All CPA firms subject to peer review must provide the Board with the proper peer review documentation even if the firm has allowed state boards access to its peer review files.

Please direct questions about firm renewals and peer review compliance reporting to Cammie Emery at cemery@nccpaboard.gov.

Tax Preparers: Six Important Questions about Office Security

The following information is based on IRS Tax Tip 2018-01, published January 3, 2018.

Tax professionals can protect taxpayer data by simply looking around their own offices. Preparers can look for places where they store data. They should use a critical eye to assess whether that data is secure.

Tax preparers should also remember that unsecured data will not always be on a computer. Securing office space is as important as securing computers.

In assessing how secure an office is, preparers should consider these six questions. The answers can be very important to help preparers protect both their clients and their businesses.

- Are all the places where taxpayer information is located protected from unauthorized access and potential danger such as theft, flood and tornado?
- Are there written procedures that prevent unauthorized access and unauthorized processes?
- Is taxpayer information left unsecured? This includes data stored electronically. Check desks, photocopiers, mailboxes, vehicles, and trashcans. What about rooms in the office or at home where unauthorized access could occur?
- Who controls delivery and removal of taxpayer information, including data stored electronically?
- Are the doors to file rooms and computer rooms locked?

Six Essential Security Controls

- Lock doors to restrict access to paper or electronic files;
- Require passwords to restrict access to computer files;
- Encrypt electronically stored taxpayer data;
- Keep a backup of electronic data for recovery purposes;
- Shred paper containing taxpayer information before throwing it in the trash; and
- Encrypt sensitive personal information before emailing.

- Is there a secure disposal of taxpayer information, such as shredders, burn boxes, or secure temporary file areas for information until it can be properly disposed?

For more information on protecting taxpayer data, download IRS Publication 4557, *Safeguarding Taxpayer Data*.

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Disciplinary Actions

Pursuant to NCGS 93-12(9), civil penalties are remitted to the North Carolina Civil Penalty and Forfeiture Fund (“Fund”) in accordance with NCGS 115C-457.2. NCGS 115C-457.1(b) states, “The Fund shall be administered by the Office of State Budget and Management. The Fund and all interest accruing to the Fund shall be faithfully used exclusively for maintaining free public schools.”

CDM FINANCIALS | FAIRBURN, GA

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners (“Board”) at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. §150B-41, the Board and Respondent stipulate to the following:

1. CDM Financials, LLC (hereinafter “Respondent Firm”), has a principal place of business outside of North Carolina and has no office in North Carolina. Respondent Firm is not a registered certified public accounting firm in North Carolina.
2. Respondent Firm performed an audit of a North Carolina company.
3. The North Carolina Accountancy Act, at N.C. Gen. Stat. §93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.
4. Respondent Firm did not provide the Board with a Notification of Intent to Practice (“Notice”) prior to performing the audit.
5. Respondent Firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. Respondent Firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. Respondent Firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. By exercising the practice privilege afforded by N.C. Gen. Stat. §93-10(c) of the Accountancy Act, Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. Respondent Firm’s failure to comply with N.C. Gen. Stat. §93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.
4. Per N.C. Gen. Stat. §93-12(9), 93-10(b) and also by virtue of Respondent Firm’s consent to this order, Respondent Firm is subject to the discipline set forth below.

BASED ON THE FOREGOING and in lieu of further proceedings, the Board and Respondent Firm agree to the following Order:

1. Respondent Firm shall remit, with this signed Order, a one thousand dollar (\$1,000) civil penalty.
2. Respondent Firm shall remit, with this signed Order, a five hundred dollar (\$500) payment for administrative costs.

Approved by the Board December 18, 2017.

2018 Board Meetings

JANUARY Raleigh, NC Mon., Jan. 22 10:00 a.m.	FEBRUARY Raleigh, NC Mon., Feb. 19 10:00 a.m.	MARCH Raleigh, NC Wed., Mar. 21 1:00 p.m.	APRIL Raleigh, NC Mon., Apr. 23 10:00 a.m.
MAY Raleigh, NC Thurs., May 24 10:00 a.m.	JUNE Winston-Salem, NC Fri., June 22 10:00 a.m.	JULY Raleigh, NC Mon., July 23 10:00 a.m.	AUGUST Raleigh, NC Mon., Aug. 20 10:00 a.m.
SEPTEMBER Raleigh, NC Mon., Sept. 17 10:00 a.m.	OCTOBER Raleigh, NC Thurs., Oct. 25 10:00 a.m.	NOVEMBER Raleigh, NC Mon., Nov. 19 10:00 a.m.	DECEMBER Raleigh, NC Mon., Dec. 17 10:00 a.m.

Board meetings are open to the public and licensees and candidates are encouraged to attend. Raleigh meetings are held at the Board office.

Activity Review Available by Mail or Email

Candidates and licensees have the option to receive the *Activity Review* by mail or email. The default delivery method is email.

To receive a paper copy of the newsletter instead of the electronic version, send an email that includes your name, mailing address, CPA license number (or last four digits of your social security number), and the statement “send newsletter by USPS” to communications@nccpaboard.gov.

To prevent the email version of the *Activity Review* from going to your spam or junk folder, add communications@nccpaboard.gov to your approved or safe senders list.

Licensees and candidates with non-US addresses will receive the newsletter by email only.

New Tax Law and the CPA Exam

The AICPA is working with its Board of Examiners (BOE) to determine the timeline for introducing the *Tax Cut and Jobs Act* into the CPA Exam. Once a final implementation timeline is determined, the AICPA will notify stakeholders. No testing of this legislation will occur prior to July 1, 2018.



WEIXUAN LUO | L&L CPAs, PA | CORNELIUS, NC

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners (“Board”) at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. §150B-41, the Board and Respondent stipulate to the following:

1. Weixuan Luo, (hereinafter “Respondent”) is the holder of North Carolina certificate number 39714 as a Certified Public Accountant.
2. The Respondent’s firm, L&L CPAs, PA (hereinafter “Respondent Firm”), is a registered Certified Public Accounting firm in North Carolina. Hereinafter, Respondent and Respondent Firm shall collectively be referred to as the “Respondents.”
3. The Respondent self-disclosed that she and the Respondent Firm had been sanctioned by the Public Company Accounting Oversight Board (“PCAOB”). The sanction included a censure and five thousand dollar (\$5,000) civil penalty due to violations of PCAOB Auditing Standard No. 7, which requires a two-year cooling off period between the time when a person is an audit engagement partner and the time when that person can be the engagement quality reviewer for the same client.
4. The Respondent served as the audit engagement partner for 2013 financial statements for two clients. She then served as the audit quality reviewer for the audit of those clients’ 2014 financial statements.
5. The Respondents wish to resolve this matter by consent and agree that the Board staff and counsel may discuss this Consent Order with the Board

ex parte, whether or not the Board accepts this Consent Order as written. The Respondents understand and agree that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. The Respondents are subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted there-in by the Board.
2. The Respondents’ failures to follow all applicable rules of the PCAOB constitute violations of 21 NCAC 08N .0212.
3. Per N.C. Gen. Stat. §93-12(9), 93-10(b) and also by virtue of the Respondents’ consent to this order, the Respondents are subject to the discipline set forth below.

BASED ON THE FOREGOING and in lieu of further proceedings, the Board and Respondents agree to the following Order:

1. The Respondents are censured.
2. The Respondent shall remit, with this signed Consent Order, a two thousand dollar (\$2,000) civil penalty.

Approved by the Board December 18, 2017.

Disciplinary Actions: CPE Audit

The following matters are excerpted from Consent Orders issued by the Board in response to the findings of the Continuing Professional Education (CPE) audit. To view the full text of a Consent Order, use the Licensee Search function of the Board's website, nccpaboard.gov, to look up the licensee's record. In the record, click on the "Details" link and select "View" under the Public Documents heading.

Pursuant to NCGS 93-12(9), civil penalties are remitted to the North Carolina Civil Penalty and Forfeiture Fund ("Fund") in accordance with NCGS 115C-457.2. NCGS 115C-457.1(b) states, "The Fund shall be administered by the Office of State Budget and Management. The Fund and all interest accruing to the Fund shall be faithfully used exclusively for maintaining free public schools."

DONNA JEAN EARP, #19135 | GREENSBORO, NC

The Board opened a case against Donna Jean Earp (Respondent Earp) for failure to complete sufficient CPE as required for renewal of her North Carolina CPA license.

Respondent Earp signed a Consent Order in which she accepted the denial of the renewal of her CPA license; the forfeiture for at least one year of her CPA license; and the return of her CPA certificate to the Board within 15 days of her receipt of the Board's notification of its approval of the Consent Order.

Respondent Earp may apply to return her certificate to active status by submitting a reissuance application that includes payment of the application fee; three moral character affidavits; payment of a \$1,000 civil penalty; and proof of completion of at least 43 hours of CPE including an eight-hour accountancy law course as offered by the NCACPA.

Failure to timely comply with any terms of the Consent Order will be sufficient grounds to revoke Respondent Earp's CPA license.

Approved by the Board December 18, 2017.

DOMENIC CAMPANILE, #20688 | CHARLOTTE, NC

The Board opened a case against Domenic Campanile (Respondent Campanile) for failure to complete sufficient CPE, including at least two hours of ethics CPE, as required for renewal of his North Carolina CPA license.

Respondent Campanile signed a Consent Order in which he accepted the denial of the renewal of his CPA license; the forfeiture for at least one year of his CPA license; and the return of his CPA certificate to the Board within 15 days of his receipt of the Board's notification of its approval of the Consent Order.

Respondent Campanile may apply to return his certificate to active status by submitting a reissuance application that includes payment of the application fee; three moral character affidavits; payment of a \$1,000 civil penalty; and proof of completion of at least 80 hours of CPE including an eight-hour accountancy law course as offered by the NCACPA.

Failure to timely comply with any terms of the Consent Order will be sufficient grounds to revoke Respondent Campanile's CPA license.

Approved by the Board December 18, 2017.

WILLIAM M. MCCULLOUGH, III, #38003 | GASTONIA, NC

The Board opened a case against William M. McCullough, III, (Respondent McCullough) for failure to complete sufficient CPE as required for renewal of his North Carolina CPA license.

Respondent McCullough signed a Consent Order in which he accepted the denial of the renewal of his CPA license; the forfeiture for at least one year of his CPA license; and the return of his CPA certificate to the Board within 15 days of his receipt of the Board's notification of its approval of the Consent Order.

Respondent McCullough may apply to return his certificate to active status by submitting a reissuance application that includes payment of the application fee; three moral character affidavits; payment of a \$1,000 civil penalty; and proof of completion of at least 41.5 hours of CPE including an eight-hour accountancy law course as offered by the NCACPA.

Failure to timely comply with any terms of the Consent Order will be sufficient grounds to revoke Respondent McCullough's CPA license.

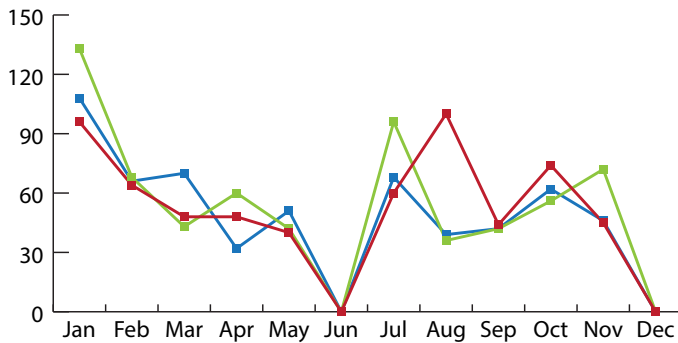
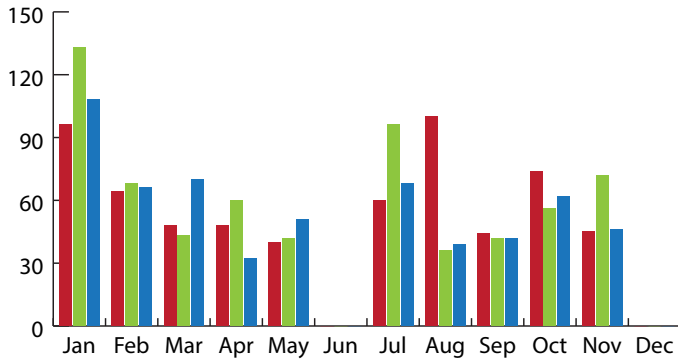
Approved by the Board December 18, 2017.

By the Numbers: NC CPA License Applications Approved

January 2015-December 2017

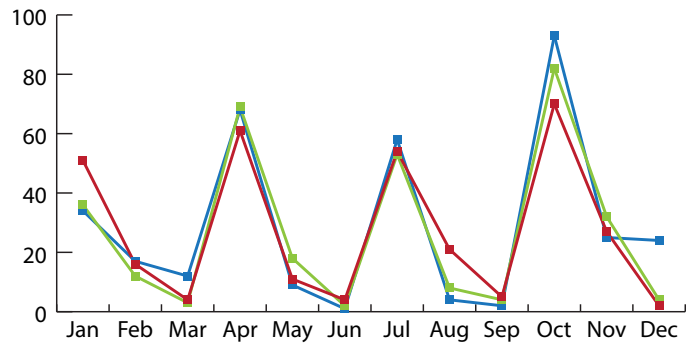
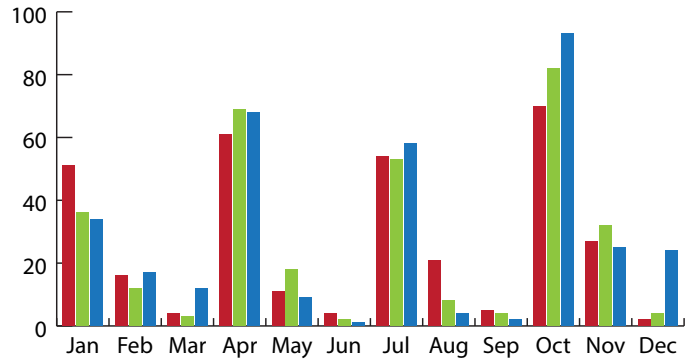
Original NC CPA License Applications Approved by Month

■ 2015 Total: 619
 ■ 2016 Total: 648
 ■ 2017 Total: 584



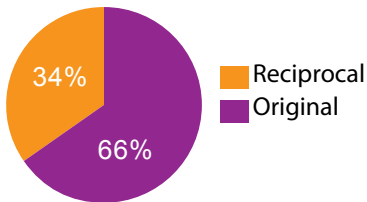
Reciprocal NC CPA License Applications Approved by Month

■ 2015 Total: 326
 ■ 2016 Total: 323
 ■ 2017 Total: 347



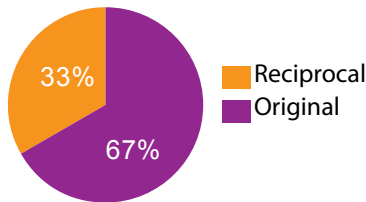
NC CPA License Applications Approved

2015



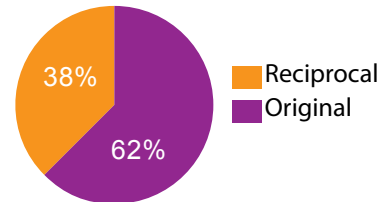
Original: 619
Reciprocal: 326

2016



Original: 648
Reciprocal: 323

2017



Original: 584
Reciprocal: 347

Certificates Issued

On December 18, 2017, the Board issued North Carolina CPA certificates to the following applicants:

Dawn Denise Barnard
 Patrick Lee Baryenbruch
 Diane S. Bedard
 Kathleen Frances Bruton
 Dan Chen
 Carolina Guimaraes Rolla Couto

Michael Paul DeRusso
 H. Bruce Fielding
 Linda Ann Goliver
 Thomas Joseph Higgins
 Collin Thomas Ivory
 Clark Elliott Jernigan

Andrew James Kaczala
 Thomas Richard Liddell
 Scarlet Elizabeth Lipscombe
 John Andrew Moore, III
 Roy Nile Phillips
 Catherine Elizabeth Porter

Spencer Allen Ross
 Aaron Keith Smith
 Kerri Barringer Snipes
 Nicholas M. Stuart
 Naoum Peter Tsousis
 Whitney Anne Walker

New CPA Exam User Experience Available April 1

On April 1, the AICPA will offer CPA Exam candidates an enhanced testing experience with the launch of new Exam software at all Prometric test centers.

The new software will enable a 16-to-9 screen aspect ratio that will allow candidates full use of the 23-inch HD monitors in the test centers.

In addition, the software will:

- Provide a modern and intuitive user interface familiar to digital native generations.
- Provide a dedicated, on-screen “workspace” for the candidates to review exam exhibits and documents. This will allow candidates to work with two documents at once on the same screen, mimicking the two-monitor environment that CPAs often use in their work.
- Add a tool that will allow users to highlight areas of text that they deem to be important.
- Provide seamless cut-and-paste functionality.
- Add Microsoft Excel as a tool. Microsoft Excel remains the current standard used by most, if not all, newly licensed CPAs.

These tools will make the testing conditions and tools similar to a CPA’s real work environment. The desktop at the test center will feature the same types of monitors that candidates use on the job.

A new platform is also available for visually impaired CPA candidates. The JAWS (Job Access With Speech) technology reads the material on the screen for visually impaired candidates. Previously, a human reader was provided for visually impaired candidates.

To aid candidates with Exam preparation, the AICPA has updated its tutorial topics to guide candidates through the coming changes. This tutorial is applicable to candidates who plan to test on or after April 1, 2018.

Candidates are also encouraged to practice with the new sample tests that present the Exam as it will appear in an actual test center.

Reclassifications

At its December 18, 2017, meeting, the Board approved the applications for reclassification submitted by the following individuals:

REINSTATEMENT

John Joseph Bernat, #37950	Charlotte, NC
William James Dulin, #14799	Laurinburg, NC
Cindy Sutton Duncan, #18216	Indian Harbour Beach, FL
Sarah J. Dusosky, #24328	Milwaukee, WI
Vallarie Dawn Massey, #18389	Wake Forest, NC
Angela Long Queen, #20578	Fort Mill, SC
Anita Michelle Silver-Barnwell, #29567	Asheville, NC
Russell Edward White, #22930	Belmont, NC

REISSUANCE

Anna Pearl Myers, #18619	Charlotte, NC
Earl Eugene Whitmire, #15647	Raleigh, NC

Uniform CPA Exam Score Release Dates for 2018

January 1 - March 10 (Q1) Testing Window		
If you take your Exam on/before:	And the AICPA receives your Exam data files from Prometric by 11:59 p.m. (ET) on:	Target score release date is:
January 20	January 20	February 6
February 14	February 14	February 23
February 28	February 28	March 8
March 10	March 11*	March 20

*Exam data files received by the AICPA after March 11 will be included in the final target score release date of March 23.

April 1 - June 10 (Q2) Testing Window	
Section	Target Score Release Date
AUD, FAR, & REG	June 27
BEC	June 29

July 1 - September (Q3) Testing Window	
Section	Target Score Release Date
AUD, FAR, REG, & BEC	September 19

October 1 - December 10 (Q4) Testing Window	
Section	Target Score Release Date
AUD, FAR, REG, & BEC	December 19

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firm registration & renewal, peer review, CPE & CPE audit

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complaints against CPAs & firms, unauthorized use of title, professional ethics & conduct

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2,000 copies of this document were printed in January 2018 at an estimated cost of \$1,604 or approximately 80¢ per copy.

Notice of Address Change

Please Print Legibly

Full Name:	
Certificate No.:	Last 4 Digits of SSN:
Home Address:	
City/State/Zip:	
Home Phone:	Home Fax:
Home Email:	
Firm/Business Name:	
Business Address:	
City/State/Zip:	
Business Phone:	Business Fax:
Business Email:	
Signature:	
Date:	Send mail to: <input type="checkbox"/> Home <input type="checkbox"/> Business

Mail form to: PO Box 12827, Raleigh, NC 27605
Fax form to: (919) 733-4209

Pursuant to 21 NCAC 08J .0107, all certificate holders & CPA firms shall notify the Board in writing within 30 days of any change in home address & phone number; CPA firm address & phone number; business location & phone number; & email address.