



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. 11-2022

Update on NCACPA Succession Planning Resources

By Mark Soticheck, II, CPA, CGMA, Chief Operating Officer of NCACPA

In December 2019, just before COVID struck, the NC State Board of CPA Examiners (State Board) and the North Carolina Association of Certified Public Accountants (NCACPA) formed a joint task force on succession planning.

The work of the Task Force would center on the return of client records when a CPA unexpectedly passed away or became incapacitated.

The genesis of this objective stemmed from an increase in calls the State Board and NCACPA were receiving related to these situations, coupled with concerning trends in the profession.

As noted in the October 2021 *Activity Review* article, "Succession—There is Still Time," Ben Hamrick, CPA, noted that "over 50% of licensed North Carolina CPAs in public practice are 50 years of age or older."

As NCACPA looked at the aging of the profession and the exacerbated demands on practitioners, continuing tax and regulatory changes, enhanced audit quality standards, and rising technology and labor costs, it became clear that education and awareness were needed to protect the public and the profession.

For the last few years, several members of NCACPA have volunteered their time on the Succession Planning Resource Team. The work of this group has focused on the following:

- Delivering education and information related to the various stages of succession planning; and



The NCACPA Succession Planning Resource Team is committed to providing relevant resources to help improve education and awareness, as well as assist in emergency situations.

- Creating resources and a channel for CPAs, their family, or estates to reach out to professional colleagues with questions on preparing for and/or navigating emergencies where a practitioner has become incapacitated.

Over the past 12 to 18 months, the NCACPA Succession Planning Resource Team's efforts have resulted in the following:

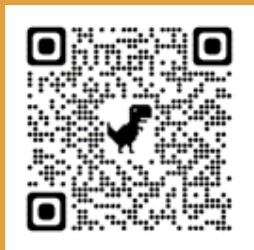
- More than six articles/blog posts authored over the last year;
- Numerous CPE/learning programs and conference sessions;
- Resource guides both developed and referenced from other providers; and
- Development of a succession planning resource center on NCACPA's website open to members and non-members.

NCACPA is currently offering a 60-minute (1.2 CPE credits) OnDemand program entitled "Structuring A Successful Succession Plan" free for members and non-members through December 31, 2022.

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The Succession Planning Resource Team is continuing its efforts to build out the resources mentioned above and invites you to visit us at: <https://bit.ly/3DUlp6C> or by scanning this QR code:



Have You Reported Your Peer Review Results to the Board?

21 NCAC 08M, *Peer Review Program*, requires any North Carolina CPA or CPA firm performing audits, reviews, compilations, or engagements performed per the AICPA attestation standards to participate in a peer review program. The latter category includes agreed-upon procedure services such as those required by the North Carolina Licensing Board for General Contractors. SSARS preparation services do not fall within the above categories. Practitioners not providing any of the above services are exempt from North Carolina's peer review requirements.

The peer review helps to monitor a CPA's or CPA firm's accounting and auditing practice (practice monitoring). The goal of the practice monitoring, and the program itself, is to promote and enhance quality in the accounting and auditing services provided by the practitioners subject to these standards.

CPAs or firms registered in the peer review program must identify to the Board their peer review date and the year-end period subject to review. At the conclusion of the peer review process, participants must submit the peer review program's final Letter of Acceptance to the Board within 60 days for inclusion in their record.

There are more robust reporting requirements for CPA firms that receive a fail or a second consecutive pass with deficiencies. The submission to the Board must include the Peer Review Report, Letter of Response, the Letter of Acceptance, and the Completion Letter.

The Board has recently noted an uptick in the number of peer review participants failing to properly report their peer review results. Some confusion may occur because practitioners assume that the Board participates in the peer review reporting process or that the peer review program provides these documents to the Board on their behalf.

Although the Board rules require participation in a peer review program, the AICPA oversees the program, and for North Carolina, Coastal Peer Review, Inc., is the program administrator. The administrative entities maintain the documentation of the peer review process; the Board is not a recipient of the peer review

results until the direct submission to the Board by the CPA or CPA firms.

Practitioners must understand this distinction because failing to comply with the Board's peer review reporting requirements may lead to disciplinary action against the CPA or CPA firm's members, including suspension of each member's CPA certificate or the imposition of a civil penalty.

All CPAs or firms participating in the peer review program should review the Board's peer review requirements as identified at 21 NCAC 08M .0105 and .0106. The Board staff

encourages peer review program participants to ensure they comply with the reporting requirements.

If you have questions about the peer review reporting process, please contact Buck Winslow, Manager of Licensing, at buckw@nccpaboard.gov, or Cammie Emery, Licensing Specialist, at cemery@nccpaboard.gov.



Ask the Board

What is the difference between a system peer review and an engagement peer review?

A System Review focuses on a firm's system of quality control, and an Engagement Review focuses on work performed on selected engagements.

A System Review is designed to provide a peer reviewer with a reasonable basis for expressing an opinion on whether during the year under review:

- 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 and
- The reviewed firm's quality control policies and procedures were being complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

This type of review is for firms that perform engagements in accordance with the Statement on Auditing Standards (SAS,) the Government Auditing Standards (Yellow Book), examinations under the Statement on Standards for Attestation Engagements (SSAE), or engagements under the PCAOB standards.

The objective of an Engagement Review is to evaluate whether engagements submitted for review are performed and reported on in conformity with applicable professional standards in all material respects.

Enrolled firms that only perform services under SSARS or services under the SSAE that do not require System Reviews are eligible to have Engagement Reviews. An Engagement Review consists of reading the financial statements or information submitted by the reviewed firm and the accountant's report thereon, together with the applicable documentation required by professional standards.



Coastal Peer Review

Succession Planning and Solo Practitioners

The 2020 AICPA/PCPS CPA Firm Succession Planning Survey of CPA firms with only one owner, including solo practitioners, individual owners with no staff, and sole proprietors, single owners that employ staff, show the following results:

A startling number of owners (44%) plan to retire soon, which points to a strong buyer's market in the near term that could push down final sales prices.

44%

Less than 10% of solo practitioners and sole proprietors have practice continuation agreements, which has changed little from past surveys.

10%

As an exit strategy, 35% of respondents planned to sell their practice to another firm, while 37% planned to merge their firm with another practice and continue working.

35%

Despite the COVID-19 disruptions, solo practitioners and sole proprietors generally don't believe the pandemic's impact will decrease the value of their practices or change their retirement or merger/sale horizon.

FAQs: Firm Registration Renewal & Peer Review Compliance Reporting

21 NCAC 08J .0108, *CPA Firm Registration*, requires a North Carolina CPA firm to renew its registration and report compliance with 21 NCAC 08M, *Peer Review Program*, annually.

In mid-October, the Board mailed step-by-step instructions for completing the firm registration renewal and reporting peer review compliance to each North Carolina firm's administrative office.

Below are some of the most frequently asked questions the Board staff receives about firm renewal.

Q. When is the firm registration renewal due?

A. The deadline for completing the firm renewal and reporting peer review compliance is December 31, 2022, with a final deadline of January 31, 2023.

Q. Where is the firm renewal link on the website?

A. The link is in the "How Do I" box on the homepage, nccpaboard.gov. You may need to clear your browser cache or adjust the font size or screen magnification if you don't see the link. You also can access the link from the Firms page of the website, nccpaboard.gov/firms/.

Q. The renewal asks for my firm number. How do I obtain that number?

A. Each firm renewal reminder includes the firm number assigned when you first registered your firm. The number doesn't change, so if you don't have the 2022 letter, you may find this information in your initial registration information or a previous renewal reminder. You can also contact the Board office at (919) 733-1421 to obtain your firm number.

Q. I just renewed my firm registration but was not required to pay a fee. Did I miss something?

A. Individual practitioners do not pay a renewal fee. Partnerships and limited liability partnerships pay a renewal fee only if they have owners who do not live in North Carolina.

Q. Why can't I cancel my firm registration in the renewal?

A. Only individual practitioners can cancel their registration through the renewal link. Partnerships, professional corporations, PLLCs, and LLCs cannot cancel the firm registration online because those firm types must cancel the registration with the Secretary of State's office before being canceled in the Board's records.

Q. My firm renewal contains information about my firm's previous peer review but not the most recent. Why hasn't the Board updated this information?

A. The most likely reason is that your firm has not submitted its most recent acceptance or completion to the Board. Under 21 NCAC 08M .0106, *Compliance*, it is the firm's responsibility, not the peer review program's, to submit the Letter of Acceptance and other required documentation to the Board.

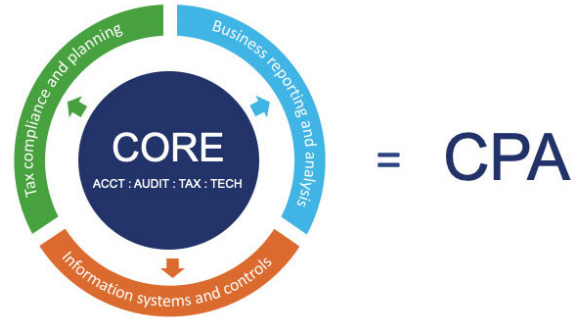
Q. I just sent the Board my peer review information to update my firm's file. Do I need to wait until that is uploaded to renew my firm registration?

A. No, peer review reporting is separate from firm renewal. You may renew your firm registration even if the Board has not processed the information you provided.

If you have questions about the firm renewal or peer review compliance reporting process, please contact Buck Winslow, Manager of Licensing, at buckw@nccpaboard.gov, or Cammie Emery, Licensing Specialist, at cemery@nccpaboard.gov.

The 2024 CPA Examination

Did you know the CPA Exam is changing significantly in January 2024? If you pass and retain credit for all four CPA Exam sections by December 31, 2023, the changes to the CPA Exam and its future administration will not impact your journey to CPA licensure. But, if you will still be working through the CPA Exam in January 2024 and beyond, you must understand how the CPA Evolution-aligned CPA Exam (the 2024 Exam) and its administration will impact you.



The 2024 Exam is a Core + Discipline model. It will have a three-section “core” of Financial Auditing and Reporting (FAR), Auditing and Attestation (AUD), and Taxation and Regulation (REG) that all candidates must complete. Then, each candidate must choose one “discipline” section to complete. The new discipline sections replace BEC and reflect three pillars of the CPA profession:

- Business analysis and reporting (BAR)
- Information systems and controls (ISC)
- Tax compliance and planning (TCP)

Candidates with credit for AUD, FAR, or REG on the current Exam will not need to take the corresponding new core section of AUD, FAR, or REG on the 2024 Exam. Candidates with credit for BEC on the current Exam will not need to take a discipline section. It is important to note that none of the sections of the current CPA Exam will be available for

testing after December 31, 2023. There is a hard cut-over from the existing Exam sections to the 2024 Exam sections on the January 2024 launch.

If a candidate loses credit for AUD, FAR, or REG after December 31, 2023, they must take the corresponding section of AUD, FAR, or REG on the new Exam. A candidate who loses credit for BEC after December 31, 2023, must take one of the three discipline sections.

For more information about the Exam transition, visit [nasba.org/examtransitionfaqs/](https://www.nasba.org/examtransitionfaqs/). As more details about the 2024 Exam become available, we'll add the information to the CPA Exam applicant page of the website, [nccpaboard.gov/applicants/exam-applicants/](https://www.nccpaboard.gov/applicants/exam-applicants/).

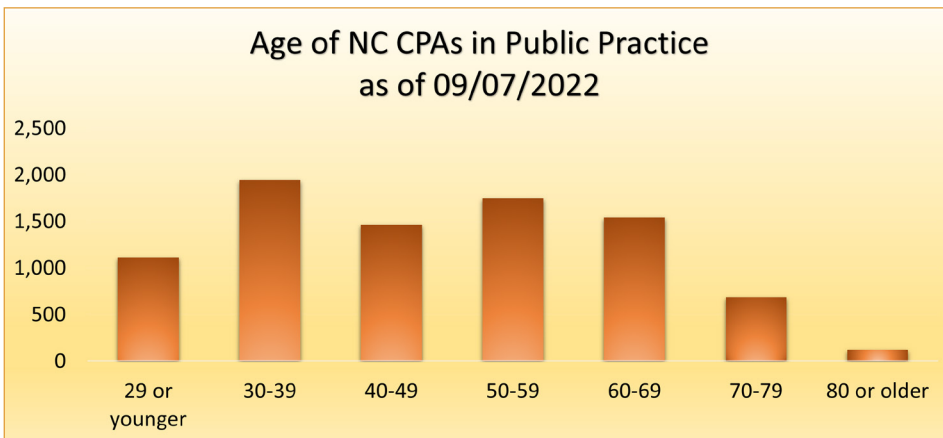
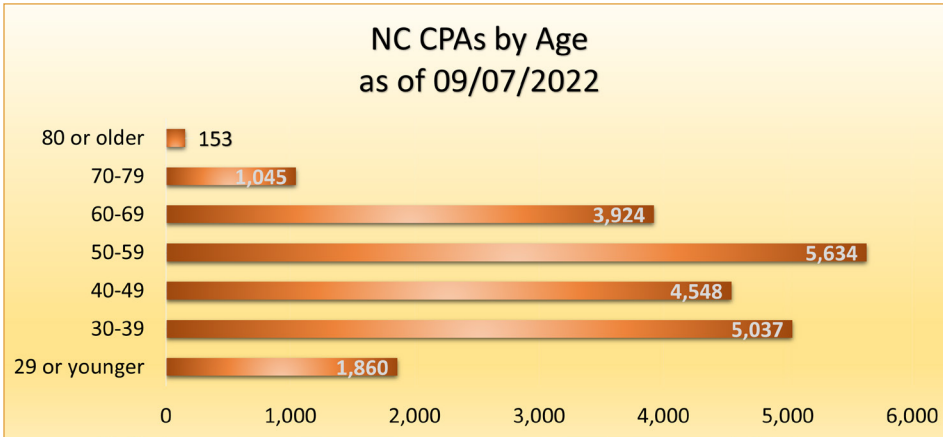
CPA Exam Transition Policy

Current Exam Section Not Yet Passed or Where Credit has Expired

Section to Take on 2024 CPA Exam



Age of NC CPAs



Joint Task Force on Retired Status

On October 24, 2022, the Board and NCACPA announced the members of the Joint Task Force on Retired Status.

The Task Force will explore the possibility of creating a retired or emeritus status for North Carolina CPAs (see 09-2022 *Activity Review* for more information).

Board Representatives

- Barton W. Baldwin, CPA
- Walter C. Davenport, CPA
- Jennifer Van Zant, Esq.

NCACPA Representatives

- Bucky Glover, CPA
- Iris Laws, CPA
- José Rodriguez, CPA

CPA Certificates Issued

On October 24, 2022, the Board approved the following individuals for North Carolina CPA licensure:

Bevin Clare Ankrom
Megan Michelle Backers
Barbara Jean Frances Barger
Rebecca Lynn Barnhart
Brian Sullivan Beauchamp
John Patrick Beck
David Jonathan Bell
Justin McCauley Bledsoe
Kimberly Mikell Bond
Rose Elizabeth Borcky
Nicole Marie Bosley
Marques Andre Boyce
Stephen Thomas Brown
Michael Clark Burge
Abhishek Chetry
Jessica Lynn Cianfrocca
Erica Leigh Dinner
Thomas E. Doran
Christopher Wallace Erwin
Michael Bryan Funderburg
Pamela Joan Benitez Gabriel
Mary Kathleen Gelzer
Heather Rose Godwin

Alyssa Sterling Hardbarger
Jessica Marie Hare
Joshua Patrick Holley
Meaghan Clair Houston
Timothy Brian Kearns
Maria Victoria Keat
Jacob Lloyd Keller
Stephen Rhodes Kline
Randall Scott Korver-Glenn
Barrett Edwin Krimminger
Ausra Lauzonyte
Parker John Leatherman
Jackson Louis Lee
Austin Wanbo Liu
Christa Megan Long
Bradley Andrew Losiniecki
Kathleen Alic Machamer
Umair Mahmood
Timothy Macneil Marvin
Hannah Elizabeth Massey
Jamila Abston Mayfield
Ebony Alecia McCoy
Jared Jay Mills

Michael Taylor Mills
James Joseph Morris V
Abbey Moran Mullen
Olaoluwa Odueso
Joseph John Oliveti
Garrett Harold Ordway
Eric Parrish
Ellen Ann Paton
McKenna Corinne Patterson
Corey Thomas Pfeifer
Evan Anthony Piccirillo
Johnathan William Pierce
Brett Thomas Polk
Guichun Qian
Autumn Alexis Rabon
John Alexander Reda II
Mark Reeves
Shakila Shanay Reid
Mandy Ellen Reynolds
Davian O'neil Rhodes
Talise Richter
Karissa Marie Roemer
Mona Zoureha Sade

Aaron Bradley Sanders
Samantha Nicole Schisler
Austen Daniel Scroggins
Sheena Sheree Shones
James Michael Smith
Nicholas Joseph Spera
Sholanda Nicole Stradford
Matthew Alexander Stuart
Lisa Frick Szuhy
Eric Marston Tellekamp
Kris Arthur Thiel
Megan Elizabeth Thueme
Susan Annette Tucker
David Timothy Tyburski
Lauren E. Wallace
Katherine Lindsey Way
William Conor Weeks
Margaret Elizabeth Wheeler
Dane Earl Wommer II
Ryan Derrick Young
Sijie Yu
Lanxin Zhang

Staff Spotlight: Alice Grigsby

How long have you been with the Board? Thirty-six years, my first day was April 16, 1986.

What is your role with the Board? I'm the Licensing Specialist responsible for all original and reciprocal CPA license applications, certificate reinstatement and reissuance applications, requests for inactive status, interstate exchange forms, and license verification letters.

What is a typical day for you at the Board? I first check email and voice mail and respond as quickly as possible, then process and deposit fees. I sort through applications and other paperwork to prioritize and determine how the rest of my day will go. I think I do a good job keeping up with my workload and staying in touch with applicants and licensees.

What do you like about your job? I am proud when I can resolve a challenging situation successfully. I am pleased when I think of a new way to do something, and the Board implements the idea. My supervisors are open to suggestions to make things easier for staff and the public.

What has surprised you about working at/for the Board? Things have changed so much since I started working for the Board in 1986! The technology and equipment we have now enable me to do my job more efficiently and move applications through much faster.

What do you want people to know about the Board? We are a small staff (only three people in Licensing), but we are accessible and able to respond quickly. Anyone can call or email a staff member and usually get a quick, personal response.

What advice would you give someone interested in becoming a CPA? Do the research, check our website, and contact us if you are unclear about anything. Please do not rely on other sources (for example, fellow students, co-workers, or professors) because they may not have the correct information.

What's the best advice you've received? "Don't borrow trouble" from another (much wiser) woman named Alice.

What do you want people to know about you? I have an adult son and family living in Raleigh and Texas. I am "owned" by two rescue cats, Mickey and Margo.

I have been a member of Grace Lutheran Church since my family moved to Raleigh in July 1966. I love serving my church family any way I can: teaching Sunday School to first and second graders; serving meals at a local homeless shelter; assisting in Sunday worship; chaperoning youth church trips; and assisting in planning other youth and family events.

My sweetheart is a retired Army chaplain and Lutheran pastor; we love traveling together. We have been to many places in North Carolina and visited Virginia, West Virginia, New York, Ohio, Pennsylvania, and Germany. I've also been to England and Kenya. One day I want to see the Northern Lights in person.

I have become a pretty good cook! I love trying new recipes on my "test subjects." My specialties are French strawberry cake and sheet pan chicken fajitas. I also make a pretty good marinara sauce. I am a plant killer, so I don't keep them around, except for two Christmas cacti in my office that are flourishing. I planted some annuals last spring and am so proud that they did not die.



CPA Certificate Reclassifications

On October 24, 2022, the Board approved the following applications for certificate reclassification:

Reinstatement

Jennifer Alice Corrine Caldwell-Billstrom, #34857 Black Mountain, NC
Lisa Hall Callan, #23712 Cary, NC
Peter Daniel Irvin, #39676 Charlotte, NC

Reissuance

Cristina Madrinan Rivera, #32413 Durham, NC
Mark Andrew Whitaker, #14134 Harrisburg, NC

Inactive Status

Between October 1, 2022, and October 31, 2022, the Board approved the individuals listed below for inactive status. 21 NCAC 08A .0301(b)(20)states: "Inactive," when used to refer to the status

of a person, describes a person who has requested inactive status and been approved by the Board and who does not use the title "certified public accountant" nor does he or she allow anyone to refer to him or her as a "certified public accountant," and neither he nor she nor anyone else refers to him or her in any representation as described in Rule .0308(b) of this Section."

George Laurence Baer, #25854 Summerfield, NC
Jo Jackson Briggs, #15295 Kill Devil Hills, NC
Clifford Frank Campbell, #14225 Winston-Salem, NC
Rachel Anne Cassidy, #41690 Clayton, NC
Pamela Stow Demidovich, #30131 Raleigh, NC
Dan Richard Ellis Jr., #13645 Norwood, NC
Joseph Dock Joyner Jr., #13838 Raleigh, NC
Aletta Marie Lane, #29180 Hubert, NC
Sherry Blankenbeckler McKinney, #19424 Greensboro, NC

Successful Uniform CPA Exam Candidates

The following North Carolina Uniform candidates passed the Uniform CPA Exam in September 2022:

Eva Parisa Azmoudeh
Darren Rashawn Burton
Chase Matthew Clark
Ella Kate Concannon
Ceara Elizabeth Corbett
Alexandra Caitlyn Downing
Eamon McGuire Fogler
Farrah Ashlyn Fowler
Amanda Raejean Hamil
Abigail Elizabeth Hawkins
William Nathan Hensley
Ryan Michael Hoag
James Patrick Hogan
Andrew Charles Howard
Margaret May Marie Jeffreys
Ka wai Lam
Sadie Catherine Lang
Yasmine Lansari
Jerry Lao
Allison Ann Marshall
Jeffrey Thomas Martin
Timothy Steven Mauss
Nathan John Mescher
David Joseph Messinger

Dustin Adam Moore
Anthony Morales-Gaxiola Jr.
Andrew Russell Morton
Marcus Pinson Neal IV
Gregory Tucker Nobles
Sydney McDonald Parker
Zuleima Perez
Luke Robert Pfeiffer
Shakila Shanay Reid
Rebecca Michelle Reisberg
Danielle Grace Sanders
Charles Everett Simpson III
James John Small
Matthew Robert Smith
John Joseph Spence
Nicholas Joseph Spera
Mitchell Bernard Stanek
Karl William Strittmatter
Sean Michael Tait
Jeremy Carl Truhel
Ashton Kate VanBrunt
Kunal Krishna Verma
Michael Benjamin Wetsel

If you are a North Carolina Exam candidate who passed the Exam in September 2022 and did not receive a letter from the Board, please contact the Board's Exam Specialist, Phyllis Elliott, at phyllise@nccpaboard.gov.

How to Check Your CPE Carry-Forward

Step 1

Navigate to the Board's website, nccpaboard.gov.

Step 2

Click on the "Find CPA/CPA Firm" link on the home page.

Step 3

On the "Search for a CPA" page, search for yourself using your name or certificate number.

Step 4

When your record displays, click on the "Details" link to the left of your name.

Step 5

Your CPE carry-forward (if any) will display.

Please contact Cammie Emery at cemery@nccpaboard.gov with your CPE questions.

2022 Exam Score Release Dates

If the AICPA receives your data file by:

December 8, 2022
January 1, 2023

Your target score release date is:

December 16, 2022
January 10, 2023

2023 Exam Score Release Dates

January 23, 2023
February 14, 2023
March 9, 2023
March 31, 2023
April 23, 2023
May 16, 2023
June 8, 2023
June 30, 2023

February 7, 2023
February 22, 2023
March 17, 2023
April 11, 2023
May 9, 2023
May 24, 2023
June 16, 2023
July 11, 2023

Follow NASBA on Twitter (@NASBA) for score release updates.



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Dates to Remember

Dates, times, and locations are subject to change.

December 19, 2022	Board Meeting, Raleigh
December 23, 2022	Office Closed - Christmas
December 26-27, 2022	Office Closed - Christmas
December 31, 2022	CPA Firm Renewal/Peer Review Compliance Reporting Due 2022 CPE Completion Deadline
January 2, 2023	Office Closed - New Year's Day
January 16, 2023	Office Closed - MLK Jr. Day
January 23, 2023	Board Meeting, Raleigh
January 31, 2023	Final Deadline - CPA Firm Renewal/ Peer Review Compliance Reporting