



NOTICE OF TEXT

[Authority G.S. 150B-21.2(c)]

OAH USE ONLY

VOLUME:

ISSUE:

CHECK APPROPRIATE BOX:

Notice with a scheduled hearing

Notice without a scheduled hearing

Republication of text. Complete the following cite for the volume and issue of previous publication, as well as blocks 1 - 4 and 7 - 14. If a hearing is scheduled, complete block 5.

Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency: [Board of Certified Public Accountant Examiners](#)

2. Link to agency website pursuant to G.S. 150B-19.1(c): <https://nccpaboard.gov/>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

ADOPTION: [21 NCAC 08J .0112; 08N .0411-.0412](#)

AMENDMENT:

REPEAL:

READOPTION with substantive changes:

READOPTION without substantive changes:

REPEAL through READOPTION:

4. Proposed effective date: [09/01/2023](#)

5. Is a public hearing planned? [Yes](#)

If yes:

| Date | Time | Location |
|----------------------------|--------------------------|--|
| 06/20/2023 | 10:00 am | NC State Board of CPA Examiners, 1101 Oberlin Road, Suite 104, Raleigh, NC 27605 |

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

7. Explain Reason For Proposed Rule(s):

Proposed rules are to create a new CPA-retired status to allow NC CPAs to continue to be recognized as a CPA after they cease performing professional services. The Board currently only has Active and Inactive designations and the new CPA-retired status mirrors similar statuses granted by other jurisdictions around the country and aligns with the Uniform Accountancy Act model rules. In addition, the Board is proposing rules related to services performed under the federal single audit act and newly created forensic audit standards to ensure NC CPAs perform such services in accordance with the proper professional standards.

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or email. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: [David R. Nance](#)
Address: [1101 Oberlin Rd](#)
[Raleigh, NC 27605](#)
Phone (optional): [919-733-4215](#)
Fax (optional):
EMail (optional) dnance@nccpaboard.gov

10. Comment Period Ends: [06/20/2023](#)

11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

[No fiscal note required](#)

12. Rule-making Coordinator:

Name: [Felecia F. Ashe](#)
[919-733-4223](#)
feleciaa@nccpaboard.gov

Agency contact, if any:

Name: [David R. Nance](#)
Phone: [919-733-4215](#)
Email: dnance@nccpaboard.gov

13. The Agency formally proposed the text of this rule(s) on

Date: [02/20/2023](#)

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2 21 NCAC 08J .0112 is proposed for adoption as follows:
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4 **21 NCAC 08J .0112 RETIRED STATUS - CHANGE OF STATUS**

5 (a) A CPA on active or inactive status may apply to the Board for a change to CPA-retired status if that CPA completes
6 an application provided by the Board confirming the following:

7 (1) they will not perform any of the services listed in 21 NCAC 08A .0307(2) except that:

8 (A) they may prepare tax returns for themselves and their immediate family members without
9 compensation. Immediate family is defined as spouse, domestic partner, parent, child,
10 sibling, stepparent, parent-in-law, stepchild, child-in-law, grandparent, grandchild, sibling-
11 in-law, or legal dependent; and

12 (B) they may prepare tax returns through public service programs without compensation, such
13 as the Volunteer Income Tax Assistance program.

14 (2) they will not hold themselves out to the public as a certified public accountant while they remain on
15 CPA-retired status except that they may use the designation “CPA-retired”.

16 (3) they consent to the continued regulatory authority of the Board.

17 (b) Individuals on CPA-retired status may receive compensation for any services that are not listed in 21 NCAC 08A
18 .0307(2).

19 (c) Individuals on CPA-retired status must renew their certificate annually as set forth in 21 NCAC 08J .0101.
20 However, individuals on CPA-retired status are exempt from the Board’s annual CPE requirements.

21 (d) An individual on inactive status may change to CPA-retired status by submitting an application consistent with 21
22 NCAC 08F .0502. However, they are not required to provide the Board with an experience affidavit or three
23 certificates of good moral character.

24 (e) An individual on CPA-retired status may change to active status by:

25 (1) furnishing the Board with evidence of satisfactory completion of 40 hours of CPE courses during
26 the 12-month period immediately preceding the application for change of status. Eight of the
27 required hours shall be credits derived from a course or examination in North Carolina accountancy
28 statutes and rules (including the Code of Professional Ethics and Conduct as set forth in 21 NCAC
29 08N contained therein) as set forth in 21 NCAC 08F .0504; and

30 (2) submitting three certificates of good moral character completed by CPAs on active status.

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33 History Note: Authority G.S. 93-12(3); 93-12(8); 93-12(8b);

34 Eff. September 1, 2023.
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1 21 NCAC 08N .0411 is proposed for adoption as follows:

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3 **21 NCAC 08N .0411 AUDITS SUBJECT TO THE SINGLE AUDIT ACT**

4 A CPA rendering audit services to a state or local government entity, non-profit organization, or other entity that is
5 subject to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156,
6 must comply with the Single Audit Act amendments as implemented through Subpart F - Audit Requirements of Title
7 2 of C.F.R., Chapter II, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for
8 Federal Awards (2 CFR part 200).

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10 *History Note: Authority G.S. 55B-12, 57D-2-02; 93-12(9);*

11 *Eff. September 1, 2023.*

1 21 NCAC 08N .0412 is proposed for adoption as follows:

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3 **21 NCAC 08N .0412 FORENSIC SERVICES**

4 (a) Statement on Standards for Forensic Services. A CPA shall not render forensic services unless the CPA has
5 complied with the Statement on Standards for Forensic Services.

6 (b) Statement on Standards for Forensic Services. The Statement for Forensic Services, including the definition of
7 such services, issued by the AICPA are incorporated by reference, including subsequent amendments and editions.
8 This document may be accessed at <https://www.aicpa.org/resources/download/statement-on-standards-for-forensic->
9 services at no cost.

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11 *History Note: Authority G.S. 55B-12;57-D-02); 93-12(9);*

12 *Eff. September 1, 2023.*