

## **North Carolina State Board of CPA Examiners Committee Overview**

Created as an agency of the State of North Carolina by North Carolina General Statute (NCGS) 93-12, the North Carolina State Board of Certified Public Accountant (CPA) Examiners (the Board) is an occupational licensing board that grants certificates of qualification as certified public accountants (CPAs) to those individuals who meet the statutory requirements.

The Board comprises seven members appointed by the Governor: five persons who hold valid and unrevoked North Carolina CPA certificates issued under NCGS 93 and two persons who are not CPAs who represent the public's interest.

In addition to granting CPA certificates, the Board oversees the administration of the Uniform CPA Examination; registers CPA firms; renews CPA certificates and CPA firm registrations; manages the continuing professional education (CPE) compliance program; monitors the peer review compliance program; and adopts and enforces the Rules of Professional Ethics and Conduct to be observed by CPAs in this State.

Chapter 8, Section 21 of the North Carolina Administrative Code (21 NCAC 08) requires the Board to elect a President, Vice-President, and Secretary-Treasurer annually before March 31. The President is responsible for appointing members to the Board's committees. When making the appointments, the President considers each member's area(s) of interest and knowledge of a committee's subject matter. The Board has seven standing committees:

- Executive;
- Professional Standards (PS);
- Professional Education & Applications (PEA);
- Audit;
- Personnel;
- Strategy; and
- Investment

### Executive Committee

The President, Vice-President, and Secretary-Treasurer automatically serve on the Executive Committee. This Committee works with the Board's Executive Staff to ensure that the Board fulfills its public protection mandate while operating fairly and efficiently. The Committee meets on an as-needed basis.

### Professional Standards (PS) Committee

The Professional Standards Committee provides guidance to the Board staff on alleged violations of the North Carolina General Statutes and North Carolina Administrative Code related to the public practice of accountancy in North Carolina. The Committee does not determine guilt or innocence but makes recommendations to the full Board regarding the disposition of matters brought to the Committee by the Professional Standards Staff. The Committee meets monthly and requires a substantial time commitment.

### Professional Education & Applications (PEA) Committee

The Professional Education & Applications Committee works with the Board's Exam and Licensing sections to review Uniform CPA Exam applications, original and reciprocal CPA certificate applications; CPA certificate reissuance and reinstatement applications; CPA firm registrations; CPE compliance matters; and other issues related to examination and licensure. The Committee makes recommendations to the full Board for approval or disapproval of all applications it reviews. The Committee meets monthly and may require a significant time commitment.

### Audit Committee

The Audit Committee participates in hiring an independent auditor and works with the Board's Executive Staff to prepare for the required annual audit. The Committee questions the Executive Staff and the auditors to evaluate the audit process and receive reports directly from the auditor concerning the audit's findings. The Committee presents the auditor's findings to the full Board, ensuring all members understand any auditors' recommendations before formally accepting the audit report. The Committee may recommend changes in practices or reporting to maintain or bring the Board into a "best practices" position. The Committee meets at least twice a year (once at the beginning of the audit process and at the end of the audit process to discuss the final audit results with the auditors) and requires a moderate time commitment. The Strategy Committee comprises three members of the Board as appointed by the President.

### Personnel Committee

The Personnel Committee provides guidance, oversight, and support to the Executive Staff to develop and implement employee staffing, performance management, and compensation systems. The Committee verifies that personnel policies and procedures are compliant with state and federal labor laws and are applied consistently. Annually, the Committee conducts a performance evaluation of the Executive Director and reviews staff-level assessments completed by senior management. The Committee submits for approval to the full Board changes in employee compensation or benefits proposed by the Executive Staff. The Committee provides guidance to the Executive Staff on staff recruitment and retention, professional misconduct, conflicts of interest, and other personnel matters. The Committee meets at least once per year and requires a minimal time commitment.

### Strategy Committee

The Strategy Committee is responsible for assisting the Board with its responsibilities for the Board's mission, vision, and strategic direction. The Strategy Committee advises the Executive Staff on strategic planning matters, including developing strategic objectives with measurable goals and time targets, developing a dashboard of key indicators, and monitoring the Board's performance. The Strategy Committee comprises three members of the Board as appointed by the President. The Committee meets on an as-needed basis.

### Investment Committee

The Investment Committee provides Board oversight and guidance to the Executive Staff related to the Board's investment portfolio. Members of the Investment Committee are fiduciaries of the portfolio, responsible for overseeing investment policies, guidelines, investment performance, and related risk management. The Investment Committee comprises three voting members of the Board as appointed by the President. The Executive Staff serves as non-voting ex-officio members of the Committee. The Committee meets on an as-needed basis.