



## North Carolina State Board of Certified Public Accountant Examiners

### PUBLIC SESSION MINUTES

June 20, 2023

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**MEMBERS ATTENDING:** Gary R. Massey, CPA, President; Bernita W. Demery, CPA, Vice President; Maria M. Lynch, Esq., Secretary-Treasurer; Jodi K. Kruse, CPA; D. Michael (Mickey) Payseur, CPA; Jennifer Van Zant, Esq.; and Arthur M. Winstead, Jr., CPA (via WebEx).

**STAFF ATTENDING:** David R. Nance, CPA, Executive Director; S. Lynne Sanders, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa Hearne-Bogle, Communications Officer; Buck Winslow, Licensing Manager; and Noel L. Allen, Esq., Legal Counsel.

**GUESTS:** Mark Sotichack, CPA, CEO, NCACPA; Robert Broome, Director of Advocacy, NCACPA; Douglas J. Bocker, Esq., The Bocker Law Firm; Dr. Cal Christian, CPA, Chair, Department of Accounting, East Carolina University; Christy Johnson, Civil Court Reporting; C. Gregory Porter, Porter & Company (via WebEx); and Sgt. J.D. Rattlelade, Raleigh Police Department.

**CALL TO ORDER:** Mr. Massey called the meeting to order at 10:00 a.m.

**CONFLICTS OF INTEREST:** Mr. Winstead recused himself from the Review of Office of Administrative Hearings Proposal for Decision in Matter of 22 CPA 04794, *The NC State Board of CPA Examiners v Linda Rouse Sharp*. He also recused himself from two items on the Professional Standards Committee's agenda.

**REVIEW OF OFFICE OF ADMINISTRATIVE HEARINGS (OAH) PROPOSAL FOR DECISION IN MATTER OF 22 CPA 04794, *THE NC STATE BOARD OF CPA EXAMINERS V LINDA ROUSE SHARP*:**

Mr. Bocker, representing the Board, presented for full Board review an overview and the results of the Office of Administrative Hearing's proposal for decision in the Sharp matter. Ms. Van Zant moved, and Ms. Lynch seconded the motion to approve a Board Order (Appendix I) that mirrored the OAH proposed decision, permanently revoking the NC CPA certificate issued to Linda Rouse Sharp. The motion passed with seven (7) affirmative and zero (0) negative votes.

**RULEMAKING HEARING:** Mr. Massey called the Rulemaking Hearing to order at 10:12 a.m. The proposed rule amendments and adoptions to be considered at the Hearing were submitted in the formal document to the Office of Administrative Hearings (Appendix II). Mr. Porter stated his support for the proposed changes to 21 NCAC 08N .0307, *CPA Firm Names*. Mr. Nance told the Board he received two (2) written comments, including one (1) from Mr. Porter, supporting the proposed changes to the rules. Ms. Van Zant moved, and Ms. Demery seconded the motion to adopt the proposed rule changes as presented. The motion passed with seven (7) affirmative and zero (0) negative votes. Mr. Massey adjourned the Hearing at 10:21 a.m. The Rulemaking Hearing is a matter of public record.

**APPROVAL OF AGENDA:** Ms. Demery moved, and Ms. Kruse seconded the motion to approve the agenda as presented. The motion passed with seven (7) affirmative and zero (0) negative votes.

**MINUTES:** Ms. Demery moved, and Ms. Lynch seconded the motion to approve the May 22, 2023, meeting minutes as submitted. The motion passed with seven (7) affirmative and zero (0) negative votes.

**FINANCIAL AND BUDGETARY ITEMS:** Ms. Kruse moved, and Mr. Payseur seconded the motion to approve the May 2023 financial statements as submitted. The motion passed with seven (7) affirmative and zero (0) negative votes.

**LEGISLATIVE AND RULEMAKING ITEMS:** Mr. Allen summarized legislative items of interest to the Board and other occupational licensing boards.

Mr. Broome and Mr. Nance discussed the status of HB 799, *Local Government Audits*, and SB 299, *Reimburse Late Audit Costs with Sales Tax Revenue*.

**NATIONAL ORGANIZATION ITEMS:** Ms. Kruse and Mr. Payseur reported their experiences attending NASBA's New Board Member Orientation held the day before the NASBA Eastern Regional Meeting. Several Board members commented on the NASBA Eastern Regional Meeting.

**PROFESSIONAL STANDARDS COMMITTEE REPORT:** The Board approved with seven (7) affirmative and zero (0) negative votes the following recommendations of the Committee as presented by Mr. Winstead:

Case No. C2023033 - Close the case without prejudice.

Case No. C2023042 - Close the case without prejudice.

Case No. C2023049 - Close the case without prejudice.

Case No. C2023070 - Close the case without prejudice.

Case No. C2023076 - Close the case without prejudice.

Case No. C2023086 - Close the case without prejudice.

Case No. C2023094 - Close the case without prejudice.

Mr. Winstead stated that the Committee provided guidance to Board staff on 23 cases.

**PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE REPORT:** The Board approved with seven (7) affirmative and zero (0) negative votes the following recommendations of the Committee as presented by Ms. Demery:

**Transfer of Uniform CPA Exam Grades** - Approve the following applications for the transfer of Uniform CPA Exam grades:

Whitney Nicole Gagon

Jeffrey Allen Trayer

**Original CPA Certificate Applications** - Approve the following applications for original CPA certification:

Brendan Thomas Anderson  
William James Burton  
Rio Dalton Chamberlain  
Leah Marie Ford  
Whitney Nicole Gagon  
Isabel Golecruz  
Leigh Gilmore Kagan  
Joshua Daniel Milan  
Ashlyn Elizabeth Muncy  
Anthony James Pichirallo Jr.

Kyle Bernhard Schindler  
Michael Richard Shuster  
Alexander Franklin Smith  
Keegan Lamar Smith  
Meredith Emily Smith  
Quinten Reece Squires  
Bradley William Stanton  
Jeffrey Allen Trayer  
Matthew Bryan Tyndall  
Kayla Champion Webb

The Committee recommended, based on Board staff research, that the Board approve a license applicant's experience consisting of a combination of time worked under the direct supervision of a licensed CPA and experience earned in the accounting field.

**Reciprocal CPA Certificate Applications** - Approve the following applications for reciprocal CPA certification:

Krzysztof Garnek

Janki Jayesh Mor

**Temporary Permits** - Approve the following temporary permits approved by the Executive Director:

Erin Therese Weis, T13895  
John Anthony Ficara, T13896  
Julian Malachy Jackson, T13897  
Matthew Gerald Scheuers, T13898  
John William Slyh, T13899  
Rebecca Marie Freiheit, T13900  
Nicholas Ruzicka Alexander, T13901  
Connor James Gordon, T13902

Erik Matthew Causey, T13903  
Quintin Jerome Bell, T13904  
Arwin Velasco Guban, T13905  
Nathan Wade Turner, T13911  
Elizabeth Ann Davis, T13912  
Samuel Wakefield Hamrick, T13913  
Brian Jeffrey Jenkins, T13914  
David Trent Smith, T13915

Mary-Martha Lauren Krull, T13916  
Courtney Ruth McKenzie, T13917  
Samuel Banks Allen, T13918  
Matthew Thomas Preston, T13919  
James Joseph Goodall, T13920  
Kyle Christian Breen, T13921  
Jessica Marie Lang, T13922  
Semetra Teiona Leiquan Garden, T13923  
Matthew David Roland, T13924  
Xinyan Guo, T13925

Jason James Ashley, T13926  
Rebecca McKay Richardson, T13927  
Atenas Altagracia Mendez, T13928  
Roeleen Jooste, T13929  
Dee Ann Brower, T13930  
Zachary Alan Kiser, T13931  
Teresa Ann Hauser, T13932  
Stephanie Jamie-Lynn Ketron, T13933  
Kevin Michael Randall, T13934

**Reinstatements** - Approve the CPA certificate reinstatement applications submitted by the following individual:

Carolyn Ashley Ward, #36929

**Reissuance of New Certificate and Consent Agreement** - Approve the application for reissuance of new certificate and consent agreement submitted by the following individual:

Michael Blair Hughes, #34180

**CPE Extension Requests** - Approve three (3) requests for an extension to complete the 2022 CPE requirement and disapprove one (1) request for an extension to complete the 2022 CPE requirement.

**Uniform CPA Exam Applications** - Approve the applications for the Uniform CPA Exam submitted by the following individuals:

Alexander Adams  
Felecia Adams  
Jeremiah Akinsola  
Riane Allen  
William Alley  
Julio Alvarez  
Ginger Anderson  
Emily Armstrong  
Kara Arnold  
Welsey Atkins  
Catherine Austin  
Anna Avery  
Austin Bailey  
Porter Baldwin  
Cameron Barker

Meghan Barrett  
Elizabeth Belham  
Josie Below  
Jason Bergeron  
John Blue  
Skyler Bohall  
Bibiche Bolobiongo  
John Bonfiglio  
Zachary Boone  
Andrew Bowden  
Robin Bradley  
Caroline Britton  
Yi Bu  
Owen Burden  
Christopher Burdick



Ardena Burris  
Ranicka Butler  
Regina Cameron  
James Carslaw  
Mary Casey  
Rosa Castaneda Avila  
Darby Cayson  
Brian Chandler  
Emily Chapin  
Christina Chapman  
Jacob Cherry  
Francis Chiwanza  
Johnny Christian  
Griffin Claus  
Shawna Clausen  
Louisa Coates  
Camille Coleman  
Kevin Collier  
Nicholas Connell  
Katherine Corn  
Michell Covey  
Ruth Cox  
John Craig  
Laura Craig  
Brittany Creech  
Alisa Creel  
Joseph Crump  
William Curry  
William Davis  
Virginia Dawson  
Alida Dayton  
Samantha DeBonis  
Phyllis Delk  
Corbin Divita  
Isabelle Dotlich  
Olivia Dougherty  
Dennis Dremsizov  
Alex Duer  
Jillian Dunn  
Kimberly East  
Cody Ellison  
Kristin English  
Carolyn Fields

Matthew Finney  
Katherine Fonseca  
Kaitlyn Foster  
Sarah Freeman  
Hagan Fromme  
Jared Fullerton  
Tracettia Gaither  
Dan-Michael Gallanosa  
Jordan Gantt  
Justin Gardner  
John Gibbs  
Nicholas Gitter  
Meredith Godwin  
Caitlin Gordon  
Rachel Gosnell  
Allison Griffin  
Jonathan Guevarez-Salgado  
Maitland Gurney  
Courtney Harmon  
Myranda Harper-Penn  
Ellen Harris  
Chase Hartman  
Xueying Harvey  
Lucius Harvin  
Alexis Helderman  
Emily Helms  
Taylor Hemmelgarn  
Anna Hergenrader  
Faith Hicks  
Victoria Hill  
Katelin Hills  
Brian Himmel  
Joshua Hinchler  
Anna Hodge  
Jillian Holt  
Jonathan Hopkins  
Megan Horton  
Alexandria Howard  
Crystal Irvin  
Louis Jakub  
Stacy James  
Theodore Jasmin  
Jerry Joby

Josiah Johnson  
Justin Johnson  
Patrick Jones  
Gabrielle Juba  
Grant Kallam  
Elizabeth Kane  
Annalise Karle  
Alice Kehoe  
Katlin Kendrick  
Karitsa Kerns  
Dainah Kilburn  
Jin Kyu Kim  
Caroline King  
Mary King  
Noah King  
Ethan Klemons  
Alexandra Knott  
Daniel Koenigsberger  
Jordan Kota  
Erin Krauth  
Sarah Lamm  
Marley Lane  
Christina Laney  
Rachel Lanier  
Kamryn Large  
Rachel Laws  
Tram Le  
Austin Leaming  
Byoungwook Lee  
Hannah Leskovec  
John Lewis  
Andy Lin  
Cindy Lin  
Everton Loney  
Matthew Looney  
Michael Madigan  
Dimitri Maldonado  
LaToya Malloy  
Juan Mancinas-Montelongo  
Tyler Marriner  
Timothy May  
Jessica Maya  
Alexandria McCarrick

Aiesha McLeod  
Caroline McMullan  
Noel Menzi  
Matthew Milburn  
Austin Miller  
Eli Miller  
Logan Miller-DeBrosky  
Paul Moberly  
Bilali Mohammed  
Cindy Morales  
Kaitlyn Moss  
Parisa Motee  
Catherine Motsinger  
Ebadullah Nasery  
Zaynab Nasif  
Elizabeth Neblett  
Elizabeth Neil  
Taylor Newman  
Ryan O'Keeffe  
Eamon O'Toole  
Nathan Oldja  
James Olpin  
Ezra Otterburn  
John Owens  
Taylor Pagan  
Hemangini Parmar  
Logan Pavlansky  
Jacob Pearson  
Carolina Pena  
Sarah Pennington  
Lauren Perrigo  
Jacob Pesicka  
Laura Powell  
Levi Pruett  
Lila Qassem  
Justin Quinn  
Kinlie Rackard  
Brandie Ragsdale  
Matthew Ranshaw  
Rasheeda Ravenell  
Matthew Raynor  
Ashley Reboli  
Jeremy Reed

Melissa Riddle  
Jacqueline Riecken  
Bradley Ritzenthaler  
Jay'la Rivers  
Faith Rives  
Audrey Rollins  
Melissa Ross  
Joshua Rowland  
Zoe Rumberg  
Robert Rushing  
Bruce Sawyer  
Patrick Schaffer  
Anna Schatzel  
Ryan Schlossberg  
Catherine Schwefler  
Ryan Sheppard  
Sarah Siddiqui  
Ryan Sikorski  
Allison Simpson  
Hunter Simpson  
Jacob Simpson  
Amy Smith  
Elise Smith  
Mitchell Smith  
William Solomon  
Andrew Sosnowski  
Tess Spindler  
Dustin Starnes  
Denver Stone  
Rosali Su  
Eric Sunderland  
William Sutton  
Calvin Tam  
Hao Tang  
Madison Tarlton

Joshua Topper  
Nevena Tosanovic  
Jared Triplett  
Segilola Udofia  
Michelle Van  
Zachary Viola  
Alexander Voigt  
Ashley Wagner  
Natalie Wagner  
Darius Walton  
Yijie Wang  
Anna Ward  
Kara Ward  
Noah Ward  
Lauren Warr  
Lanett Washington  
Robert Westbrook  
Lauryn Wharton  
Brittany Wheeler  
Jamaal White  
Emily Wiesler  
Ksyla Wigglesworth  
Christopher Williams  
Emma Williams  
Omar Williams  
Olivia Wilson  
Melanie Winkle  
Morgan Winogradoff  
Kiersten Woodring  
James Wyatt  
Jia Xu  
Austin Young  
Wade Zawadzki  
Anna Zhao  
Yanxi Zhuo

**EXECUTIVE STAFF AND LEGAL COUNSEL REPORT:** The Board reviewed the May 2023 operational metrics and the Executive Staff Report.

**PUBLIC COMMENTS:** Mr. Sotichack updated the Board on recent activities of the NCACPA, including attending the AICPA Spring Council Meeting. He stated that the NCACPA appreciates the efforts of the Board regarding the CPA Pipeline and the 30-month Exam credit window.

**ADJOURNMENT:** Ms. Demery moved, and Ms. Van Zant seconded the motion to adjourn the meeting at 11:07 a.m. The motion passed with seven (7) affirmative and zero (0) negative votes.

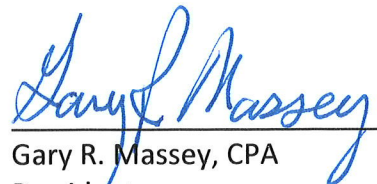
Respectfully submitted:

Attested to by:



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David R. Nance, CPA  
Executive Director



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Gary R. Massey, CPA  
President

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #s C2018386, C2020154, C2020204, C2022137, C2022293

N.C. STATE BOARD OF CERTIFIED )  
PUBLIC ACCOUNTANT EXAMINERS, )  
Petitioner, )  
v. )  
LINDA R. SHARP, CPA )  
Respondent. )

**FINAL AGENCY DECISION  
BY THE N.C. STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT  
EXAMINERS**

The North Carolina State Board of Certified Public Accountant Examiners (the “Board”) hereby issues its Final Agency Decision in the above-captioned matters, as set forth below.

**PROCEDURAL HISTORY AND FINDINGS**

1. On December 16, 2022, the Board referred this matter to the Office of Administrative Hearings and submitted a Request for Designation of Administrative Law Judge pursuant to N.C. Gen. Stat. §150B-40(e).

2. The Matter was designated as Case# 22 CPA 04794 at the Office of Administrative Hearings and assigned to Administrative Law Judge Linda F. Nelson (“ALJ” or “ALJ Nelson”).

3. On March 29, 2023, ALJ Nelson entered an Order Granting Petitioner’s Motion for Partial Summary Judgment on all issues, except the appropriate disciplinary action to be taken against Respondent.

4. A contested case hearing on the issue of appropriate disciplinary action was held in the Office of Administrative Hearings before ALJ Nelson in Raleigh, North Carolina on May 15, 2023. The Respondent, Linda Sharp (“Sharp”), did not attend the hearing. The Board was represented by Douglas J. Bocker and Dauna L. Bartley, Esq.

5. On May 24, 2023, ALJ Nelson filed a Proposal for Decision. ALJ Nelson’s Proposal for Decision contained Findings of Fact and Conclusions of Law and proposed a permanent revocation of Sharp’s CPA certificate.

6. As indicated by the Certificate of Service attached to the Proposal for Decision, the Proposal for Decision was served upon the Respondent on May 24, 2023, pursuant to “electronic service as defined in 26 NCAC 03 .0501(4), or by placing a copy thereof, enclosed in a wrapper addressed to the person to be served, into the custody of the North Carolina Mail Service Center who subsequently will place the foregoing document into an official depository of the United States Postal Service:.”

7. As stated in the Proposal for Decision and pursuant to N.C. Gen. Stat. §150B-40(e), on May 25, 2023, the Board informed Sharp that it would review the Proposal for Decision at its meeting

scheduled for June 20, 2023. Sharp was informed that she could present oral arguments on that day and further informed that she could submit written arguments and exceptions prior to June 12, 2023.

8. The notice was sent to Sharp via certified mail and email. Sharp did not submit written arguments and exceptions to the Proposal for Decision.

9. The official record from the Office of Administrative Hearings was issued and sent to the parties on June 7, 2023, and received by the Board on June 9, 2023. The official transcript of the hearing before Judge Nelson was filed on June 15, 2023.

10. The Board provided access to a courtesy copy of the OAH's official record and the transcript to Respondent on June 15, 2023, via electronic means.

11. Mr. Brocker presented oral arguments to the Board on June 20, 2023, in support of adoption of ALJ Nelson's Proposal for Decision.

12. Sharp did not attend the June 20, 2023, consideration of this matter despite being timely and properly informed of the meeting.

13. A quorum of the Board was present for the deliberations.

### **FINAL AGENCY DECISION**

Having considered ALJ Nelson's Proposal for Decision; the entire official record in this matter, including the transcript of the hearing at OAH and Petitioner Exhibits 1-14 including subparts 8A, 9A, and 10A, and 16-20; and oral arguments, the Board issues this Final Agency Decision pursuant to N.C. Gen. Stat. § 150B-42.

### **STATUTES AND RULES AT ISSUE**

The Board hereby adopts the Statutes and Rules at Issue proposed by ALJ Nelson as set forth in the Proposal for Decision, without amendment or modification. The Statutes and Rules at Issue are as follows:

N.C. Gen. Stat. § 93-12(9)(e) 21 N.C.A.C. 08N .0203  
21 N.C.A.C. 08N .0204  
21 N.C.A.C. 08N .0206  
21 N.C.A.C. 08N .0207  
21 N.C.A.C. 08N .0208  
21 N.C.A.C. 08N .0212  
21 N.C.A.C. 08N .0305

## **FINDINGS OF FACT**

The Board hereby adopts the following Findings of Facts. These Findings of Fact are substantially the same ones proposed by ALJ Nelson as set forth in her Proposal for Decision:

### **Parties and Witnesses**

1. Petitioner, the Board, is an agency established pursuant to N.C. Gen. Stat. § 93-12 and is charged with protecting the health, welfare, and safety of the public by overseeing the licensing of certified public accountants (“CPAs”) in North Carolina.
2. The Board has the authority to examine, license, and discipline certified CPAs in North Carolina. *See* N.C. Gen. Stat. § 93-12. The Board also has the authority to promulgate rules governing North Carolina CPAs and their practice, including those governing professional ethics and conduct, which are found in 21 N.C.A.C. 8N .0200 *et seq.*
3. David R. Nance (“Mr. Nance”) has been employed by the Board for over 10 years, and he currently serves as the agency’s Executive Director. Mr. Nance has been involved in or supervised the matters alleged in this contested case and testified regarding the Board’s efforts to obtain information and responses from Respondent, the effect of Respondent’s conduct at issue, prior disciplinary action taken by the Board against Respondent, and disciplinary action taken by the Board in other similar cases. Mr. Nance was a credible witness.
4. Respondent is a North Carolina licensed CPA subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code.
5. Respondent appeared before the OAH in 2015, in which the presiding Administrative Law Judge recommended she be censured by the Board and pay a civil monetary penalty for violations of the Board’s rules occurring from 2008 through 2015. *See N.C. State Board of Certified Public Accountant Examiners v. Linda R. Sharp*, 15 CPA 04488 (O.A.H. Jan. 26, 2016). The findings of fact and conclusions of law included in the Proposal for Decision in the prior case are incorporated fully herein.
6. On December 16, 2022, the Board filed the petition in this contested case, seeking a determination with respect to the facts and violations alleged in Petitioner’s Amended Notice of Hearing, which was attached to the petition.
7. On December 19, 2022, the OAH issued a Notice of Contested Case and Assignment, and ALJ Nelson issued an Order for Prehearing Statements which required the parties to file prehearing statements on or before January 18, 2023, which the Board timely filed.
8. Respondent did not file a Prehearing Statement as ordered.
9. On February 13, 2023, ALJ Nelson issued a Second Order for Prehearing

Statements which required Respondent to file a Prehearing Statement on or before February 23, 2023.

10. Respondent again failed to timely file a Prehearing Statement, and instead filed it on February 24, 2023.

11. On March 13, 2023, the Board filed a Motion for Partial Summary Judgment requesting that judgment be entered against Respondent as to all alleged violations, based in part on Respondent's failure to respond to discovery requests properly served upon her pursuant to Rule 36 of the North Carolina Rules of Civil Procedure, requesting that she admit the truth of the matters set forth.

12. That same day, ALJ Nelson issued a request for response to the Board's Motion, requiring Respondent to file a written response on or before March 23, 2023.

13. Respondent failed to file a response to Petitioner's Motion for Partial Summary Judgment.

14. In all instances, Respondent has been properly served by mail at the address Respondent provided to the Board, which is the address of record in this case.

### **Facts Established Upon Summary Judgment**

15. On March 29, 2023, ALJ Nelson entered an Order Granting's Motion for Partial Summary Judgment (the "Summary Judgment Order"), finding that all matters within the Board's requests for admission are deemed admitted and are conclusively established, and fully incorporating the requests for admission. The OAH hearing on the contested case was limited in scope to the appropriate disciplinary action to be taken against Respondent. The following uncontested facts established upon and set forth in the Summary Judgment Order are adopted in this Final Agency Decision:

#### Case No. #C2018386

16. On June 29, 2018, Respondent disclosed to the Board that she had "been sued by the IRS Office of Professional Responsibility." Respondent did not provide any additional information.

17. In response to the disclosure, the Board opened a disciplinary case against Respondent and requested additional information, which was due on or before October 18, 2018. Respondent did not respond.

18. On October 25, 2018, the Board sent a second request for additional information, which required a response on or before November 15, 2018. Respondent did not respond.

19. On May 9, 2019, the Board discovered that Respondent had been disbarred from practice before the IRS. The Board did not have a copy of the IRS decision (the "IRS Disbarment



Decision.”)

20. Respondent did not notify the Board of the disbarment nor provide the Board a copy of the IRS Disbarment Decision.

21. By letter dated May 20, 2019, the Board requested additional information regarding the IRS disbarment from Respondent. The Board required Respondent to respond on or before June 10, 2019. Respondent did not timely respond.

22. The Board blocked Respondent’s annual certification renewal until she provided a response regarding the IRS Disbarment Decision.

23. On June 30, 2019, the day before her certification expired, Respondent provided a partial response to the Board, but she did not provide a copy of the IRS Disbarment Decision or any information regarding an appeal, as the Board requested.

24. On July 10, 2019, after receiving the partial response, the Board allowed Respondent to renew her CPA certificate and informed her that she needed to provide additional information regarding the IRS decision.

25. Respondent did not provide any additional information regarding the IRS decision. As a result, the Board blocked her annual CPA firm registration for 2020.

26. On December 31, 2019, Respondent informed the Board that she did not have any additional information, but that she was working on a motion for reconsideration of the IRS Disbarment Decision.

27. On January 8, 2020, the Board unblocked Respondent’s firm registration but informed her that the Board needed additional information, including a copy of the IRS Disbarment Decision, her appeal of the decision, and communications with the IRS regarding the matter.

28. Respondent did not provide any additional information for over five more months. As a result, the Board blocked Respondent’s annual certification renewal.

29. On June 30, 2020, the day before her certification expired, Respondent contacted the Board and informed the Board that she had paid civil penalties to the IRS to have IRS liens against her released. This was the first time that Respondent had disclosed, or the Board had learned of, an IRS lien against Respondent.

30. On July 6, 2020, the Board again requested additional information on the IRS matter.

31. On July 29, 2020, for the first time, Respondent provided a copy of the IRS decision against her and some information regarding tax liens placed against her property. Respondent again did not provide any information regarding whether there was a pending appeal or motion for reconsideration of the IRS Disbarment Decision, as she previously indicated. *Director, Office of Profess. Res. v. Linda R. Sharp, CPA*, No. 18-AF-0132-OD- 002 (I.R.S. Sept.

7, 2018); Pet. Ex. 7.

32. The IRS Disbarment Decision was dated September 7, 2018, which was prior to the Board's first request to Respondent asking for additional information about her limited disclosure. It took Respondent more than twenty-two months before finally providing it to the Board.

33. The IRS Disbarment Decision is a default judgment issued by U.S. Administrative Law Judge Alexander Fernandez on September 7, 2018, disbarring Respondent from practice before the IRS. Pet. Ex. 1.

34. Respondent did not file an answer or otherwise respond or appear in the matter before U.S. Administrative Law Judge Fernandez.

35. The IRS Disbarment Decision found Respondent engaged in 62 counts of misconduct in violation of Federal regulations from 2011 through 2014.

36. The IRS Disbarment Decision included findings that Respondent:

- a. prepared tax returns for twelve taxpayers between 2011 and 2014 in which Respondent claimed deductions not permitted by law or not supported by adequate documentation;
- b. willfully assisted taxpayers in violating federal law for tax years 2011 through 2014;
- c. willfully assisted taxpayers in filing returns or taking positions on tax returns that lacked a reasonable basis;
- d. willfully encouraged taxpayers to take positions on documents submitted to the IRS that were frivolous for tax years 2012 through 2014;
- e. provided false information to the IRS in connection with certain taxpayers' pending matters for tax years 2012 through 2014;
- f. willfully assisted or counseled taxpayers in a plan to evade federal taxes;
- g. provided false opinions that were intentionally misleading;
- h. engaged in a pattern of providing incompetent opinions; and
- i. engaged in disreputable conduct and willfully violated the regulations governing practice before the IRS by willfully failing to respond to the IRS Office of Professional Responsibility's request for information despite being granted an extension to respond.

Case No. #C2020154

37. The Board received a complaint against Respondent from two of her clients. The

clients stated that they had engaged Respondent to prepare their 2019 taxes, but that Respondent deferred the preparation of the returns until after the tax deadline.

38. Respondent told her clients she had filed requests for extensions, but she did not provide the clients with copies of the extension requests she claimed to have filed.

39. Respondent failed to prepare and file the clients' 2019 tax returns by the filing deadline.

40. Respondent failed to file a request for an extension of time to file the clients' 2019 tax returns.

41. Respondent failed to return the clients' records to them when they requested their return.

42. The Board mailed a copy of the clients' complaint to Respondent on September 8, 2020, and requested that Respondent respond to the complaint on or before September 29, 2020. Respondent did not respond.

43. The Board emailed a copy of the clients' complaint to Respondent on September 30, 2020, and requested Respondent respond on or before October 21, 2020.

44. On October 1, 2020, Respondent called the Board and confirmed receipt of the email.

45. On October 26, 2020, the Board emailed Respondent to inform her that she had failed to timely respond to the complaint. Respondent asserted that she could not open the email and asked the Board to fax information to her. The Board complied with her request.

46. Respondent emailed the Board on November 2, 2020, requesting additional time to respond to the clients' complaint.

47. On December 14, 2020, Respondent untimely responded to the clients' complaint. The clients provided additional information to the Board in the form of a reply to Respondent's response on December 29, 2020. The following day, this information was forwarded to Respondent.

48. Respondent did not provide any additional information regarding the clients' complaint until June 30, 2021, after the Board had blocked her annual CPA certificate renewal.

Case No. #C2020204

49. On December 29, 2020, the Board received a client complaint against Respondent concerning alleged deficiencies in a tax engagement and failure to return client records.

50. Respondent failed to prepare and file the client's 2018 and 2019 tax returns by the filing deadlines.

51. Respondent failed to file a request for an extension of time to file the client's 2018 and 2019 tax returns.

52. Respondent failed to return the client's records to the client when she requested their return.

53. A copy of this client complaint was emailed, faxed, and mailed to Sharp on December 30, 2020, requesting that Respondent respond on or before January 20, 2021. Respondent did not timely respond.

54. The Board emailed Respondent on January 22, 2021, and extended the deadline to respond to January 29, 2021. Respondent replied, confirming she would respond by January 29, 2021, but failed to do so.

55. On February 1, 2021, the Board faxed a copy of both aforementioned client complaints to Respondent, because the Board had not received a response. Respondent confirmed via telephone call that she would provide a response but again failed to do so in a timely manner.

56. On March 3, 2021, the Board emailed and faxed an additional copy of the complaints to Respondent. The Board then blocked Respondent's ability to renew her CPA certificate, after Respondent again failed to timely respond.

57. On June 28, 2021, several days before her certificate expired, Respondent requested that her renewal be unblocked. The Board indicated it would only unblock Respondent's renewal if she provided a response to the complaints.

58. Respondent provided a response, which the Board had been requesting for almost six months, the following day on June 29, 2021.

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59. On May 16, 2022, another client filed a complaint with the Board against Respondent, alleging failure to return client records and deficiencies in her performance.

60. Respondent failed to prepare and file the client's 2017, 2018, and 2019 tax returns by the filing deadlines.

61. Respondent failed to file a request for an extension of time to file the client's 2019 tax returns.

62. Respondent failed to return the client's records when he requested their return.

63. The Board mailed a copy of the complaint to Respondent on May 18, 2022, requiring a response on or before June 8, 2022.

64. Respondent did not respond to the client complaint.

65. Respondent later falsely informed the complainant that the Board dismissed the complaint against her.

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66. On November 2, 2022, the Board received a fourth client complaint against Respondent.

67. Respondent failed to prepare and file the client's 2021 tax returns by the filing deadline.

68. Respondent failed to file a request for an extension of time to file the client's 2021 tax returns.

69. Respondent failed to return the client's records to the client when he requested their return.

70. The Board mailed a copy of the complaint to Respondent and required her to provide a response on or before November 29, 2022.

71. Respondent did not timely submit a response.

**Additional Material Facts Relevant to Appropriate Disciplinary Action**

72. Respondent failed to disclose or provide the IRS Disbarment Decision to the Board for almost two years after it was issued.

73. Respondent failed to respond or provide documentation timely in response to the Board's inquiries regarding the IRS matters over the course of several years. Pet. Exs. 2-6.

74. Respondent's repeated failures to timely disclose, provide, and respond about the IRS Disbarment Decision over several years, and her repeated misrepresentations regarding the existence of an appeal or reconsideration, substantially delayed the Board from being able to take action to protect the public and impeded its ability to regulate the CPA profession.

75. Respondent's misconduct and violations established in the IRS Disbarment Decision have a detrimental effect on the tax system generally, on her taxpayer clients, and on the public's perception of the honesty and trustworthiness of CPAs.

76. Respondent's actions established in the IRS Disbarment Decision demonstrate discreditable conduct and acts that reflect adversely on her honesty, integrity, trustworthiness, good moral character, and fitness as a CPA.

77. Generally, when the Board has been presented with disciplinary action taken against a CPA by another board or agency, the Board imposes discipline of a similar nature against the CPA.

78. The Board may take one or more of three actions: censure, assessment of a civil monetary penalty, or revocation of a CPA certificate. Revocation may be permanent or for a specified period. N.C. Gen. Stat. § 93-12(9).

79. Permanent revocation is the most similar action to the IRS' disbarment of Respondent.

80. Respondent was subject to a federal tax lien filed in 2017 in the amount of \$135,000 for failing to pay civil tax preparer penalties related to the violations set out in the IRS Disbarment Decision. Pet. Exs. 7, 8, 8A.

81. Respondent was subject to a federal tax lien filed in 2019 for failing to pay personal income taxes for the 2017 tax year in the amount of \$5,204.65. Pet. Exs. 9, 9A.

82. Respondent was subject to a federal tax lien originally assessed in 2014 and filed in 2020 for failing to pay personal income taxes for the 2013 tax year in the amount of \$9,524.66. Pet. Exs. 10, 10A.

83. Respondent did not timely disclose to the Board the existence of the 2017 and 2019 liens, never disclosed to the Board the existence of the lien for 2013, and repeatedly failed to timely respond to the Board's requests for information about the liens.

84. A CPA's repeated failure to pay civil penalties and taxes owed has a detrimental effect on the tax system generally and on the public's perception of the trustworthiness and competence of CPAs.

85. In all cases involving client complaints filed against Respondent in this contested case, Respondent failed to prepare or file tax returns by the respective filing deadlines; failed to file requests for an extension of time to file tax returns; and failed to return client records upon client request. Pet. Exs. 11-14.

86. A CPA's failure to timely prepare and file a client's tax returns and failure to return tax records to a client have detrimental effects on the taxpayer client, including causing the client to incur significant penalties and interest and impeding the client's ability to file returns in future years, and also on clients' and the public's perception of CPAs generally.

87. The Board made many requests to Respondent for the information necessary to investigate the client complaints, and Respondent repeatedly failed to timely respond or provide documentation.

88. Respondent did not timely respond to the Board's repeated inquiries related to the client complaints or the IRS matters.

89. On many occasions with respect to its inquiries related to client complaints or the IRS matters, the Board had to block renewal of Respondent's individual CPA certificate and her firm registration before Respondent would provide any information responsive to the Board's requests, and even then Respondent consistently failed to provide complete information

or documentation.

90. Respondent's repeated failure to respond timely and accurately to the Board's inquiries about client complaints substantially delayed the Board from taking action to protect the public and impeded the Board's ability to regulate the CPA profession.

91. Respondent was previously disciplined by the Board for similar misconduct. In 2016, the Board censured Respondent and ordered her to pay a civil penalty of \$500, based on Respondent's failures to disclose litigation filed against her on many renewal applications, and failures to cooperate with and/or respond to the Board regarding matters related to investigations from 2010 through 2014. Pet. Ex. 16.

92. In its 2016 disciplinary decision, Respondent took both of the two lesser sanctions available against Respondent under N.C. Gen. Stat. § 93-12(9).

93. Many of the violations established in this contested case occurred after the time period at issue in the Board's 2016 disciplinary decision and are of the same nature as the conduct for which Respondent was disciplined previously.

94. Many of the violations established in this contested case occurred after the IRS Disbarment Decision and involve similar misconduct related to incompetence in the preparation of taxpayer returns and failure to respond to the requests of regulatory authorities.

95. Respondent's persistent pattern of failure to disclose and failure to respond to the Board's inquiries related to client complaints and other proceedings against her has a detrimental effect on the Board's ability to fulfill its regulatory obligations, to protect the public, and to conduct timely investigations of complaints. It also negatively impacts the Board's ability to regulate the CPA profession, and the public's perception of the Board and CPAs generally.

96. In disciplinary cases involving other CPAs with similar facts and violations related to failure to timely prepare and file tax returns, failure to return tax records, failure to timely respond to the Board's requests for information, and failure to appear for the contested case hearing, the Board previously has taken disciplinary action in the form of a permanent revocation of the CPA certificate. Pet. Exs. 17-19.

97. The Board's consistent treatment of disciplinary cases is important to the public's perception of the Board and CPAs generally, and to the Board's ability to fulfill its regulatory obligations in a fair and just manner.

98. The Notice of Hearing setting the hearing of this contested case on May 15, 2023, was issued by the ALJ on February 17, 2023, and was served upon Respondent by certified mail to Respondent's address of record. The certified mail receipt shows it was delivered to the record address and signed for by Respondent on February 21, 2023.

99. Respondent's Prehearing Statement referred to the trial date of May 15, 2023, confirming that Respondent received notice of the hearing date, yet Respondent failed to appear at the hearing of this contested case or request a continuance.

100. Respondent's failure to comply with the ALJ's orders, failure to respond and participate in the proceedings, and failure to appear at the hearing of this contested case is consistent with her pattern of not responding to the Board's requests for information and as established in the IRS Disbarment Decision.

### **CONCLUSIONS OF LAW**

The Board hereby adopts the following Conclusions of Law. These Conclusions of Law are substantially the same ones proposed by ALJ Nelson in her Proposal for Decision:

1. If a party fails to appear in a contested case after she has been given proper notice, the agency may proceed make its decision in the absence of that party. N.C. Gen. Stat. § 150B-40(a).

2. In contested cases brought under Article 3A of Chapter 150B of the North Carolina General Statutes, "[t]he provisions of [Article 3A] . . . shall govern a contested case in which the agency requests an administrative law judge from the Office of Administrative Hearings." N.C. Gen. Stat. § 150B-40(e). Further, "[t]he administrative law judge . . . shall sit in place of the agency and shall have the authority of the presiding officer in a contested case . . . ." *Id.* After presiding over an Article 3A contested case, "[t]he administrative law judge shall make a proposal for decision, which shall contain proposed findings of fact and proposed conclusions of law." *Id.*

3. The Office of Administrative Hearings and Board have jurisdiction over the parties and the subject matter of this contested case and there is no question as to misjoinder and nonjoinder.

4. To the extent the foregoing Findings of Fact contain conclusions of law, or these Conclusions of Law contain findings of fact, they should be so considered regardless of the given label. *See Westmoreland v. High Point Healthcare, Inc.*, 218 N.C. App. 76, 79, 721 S.E.2d 712, 716 (2012) (citations omitted); *Peters v. Pennington*, 210 N.C. App. 1, 15, 707 S.E.2d 724, 735 (2011) (citations omitted).

5. The Board is subject to Article 3A of Chapter 150B. N.C. Gen. Stat. § 150B-38(a).

6. The Board properly instructed the Director of the Office of Administrative Hearings to assign an administrative law judge to act as a hearing officer in this contested case. N.C. Gen. Stat. § 150B-40(e).

7. The ALJ had the authority and duties of a hearing officer of the Board, under Article 3A and the Board's rules. The ALJ is required to make a proposal for final decision on this matter to the Board, and may do so notwithstanding Respondent's failure to appear at the hearing of this contested case after she was given proper notice. N.C. Gen. Stat § 150B-40(a), (e).



8. The Board properly served discovery requests upon Respondent pursuant to Rule 36 of the North Carolina Rules of Civil Procedure. Rule 36(a) provides 30 days for a party to respond to requests for admission. If a response is not received within the 30-day period, then matters are deemed “admitted.” Any matter admitted under Rule 36 is “conclusively established.” N.C. R. Civ. P. 36(b).

9. As Respondent did not respond to the Board’s requests for admission under Rule 36 and did not file a motion or otherwise request relief, all matters within the Board’s requests for admissions are deemed admitted and are conclusively established. N.C. R. Civ. P. 36(b).

10. A Rule 36 admission constitutes a judicial admission, “comparable to an admission in pleadings or a stipulation drafted by counsel for use at trial, rather than to an evidentiary admission of a party.” *Eury v. N.C. Emp’t Sec. Comm’n*, 115 N.C. App. 590, 599 (1994) (quoting G.S. 1A-1, Rule 36 cmt.).

11. “A judicial admission is a formal concession which is made by a party in the course of litigation for the purpose of withdrawing a particular fact from the realm of dispute. Such an admission is not evidence, but it, instead, serves to remove the admitted fact from the trial by formally conceding its existence.” *Contractors, Inc. v. Forbes*, 302 N.C. 599, 604 (1981).

12. Respondent’s admissions of all matters within the Board’s requests for admission constitute judicial admissions of the facts admitted pursuant to Rule 36, removing those admitted facts from trial by formally conceding them. The requests for admission are fully incorporated herein.

13. Matters in this contested case were subject to disposition on summary judgment pursuant to Rule 56 of the North Carolina Rules of Civil Procedure, N.C. Gen. Stat. § 150B-40(e) and 26 N.C.A.C. 03 .0101.

14. The ALJ entered the Summary Judgment Order in this matter on March 29, 2023, on the grounds that there were no genuine issues of material fact and the Board was entitled to judgment as a matter of law with respect to Respondent’s violations in accordance with Rule 56(c).

15. Additionally, pursuant to Rule 56(e), when faced with a properly supported motion for summary judgment, “an adverse party may not rest upon the mere allegations or denials of his pleading, but his response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is a genuine issue for trial. If he does not so respond, summary judgment, if appropriate, shall be entered against him.”

16. Because Respondent failed to respond to the Board’s Motion for Partial Summary Judgment, summary judgment against Respondent was also proper pursuant to Rule 56(e).

17. The uncontested facts and conclusions of law in the Summary Judgment Order are incorporated fully herein. In accordance with Rule 56(d), at the hearing of this matter, the facts specified as uncontested in the Summary Judgment Order are deemed established.

18. N.C. Gen. Stat. § 93-12(9)(e) authorizes the Board to adopt rules of professional

ethics and conduct for CPAs in North Carolina. The Board has adopted the following pertinent rules:

- a. 21 N.C.A.C. 08N .0203:
  - (a) A CPA shall not engage in conduct discreditable to the accounting profession.
  - (b) Prohibited discreditable conduct includes [] acts that reflect adversely on the CPA's honesty, integrity, trustworthiness, good moral character, or fitness as a CPA.
- b. 21 N.C.A.C. 08N .0204:
  - (a) A CPA shall not act in a way that would cause the CPA to be disciplined by federal or state agencies or boards for violations of laws or rules on ethics. CPAs who engage in activities regulated by other federal or state authorities [including the IRS] shall comply with all such authorities' ethics laws and rules.
  - (b) A conviction or final finding of unethical conduct by a competent authority is prima facie evidence of a violation of this Rule.
  - (c) A CPA shall notify the Board in writing within 30 days of any conviction or finding against him or her of unlawful conduct by any federal or state court or regulatory authority.
- c. 21 N.C.A.C. 08N .0206:

A CPA shall provide full cooperation in connection with any inquiry made by the Board. Full cooperation includes responding within 21 days to all inquiries of the Board . . .
- d. 21 N.C.A.C. 08N .0207:

A CPA shall not knowingly violate any state or federal tax laws or regulations in handling the CPA's personal business affairs, . . . [or] the business affairs of an employer or client.
- e. 21 N.C.A.C. 08N .0208:
  - (b) A CPA shall notify the Board within 30 days of any judgment or settlement in . . . [an] administrative proceeding . . . that: (1) is grounded upon an allegation of professional negligence, gross negligence, dishonesty, fraud, misrepresentation, incompetence, or violation of any federal or state tax law and (2) was brought against . . . the CPA.
- f. 21 N.C.A.C. 08N .0212:

A CPA shall perform professional services competently and shall . . . (2) exercise due professional care in the performance of an engagement.
- g. 21 N.C.A.C. 08N .0305:
  - (a) A CPA shall return client-provided records in the CPA's custody or control to the client at the client's request.

19. As set out in the ALJ's Partial Summary Judgment Order, Respondent's conduct in these matters constituted numerous violations of the Board's rules governing North Carolina CPAs, including:

- a. Respondent's misconduct and violations set out in the IRS Disbarment Decision violated many of the rules listed above, including 21 N.C.A.C. 08N .0203, .0204, .0207, .0208, and .0212.
- b. Respondent did not notify the Board of the IRS Disbarment Decision within 30 days of the decision date in violation of 21 N.C.A.C. 08N .0204(c).
- c. Respondent repeatedly failed to respond to the Board's requests for additional information or requests for response to complaints within the specified time in violation of 21 N.C.A.C. 08N .0206.
- d. Respondent was subject to federal tax liens assessed for failure to pay amounts owed to the IRS in violation of 21 N.C.A.C. 08N .0207.
- e. Respondent failed to timely return client records and failed to perform professional services competently in violation of 21 N.C.A.C. 08N .0212 and .0305.

20. Pursuant to N.C. Gen. Stat. § 93-12(9), the disciplinary actions the Board may take with respect to CPAs found to be in violation of its rules are censure, assessment of a civil penalty, or revocation, which may be either permanent or for a specified period.

21. Respondent has already been subject to two of the three possible Board actions by for similar conduct. In 2016, Respondent was censured and ordered to pay a civil penalty for failures to disclose litigation filed against her and failure to cooperate with and/or respond to the Board's requests for information related to its investigations.

22. Respondent continued engaging in the pattern of misconduct despite prior discipline by the Board.

23. Respondent's misconduct and violations are part of a pattern of similar misconduct extending more than ten years.

24. The IRS Disbarment Decision is sufficient standing alone to support a permanent revocation of Respondent's CPA certificate as reciprocal discipline.

25. Respondent's failures to disclose the IRS Disbarment Decision and the federal tax liens and repeated failures to cooperate and/or respond to the Board's requests for information and documentation related to the IRS disbarment over the course of several years, obstructing the Board's investigation and efforts to fulfill its regulatory obligations, are sufficient standing alone to support a permanent revocation of Respondent's CPA certificate.

26. Respondent's repeated failures to perform professional services for clients competently and return client records upon the client's request, resulting in many instances of harm and potential harm to clients, are sufficient standing alone to support a permanent revocation of Respondent's CPA certificate.

27. Respondent's repeated failures to cooperate and/or respond to the Board's requests for her response to client complaints or for additional information and documentation,

obstructing the Board's ability to investigate, respond to complainants, and fulfill its regulatory obligation to protect the public, are sufficient standing alone to support a permanent revocation of Respondent's CPA certificate.

### DECISION

Based on the foregoing Findings of Fact and Conclusions of Law, the Board hereby adopts the ALJ's Proposal for Decision to PERMANENTLY REVOKE Respondent Sharp's CPA certificate.



NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BY: Gary R Massey 6/20/2023  
Gary R. Massey, CPA  
President

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **FINAL AGENCY DECISION** is served upon the following person by United States Postal Service:

Douglas J. Brocker  
The Brocker Law Firm  
1135 Kildaire Farm Road, Suite 200  
Cary, NC 27511  
*Attorney For Petitioner Board*

The undersigned hereby certifies that a copy of the foregoing **FINAL AGENCY DECISION** is served upon the following person by certified mail, return receipt requested:

Linda R Sharp, CPA  
3003 North Croatan Highway  
Kill Devil Hills, NC 27948  
*Respondent*

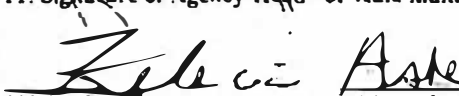
This the 21<sup>st</sup> day of June, 2023.



Frank X. Trainor, III



## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08F .0103 Filing of Examination Applications and Fees	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> <b>Notice Required</b> Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> <b>Notice not required under G.S.:</b> Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact ( $\geq \$1,000,000$ ) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Recognizes that the Board accepts e-transcripts to document educational history and allows for digital submission of photographs.	
<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe Phone: 919-733-4223 E-Mail: <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> Additional agency contact, if any: David R. Nance Phone: 919-733-4215 E-Mail: <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	





21 NCAC 08F .0103 is proposed for amendment as follows:

**21 NCAC 08F .0103 FILING OF EXAMINATION APPLICATIONS AND FEES**

(a) All applications for CPA examinations shall be filed with the Board and accompanied by the examination fee. The Board sets the fee for each examination at the amount that enables the Board to recover its actual costs of examination services. If a check or credit card authorization fails to clear the bank, the application shall be deemed incomplete and returned. CPA ~~Exam~~ examination applications and fee information are on the Board's website at ~~www.nccpaboard.gov~~ nccpaboard.gov and may be requested from the Board.

(b) The initial application filed to take the examination shall include supporting documentation demonstrating that all legal requirements have been met, including:

- (1) minimum legal age;
- (2) education; and
- (3) good moral character.

(c) ~~Any In addition, any~~ person born outside the United States shall furnish to the Board ~~office evidence of citizenship; evidence of resident alien status; or office:~~

- (1) evidence of citizenship; or
- (2) evidence of resident alien status; or
- ~~(1)(3)~~ (3) other bona fide evidence that the applicant is legally allowed to remain in the United States; or
- ~~(2)(4)~~ (4) a notarized affidavit of intention to become a U.S. citizen; or
- ~~(3)(5)~~ (5) evidence that the applicant is a citizen of a foreign jurisdiction that extends to citizens of this State like or similar privileges to be examined.

(d) ~~Official transcripts (originals, not photocopies)~~ Education and degree requirements shall be proven by submission of either original official transcripts, not photocopies, signed by the college registrar and bearing the college seal are required to prove education and degree requirements; or by electronic delivery of official transcripts directly from the college registrar or through the institution's chosen provider. A letter from the college registrar of the school may be filed as documentation that the applicant has met the graduation requirements if the degree has not been awarded and posted to the transcript. No examination grades shall be released until an official transcript is filed with the Board confirming the education requirement as stated in the college registrar's letter.

(e) Applicants for re-examination shall not re-submit official transcripts, additional statements, or affidavits regarding education.

(f) To document good moral character as required by G.S. 93-12(5), three persons not related by blood or marriage to the applicant shall sign the application certifying the good moral character of the applicant and the Board shall conduct a background check of the applicant including a check of criminal records.

(g) An applicant shall include as part of any application for the CPA examination a statement of explanation and a certified copy of the final disposition if the applicant has been arrested, charged, convicted or found guilty of, received a prayer for judgment continued, or pleaded nolo contendere to any criminal offense. An applicant shall not be required to disclose any arrest, charge, or conviction that has been expunged by ~~the court~~ a court.

(h) If an applicant has been denied any license by any state or federal agency, the applicant shall include as part of the application for the CPA examination a statement explaining such denial. An applicant shall include a statement of explanation and a certified copy of applicable license records if the applicant has been registered with or licensed by a state or federal agency and has been disciplined by that agency.

(i) ~~Two identical photographs shall accompany-~~ An applicant shall submit one photograph or digital image as part of the application for the CPA examination. ~~These photographs~~ The photograph or digital image shall be of the applicant alone, ~~2x2 inches in size,~~ front view, full face, taken in normal street attire without a hat or dark glasses, ~~printed on paper with a plain light background~~ background, and taken within the last six months. ~~Photographs~~ The photograph or digital image may be in black and white or in color. Retouched photographs or digital images shall not be accepted. ~~If submitting a photograph, Applicants applicants shall write their names on the back of their photographs.~~ photograph, with the photograph 2x2 inches in size.

(j) If an applicant's name has legally changed and is different from the name on any transcript or other document supplied to the Board, the applicant shall furnish copies of the documents legally authorizing the name change.

(k) Candidates shall file initial and re-exam applications to sit for the CPA ~~Examination~~ examination on forms provided by the Board.

(l) Examination fees are valid for a six-month period from the date of the applicant's notice to schedule for the examination from the examination vendor.

(m) No application for examination shall be considered while the applicant is serving a sentence for any criminal offense. Serving a sentence includes incarceration, probation (supervised or unsupervised), parole, or conditionally suspended sentence, any of which are imposed as a result of having been convicted or having pled to a criminal charge.

*History Note: Authority G.S. 93-2; ~~93-9(12);~~ 93-10; 93-12(3); 93-12(4); 93-12(5); 93-12(7);*

*Eff. February 1, 1976;*

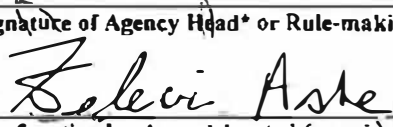
*Readopted Eff. September 26, 1977;*

*Amended Eff. January 1, 2014; February 1, 2011; January 1, 2006; January 1, 2004; August 1, 1998; February 1, 1996; April 1, 1994; March 1, 1990; May 1, 1989;*

*Readopted Eff. February 1, 2016;*

*Amended Eff. September 1, 2023; February 1, 2018.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08F .0105 Conditioning Requirements	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> <b>Notice Required</b> Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> <b>Notice not required under G.S.:</b> Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Aligns the Board rules with the Uniform Accountancy Act model rules for candidates sitting for the Uniform CPA examination. Changes the beginning date for the credit score window from the date the candidate sat until the date the candidate is provided with their first passed score.	
<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b> <div style="text-align: center; margin-top: 10px;">  </div> *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08F .0105 is proposed for amendment as follows:

**21 NCAC 08F .0105      CONDITIONING REQUIREMENTS**

(a) Passing Grades. A candidate shall pass all sections of the examination with a grade of 75 or higher on each section.

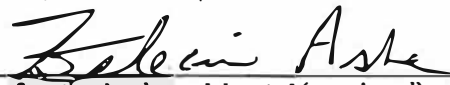
(b) Military Service. A candidate who is on active military service shall not have the time on active military service counted against Subparagraph (c)(1) of this Rule unless the candidate applies to take the examination during the active military service, in which case each month a candidate sits shall be counted toward Subparagraph (c)(1) of this Rule.

(c) A candidate is subject to the following conditioning requirements:

- (1) a candidate shall ~~obtain~~ earn a passing grade on all sections of the examination within an 18-month period;
- (2) a candidate may sit for any section of the examination ~~individually;~~ individually and in any order;
- (3) a candidate may retake the same section of the examination as many times during a one-year period as determined by the examination ~~vendor(s) vendors but shall not retake a failed test section until the candidate has been notified of the score of the most recent attempt of that failed section; and~~
- (4) credit awarded by the Board for passage of a section of the examination is ~~shall be~~ valid for an 18-month period beginning on the date the section is taken. from the date the passing scores are released by the examination vendor(s) vendors;
- (5) the 18-month period begins on the date the first passing score is released to the candidate and concludes with the sit date of the final passed examination section, regardless of when the score is released by the examination vendor(s) vendors for the final passed section. A candidate, after earning credit for the initial passed section, must complete the remaining test sections of the examination by the last day of the 18-month period. If all four sections of the examination are not passed within the 18-month period, credit for any test section passed outside of the 18-month period shall expire; and
- (6) notwithstanding subparagraphs (c)(1), (c)(4), and (c)(5) of this Rule, the period of time in which to pass all test sections of the examination may be extended by the Board upon a showing that the credit was lost by reason of circumstances beyond the testing candidate's control.

*History Note: Authority G.S. 93-12(3); 93-12(4); 93-12(5);  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
Amended Eff. February 1, 2011; January 1, 2006; January 1, 2004; August 1, 1998; April 1, 1994;  
April 1, 1991; March 1, 1990;  
Readopted Eff. February 1, 2016;  
Amended Eff. September 1, 2023; January 1, 2020.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08F .0401 Work Experience Required of Candidates for CPA Certification	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTION <input type="checkbox"/> REPEAL THROUGH READOPTION	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly            Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Clarifies that work experience shall be obtained under the direct supervision of licensed CPAs on active status in one of the recognized U.S. states or jurisdictions such that it can be verified by the Board.	
<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b> <div style="text-align: center; margin-top: 10px;">  </div> *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. <b>Typed Name:</b> Felecia Ashe <b>Title:</b> Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08F .0401 is proposed for amendment as follows:

**21 NCAC 08F .0401 WORK EXPERIENCE REQUIRED OF CANDIDATES FOR CPA CERTIFICATION**

(a) ~~G.S. 93-12(5)~~ G.S. 93-12(5)(c) sets forth work experience alternatives, one of which is required of candidates applying for CPA certification. In connection with those requirements, the following provisions apply:

- (1) the work experience shall be acquired prior to the date a candidate applies for certification; and
- (2) all experience that is required ~~to be under the direct supervision of a CPA~~ shall be under the direct supervision of a licensed CPA on active ~~status~~ status in one of the U.S. states or jurisdictions.

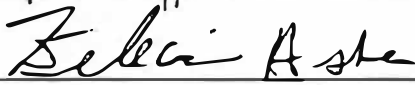
(b) The following provisions apply to all candidates seeking to meet the work experience requirement of ~~G.S. 93-12(5)c.3~~ G.S. 93-12(5)(c)(3) by working in the field of accounting:

- (1) One year of work experience is 52 weeks of full-time employment. The candidate is employed full-time when the candidate is expected by the employer to work for the employer at least 30 hours each week. Any other work is working part-time.
- (2) All weeks of actual full-time employment are added to all full-time equivalent weeks in order to calculate how much work experience a candidate has acquired. Dividing that number by 52 results in the years of work experience the candidate has acquired.
- (3) Full-time-equivalent weeks are determined by the number of actual part-time hours the candidate has worked. Actual part-time hours do not include hours paid for sick leave, vacation leave, attending continuing education courses, or other time not spent directly performing accounting services. For each calendar week during which the candidate worked actual part-time hours of 30 hours or more, the candidate receives one full-time-equivalent week. The actual part-time hours worked in the remaining calendar weeks are added together and divided by 30. The resulting number is the additional number of full-time-equivalent weeks to which the candidate is entitled.
- (4) The candidate shall submit experience affidavits on a form provided by the Board from all of the relevant employers; provided that when such experience was not acquired while employed with a CPA firm, the candidate shall also submit details of the work experience and supervision on a form provided by the Board. Experience affidavits for part-time work shall contain a record of the actual part-time hours the candidate has worked for each week of part-time employment. Both the experience affidavit and the form for additional detail shall be certified by the employer's office supervisor or an owner of the firm who is a certificate holder.

(c) Rule .0409 of this Section applies to teaching experience acquired pursuant to ~~G.S. 93-12(5)c.2 and 4~~ G.S. 93-12(5)(c)(2) and (4).

*History Note: Authority G.S. 93-12(3); 93-12(5);  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08F .0410 Education Required of Candidates for CPA Certification	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTION <input type="checkbox"/> REPEAL THROUGH READOPTION	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> <b>Notice Required</b> Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> <b>Notice not required under G.S.:</b> Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact ( $\geq \$1,000,000$ ) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly            Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Clarifies that candidates having an advanced degree are still subject to meeting the concentration of accounting requirement that exists for all candidates.	
<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  <hr/> *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. <b>Typed Name:</b> Felecia Ashe <b>Title:</b> Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08F .0410 is proposed for amendment as follows:

**21 NCAC 08F .0410 EDUCATION REQUIRED OF CANDIDATES FOR CPA CERTIFICATION**

(a) ~~G.S. 93-12(5)~~ G.S. 93-12(5)(a) sets forth the education required of candidates applying for CPA certification.

The 150 semester hours required ~~include~~ include:

(1) a concentration in accounting, as defined by 21 NCAC 08A .0309; and

(b) (2) 24 semester hours of coursework that ~~include~~ includes one three semester hour course from at least eight of the following 10 fields of study:

~~(1) (A)~~ communications;

~~(2) (B)~~ computer technology;

~~(3) (C)~~ economics;

~~(4) (D)~~ ethics;

~~(5) (E)~~ finance;

~~(6) (F)~~ humanities or social science;

~~(7) (G)~~ international environment;

~~(8) (H)~~ law;

~~(9) (I)~~ management; or

~~(10) (J)~~ statistics.

(e) (b) Anyone applying for CPA certification who holds a Master's or more advanced degree in accounting, tax law, economics, finance, business administration, or a law degree from an accredited college or university is in compliance with Paragraph (b) (a)(2) of this Rule.

*History Note: Authority G.S. 93-12(5);*

*Eff. January 1, 2001;*

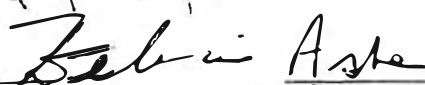
*Amended Eff. February 1, 2011; January 1, 2006;*

*Readopted Eff. February 1, ~~2016~~ 2016;*

*Amended Eff. September 1, 2023.*



## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08H .0101 Reciprocal Certificates	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact ( $\geq \$1,000,000$ ) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Cleans up the language and better clarifies the use of the CPA title when using a practice privilege in NC and obtaining a reciprocal certificate.	
<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08H .0101 is proposed for amendment as follows:

**21 NCAC 08H .0101      RECIPROCAL CERTIFICATES**

(a) ~~A~~ Unless utilizing a practice privilege per G.S. 93-10(a), a person having a CPA certificate from another jurisdiction who desires to utilize the CPA title in this State or offer or render professional services as a CPA to his or her employer or a client in this State shall meet all the requirements imposed on an applicant under G.S. 93-12(5) or the requirements of G.S. 93-12(6): obtain a reciprocal North Carolina CPA certificate.

(b) The fee for a reciprocal certificate shall be the maximum amount allowed by G.S. 93-12(7a).

(c) An applicant for a reciprocal certificate shall meet the following requirements:

(1) The applicant has the legal authority to use the CPA title and to practice public accountancy in a ~~jurisdiction-~~ United States jurisdiction; and

(2) The applicant has received a passing score on each ~~part~~ section of the Uniform CPA Examination.

*History Note: Authority G.S. 93-12(6); 93-12(7a);*

*Eff. February 1, 1976;*

*Readopted Eff. September 26, 1977;*

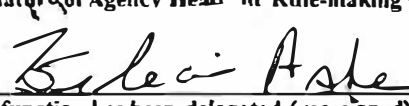
*Amended Eff. February 1, 2011; January 1, 2006; April 1, 2003; April 1, 1999; August 1, 1998;*

*September 1, 1992; March 1, 1990; May 1, 1989; June 1, 1988;*

*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;*

*Amended Eff. September 1, 2023.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08J .0112 Retired Status - Change of Status	
<b>3. Action:</b> <input checked="" type="checkbox"/> <b>ADOPTION</b> <input type="checkbox"/> <b>AMENDMENT</b> <input type="checkbox"/> <b>REPEAL</b> <input type="checkbox"/> <b>READoption</b> <input type="checkbox"/> <b>REPEAL THROUGH READoption</b>	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> <b>Notice Required</b> Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> <b>Notice not required under G.S.:</b> Adoption by Agency on:	
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<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:drnance@nccpaboard.gov">drnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b> <div style="text-align: center; margin-top: 20px;">  </div> *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. <b>Typed Name:</b> Felecia Ashe <b>Title:</b> Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08J .0112 is proposed for adoption as follows:

**21 NCAC 08J .0112 RETIRED STATUS - CHANGE OF STATUS**

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

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

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

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

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

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

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

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

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

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


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

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

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

Eff. September 1, 2023.

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08M .0105 Peer Review Requirements	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTION <input type="checkbox"/> REPEAL THROUGH READOPTION	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> <b>Notice Required</b> Notice of Text published on: April 17, 2023 Link to Agency notice: www.nccpaboard.gov Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> <b>Notice not required under G.S.:</b> Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b>	
<b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly          Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div>	
<b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Allows the Board to approve a substantially equivalent peer review program alternative to the AICPA program if necessary. Also, requires all CPA firms enrolled in the AICPA Peer Review program to opt-in to the AICPA Facilitated State Board Access process, thus allowing Board staff to obtain peer review information directly from the AICPA website for monitoring purposes.	
<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> feleciaa@nccpaboard.gov <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> dnance@nccpaboard.gov	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b> <div style="text-align: center;">         *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form.        Typed Name: Felecia Ashe        Title: Accounting Specialist     </div>
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08M .0105 is proposed for amendment as follows:

**21 NCAC 08M .0105 PEER REVIEW REQUIREMENTS**

(a) A CPA or CPA firm providing any of the following services to the public shall participate in a peer review program:

- (1) audits;
- (2) reviews of financial statements;
- (3) compilations of financial statements; or
- (4) any engagement to be performed in accordance with the Statements on Standards for Attestation Engagements.

(b) A CPA or CPA firm not providing any of the services listed in Paragraph (a) of this Rule is exempt from peer review until the issuance of the first report provided to a client. A CPA or CPA firm shall register with the peer review program as listed in Paragraph (d) of this Rule within 30 days of the issuance of the first report provided to a client.

(c) A CPA, a new CPA firm, or a CPA firm exempt from peer review that starts providing any of the services in Paragraph (a) of this Rule shall furnish to the peer review program selected financial statements, corresponding work papers, and any additional information or documentation required for the peer review program within 18 months of the issuance of the first report provided to a client.

(d) Participation in and completion of the AICPA Peer Review ~~Program~~ Program, or a program that substantially complies with the AICPA Standards for Performing and Reporting on Peer Reviews, shall be required. The AICPA Standards for Performing and Reporting on Peer Reviews are incorporated by reference, including subsequent amendments and editions. This document may be accessed at <https://us.aicpa.org/research/standards/peerreview> at no cost.

(e) CPA firms shall not rearrange their structure or act in any manner with the intent to avoid participation in peer review.

(f) A CPA firm that does not have offices in North Carolina and that has provided any services as listed in G.S. 93-10(c)(3) to North Carolina clients shall participate in a peer review program.

(g) Subsequent peer reviews of a CPA firm are due three years and six months from the year end of the 12-month period of the first peer review, unless granted an extension by the peer review program.

(h) All CPA firms enrolled in the AICPA Peer Review Program shall also participate in the AICPA Facilitated State Board Access process.

*History Note: Authority ~~G.S. 93-12(3); G.S. 93-10(c); 93-12(8c);~~*

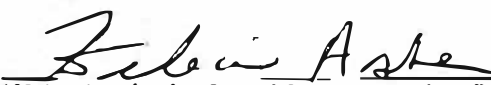
*Eff. January 1, 2004;*

*Amended Eff. January 1, 2014; February 1, 2011; January 1, 2006;*

*Readopted Eff. February 1, ~~2016~~ 2016;*

*Amended Eff. September 1, 2023.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0205 Confidentiality	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> <b>Notice Required</b> Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> <b>Notice not required under G.S.:</b> Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b>  <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority:  <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b>  <input type="checkbox"/> This Rule was part of a combined analysis.  <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly          Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Adds clause to identify that the confidentiality rule does not prohibit a CPA from disclosing information in order to establish a claim of defense on behalf of the CPA related to client disputes.	
<b>10. Rulemaking Coordinator:</b> Felecia F Ashe Felecia F. Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form.  Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b>  <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0205 is proposed for amendment as follows:

**21 NCAC 08N .0205      CONFIDENTIALITY**

(a) Nondisclosure. A CPA shall not disclose any confidential information obtained in the course of employment or a professional engagement except with the consent of the employer or client.


(b) Exceptions. This Rule shall not be construed:

- (1) to relieve a CPA of any reporting obligations pertaining to Section .0400 of this Subchapter;
- (2) to affect in any way the CPA's compliance with an order of a court or a validly issued subpoena by this Board;
- (3) to preclude the CPA from responding to any inquiry made by the AICPA Ethics Division or Trial Board, by a duly constituted investigative or disciplinary body of a state CPA society, or under state statutes;
- (4) to preclude the disclosure of confidential client information necessary for the peer review process ~~or for any quality review program; process;~~
- (5) to preclude the CPA from assisting the Board in enforcing the accountancy statutes and rules;
- (6) to affect a CPA's disclosure of confidential information to state or federal authorities when the CPA concludes in good faith based upon professional judgment that a crime is being or is likely to be committed; ~~or~~
- (7) to affect a CPA's disclosure of confidential information when such disclosure is required by state or federal laws or ~~regulations;~~ regulations; or
- (8) ~~to prohibit a CPA from revealing information:~~
  - (A) in order to establish a claim or defense on behalf of the CPA in a controversy between the CPA and a client;
  - (B) to establish a defense to a criminal charge or civil claim against the CPA based upon conduct in which the client was involved; or
  - (C) to respond to allegations in any proceeding concerning the CPA's professional services to the client.

*History Note: Authority G.S. 55B-12; 57B-2-02; 93-12(9);  
Eff. April 1, 1994;  
Amended Eff. February 1, 2004; April 1, 2003;  
Readopted Eff. February 1, 2016; 2016;  
Amended Eff. September 1, 2023.*



## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0209 Accounting Principles	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTION <input type="checkbox"/> REPEAL THROUGH READOPTION	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<p style="text-align: center;"><b>9. REASON FOR ACTION</b></p> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b> <div style="text-align: center; margin-top: 10px;">   <hr style="width: 100%;"/> </div> *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name. Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0209 is proposed for amendment as follows:

**21 NCAC 08N .0209 ACCOUNTING PRINCIPLES**

(a) Generally Accepted Accounting Principles. A CPA shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles if such statements contain any departure from an accounting principle that has a material effect on the statements taken as a whole, unless the CPA can demonstrate that due to unusual circumstances the financial statements would otherwise have been misleading. In such cases the CPA's report shall describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with the principle would result in a misleading statement.

(b) Financial Accounting Standards Board Accounting Standards Codification. ~~The Financial Accounting Standards Board Accounting Standards Codification, including subsequent amendments and editions, are hereby adopted by reference, as provided by G.S. 150B-21.6, and shall be considered generally accepted accounting principles for the purposes of Paragraph (a) of this Rule.~~

~~(c) Copies of Standards. Copies of the Financial Accounting Standards Board Accounting Standards Codification may be inspected in the offices of the Board, as described in 21 NCAC 08A-0102. Copies may be obtained from the FASB, Post Office Box 5116, Norwalk, CT 06856 as part of the "FASB Accounting Standards." They are available at cost, which is two hundred fifteen dollars (\$215.00) in paperback form. Codification is incorporated by reference, including subsequent amendments and editions and shall be considered generally accepted accounting principles for the purposes of Paragraph (a) of this Rule. This document may be accessed at <https://asc.fasb.org> at no cost.~~

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

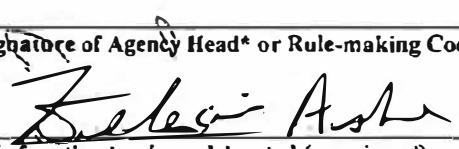
*Eff. April 1, 1994;*

*Amended Eff. July 1, 2010;*

*Readopted Eff. February 1, 2016; 2016;*

*Amended Eff. September 1, 2023.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0211 Responsibilities in Tax Practice	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTION <input type="checkbox"/> REPEAL THROUGH READOPTION	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
<b>10. Rulemaking Coordinator:</b> Felecia F Ashe Felecia F. Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. <b>Typed Name:</b> Felecia Ashe <b>Title:</b> Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review; <input type="checkbox"/> RRC determined substantial changes; <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0211 is proposed for amendment as follows:

**21 NCAC 08N .0211 RESPONSIBILITIES IN TAX PRACTICE**

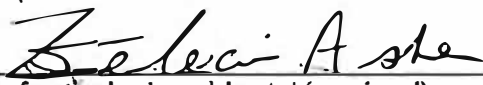
(a) Standards for Tax Services. A CPA shall not render services in the area of taxation unless the CPA has complied with ~~both the standards for tax services. Statements on Standards for Tax Services and the Treasury Department Circular 230 as defined in this Section.~~ In the event that there is a conflict between the Statements on Standards for Tax Services and Treasury Department Circular 230, the CPA shall comply with Treasury Department Circular 230.

(b) Statements on Standards for Tax Services. The Statements on Standards for Tax Services issued by the AICPA, ~~including subsequent amendments and editions, are hereby incorporated by reference, as provided by G.S. 150B-21-6, and shall be considered as the standards for tax services for the purposes of Paragraph (a) of this Rule. Departures from the statements listed in this Paragraph shall be justified by those who do not follow them as set out in the statements.~~ AICPA are incorporated by reference, including subsequent amendments and editions. This document may be accessed at <https://www.aicpa.org/resources/toolkit/statements-on-standards-for-tax-services> at no cost.

(c) ~~Copies of Standards. Copies of the Statements on Standards for Tax Services may be inspected in the offices of the Board, as described in 21 NCAC 08A .0102. Copies may be obtained from the AICPA, 220 Leigh Farm Road, Durham, NC, 27707 as part of the "AICPA Professional Standards." They are available at cost, which is one hundred ninety-four dollars (\$194.00) in paperback form or one hundred sixty-nine dollars (\$169.00) in online subscription form.~~ Treasury Department Circular 230. The Treasury Department Circular 230 is incorporated by reference, including subsequent amendments and editions. This document may be accessed at <https://www.irs.gov/pub/irs-pdf/pcir230.pdf> at no cost.

*History Note:* Authority G.S. 55B-12; 57D-2-02; 93-12(9);  
Eff. April 1, 1994;  
Amended Eff. July 1, 2010; February 1, 2006; April 1, 2003;  
Readopted Eff. February 1, 2016; 2016;  
Amended Eff. September 1, 2023.

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0215 International Financial Accounting Standards	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Corrected some date presentations in the rule. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. <b>Typed Name:</b> Felecia Ashe <b>Title:</b> Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0215 is proposed for amendment as follows:

**21 NCAC 08N .0215 INTERNATIONAL FINANCIAL ACCOUNTING STANDARDS**

(a) International Financial Accounting Standards. A CPA shall not express an opinion that financial statements are presented in accordance with international financial accounting standards if such statements contain any departure from an accounting standard that has a material effect on the statements, taken as a whole, unless the CPA can demonstrate that due to unusual circumstances the financial statements would otherwise have been misleading. In such cases, the CPA's report shall describe the departure, the approximate effect thereof if practicable, and the ~~reason(s)~~ reason why compliance with the standard would result in a misleading statement.


(b) International Financial Accounting Standards consist of the following:

- (1) International Financial Reporting Standards (IFRS) issued after ~~2001~~; 2003;
- (2) International Accounting Standards (IAS) issued before ~~2001~~; 2004;
- (3) Interpretations originated from the International Financial Reporting Interpretations Committee (IFRIC) issued after ~~2001~~; 2003; and
- (4) Standing Interpretations Committee (SIC) issued before ~~2001~~; 2003.

(c) Copies of Standards. Copies of International Financial Accounting Standards ~~may be inspected in the office of the Board, as described in 21 NCAC 08A .0102. Copies may be obtained from the International Accounting Standards Board, IASC Foundation Publications Department, 30 Cannon Street, London, EC4M6XH, United Kingdom. They are available at cost, which is approximately one hundred two dollars (\$102.00) in paperback form or four hundred thirty two dollars (\$432.00) in loose leaf subscription form. issued by IFRS are incorporated by reference, including subsequent amendments and editions. The documents may be accessed at <https://www.ifrs.org/issued-standards/list-of-standards/> at no cost.~~

*History Note: Authority ~~G.S. 55-12~~; G.S. 55B-12; 57D-2-02; 93-12(9);*  
*Eff. February 1, 2011;*  
*Readopted Eff. February 1, 2016; 2016;*  
*Amended Eff. September 1, 2023.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0304 Consulting Services Standards	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<p style="text-align: center;"><b>9. REASON FOR ACTION</b></p> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Clarified language to be consistent with other rule presentations. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe Phone: 919-733-4223 E-Mail: <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> Additional agency contact, if any: David R. Nance Phone: 919-733-4215 E-Mail: <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0304 is proposed for amendment as follows:

**21 NCAC 08N .0304 CONSULTING SERVICES STANDARDS**

(a) Standards for Consulting Services. A CPA shall not render consulting services unless the CPA has complied with the ~~standards for consulting services.~~ Statements on Standards for Consulting Services.

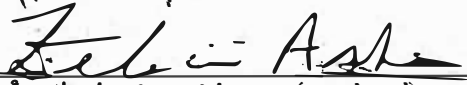
(b) ~~Statements on Standards for Consulting Services. The Statements on Standards for Consulting Services (including the definition of such services) including the definition of such services issued by the AICPA, including subsequent amendments and editions, are hereby adopted by reference, as provided by G.S. 150B-21-6, and shall be considered as the approved standards for consulting services for the purposes of Paragraph (a) of this Rule. Departures from the statements listed in this Paragraph shall be justified by those who do not follow them as set out in the statements.~~

~~(c) Copies of Statements. Copies of the Statements on Standards for Consulting Services may be inspected in the offices of the Board, as described in 21 NCAC 08A .0102. Copies may be obtained from the AICPA, 220 Leigh Farm Road, Durham, NC 27707 as part of the "AICPA Professional Standards." They are available at cost, which is one hundred ninety-four dollars (\$194.00) in paperback form or one hundred sixty-nine dollars (\$169.00) in on-line subscription form. AICPA are incorporated by reference, including subsequent amendments and editions. This document may be accessed at <https://www.aicpa.org/resources/download/statement-on-standards-for-consulting-services-no-1> at no cost.~~

*History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);  
Eff. April 1, 1994;  
Amended Eff. July 1, 2010; January 1, 2006;  
Readopted Eff. February 1, 2016. 2016.  
Amended Eff. September 1, 2023.*



## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0305 Retention of Client Records	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTION <input type="checkbox"/> REPEAL THROUGH READOPTION	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact ( $\geq$ \$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Adds language that identifies that both parties to a joint return are entitled to receive a copy of that return directly from the CPA. Adds language that aligns with the AICPA interpretation that CPAs are not required to provide electronic copies of tax returns as part of client record requests.	
<b>10. Rulemaking Coordinator:</b> Felecia Ashe Felecia Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. <b>Typed Name:</b> Felecia Ashe <b>Title:</b> Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	



21 NCAC 08N .0305 is proposed for amendment as follows:

**21 NCAC 08N .0305 RETENTION OF CLIENT RECORDS**

(a) A CPA shall return client-provided records in the CPA's custody or control to the client at the client's request. Client-provided records are accounting or other records, including hardcopy and electronic reproductions of such records, belonging to the client that were provided to the CPA by, or on behalf of, the client.

(b) Unless a CPA and the client have agreed to the contrary, when a client makes a request for CPA prepared records or a CPA's work products that are in the CPA's custody or control that have not previously been provided to the client, the CPA shall respond to the client's request as follows:

- (1) The CPA shall provide CPA prepared records relating to a completed and issued work product to the client, except that such records may be withheld if fees are due to the CPA for that specific work product; and
- (2) ~~CPA's~~The CPA's work products shall be provided to the client, except that such work products may be withheld:
  - (A) if fees are due to the CPA for the specific work product;
  - (B) if the work product is incomplete;
  - (C) if for purpose of complying with professional ~~standards (for example, withholding an audit report due to outstanding audit issues)~~ standards. For example, withholding an audit report due to outstanding audit issues; or
  - (D) if threatened or outstanding litigation exists concerning the engagement or CPA's work.

(c) CPA prepared records are accounting or other records that the CPA was not specifically engaged to prepare and that are not in the client's books and records or are otherwise not available to the client, thus rendering the client's financial information incomplete. Examples include adjusting, closing, combining, or consolidating journal entries ~~(including computations supporting such entries)~~ including computations supporting such entries and supporting schedules and documents that the CPA proposed or prepared as part of an engagement, ~~(for an example, an audit): an audit being an example.~~ CPA's work products are deliverables set forth in the terms of the engagement, such as tax returns.

(d) Once a CPA has complied with ~~these requirements,~~ the requirements described in Paragraphs (a) and (b) of this Rule, he or she shall not be under any further ethical obligation to:

- (1) comply with any subsequent requests to again provide records or copies of records described in Paragraphs (a) and (b) of this Rule. If subsequent to complying with a request, a client experiences a loss of records due to a natural disaster, the CPA shall comply with an additional request to provide such ~~records;~~ records that are in possession of the CPA; and
- (2) retain records for periods that exceed applicable professional standards, state and federal statutes and regulations, and contractual agreements relating to the service performed.

(e) A CPA who has provided records to an individual designated or held out as the client's representative, such as the general partner, or majority shareholder, ~~or spouse,~~ shall not be obligated to provide such records to other individuals

1 associated with the client. However, in the case of joint individual tax returns, each named taxpayer on that return  
2 shall be entitled to a copy of the tax returns and supporting schedules from the CPA.

3 (f) Work papers shall be the CPA's property, and the CPA is not required to provide such information to the client.  
4 However, state and federal statutes and regulations and contractual agreements may impose additional requirements  
5 on the CPA.

6 (g) In fulfilling a request for client provided records, CPA prepared records, or a CPA's work products, the CPA may:

7 (1) charge the client a fee for the time and expense incurred to retrieve and copy such records and  
8 require that the client pay the fee before the CPA provides the records to the client;

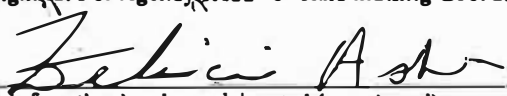
9 (2) provide the requested records in any format usable by the client. The CPA is not required to convert  
10 records that are not in electronic format to electronic format. If the client requests records in a  
11 specific format and the records are available in such format within the CPA's custody and control,  
12 the client's request ~~should~~ shall be honored. In addition, the CPA is not required to provide the client  
13 with formulas, unless the formulas support the client's underlying accounting or other records or the  
14 CPA was engaged to provide such formulas as part of a completed work ~~product; and product.~~ The  
15 CPA is not required to provide electronic data files to a client if they were created with tax  
16 preparation software owned or licensed by the CPA; and

17 (3) make and retain copies of any records that the CPA returned or provided to the client.

18 (h) A CPA who is required to return or provide records to the client shall comply with the client's request as soon as  
19 practicable, but no later than 45 days after the request is made.  
20

21 *History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);*  
22 *Eff. April 1, 1994;*  
23 *Amended Eff. January 1, 2006; April 1, 2003;*  
24 *Readopted Eff. February 1, 2016;*  
25 *Amended Eff. September 1, 2023; May 1, 2017.*

## SUBMISSION FOR PERMANENT RULE

1. Rule-Making Agency: North Carolina State Board of Certified Public Accountant Examiners	
2. Rule citation & name (name not required for repeal): 21 NCAC 08N .0307 CPA Firm Names	
3. Action: <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTION <input type="checkbox"/> REPEAL THROUGH READOPTION	
4. Rule exempt from RRC review? <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	5. Rule automatically subject to legislative review? <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
6. Notice for Proposed Rule: <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
7. Rule establishes or increases a fee? (See G.S. 12-3.1) <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	8. Fiscal impact. Check all that apply. <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact ( $\geq \$1,000,000$ ) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<p style="text-align: center;"><b>9. REASON FOR ACTION</b></p> <p>9A. What prompted this action? Check all that apply:</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <p>9B. Explain:          Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Amends the language of the rule to more closely mirror the Uniform Accountancy Act model rules and be more consistent with our neighboring jurisdictions. Prevents situations where firms may have to use a firm name within NC that is different from name used in other states. Also recognizes a broader definition to terms such as "a Company" when used within a firm name.       </p>	
10. Rulemaking Coordinator: Felecia Ashe Felecia Ashe Phone: 919-733-4223 E-Mail: <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> Additional agency contact, if any: David R. Nance Phone: 919-733-4215 E-Mail: <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	11. Signature of Agency Head* or Rule-making Coordinator:  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
Action taken: <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	



21 NCAC 08N .0307 is proposed for amendment as follows:

### 21 NCAC 08N .0307 CPA FIRM NAMES

(a) ~~Deceptive Names Prohibited. A CPA or CPA firm shall not trade upon the CPA title through use of any name that would have the capacity or tendency to deceive. The name or initials of one or more members of a new CPA firm, as defined in 21 NCAC 08A .0301, shall be included in the CPA firm name. The name of former members and the initials of former members that are currently in the CPA firm name and the name of current members and the initials of current members may be included in a new CPA firm name. The name, the portion of the name, the initials of the name or the acronym derived from the name of a firm network that includes names that were not previous CPA members or are not current CPA members of the CPA firm may be included in the CPA firm name. The name or initials of a non-CPA member in a CPA firm name may be included in the CPA firm name if certified public accountant or CPA is not included in or with the CPA firm name.~~ Registration of Firm Names. A business may not use a CPA firm name unless that name has been registered with the Board.

(b) ~~Style of Practice. It is misleading if a CPA firm practices under a name or style that would tend to imply the existence of a partnership or registered limited liability partnership or a professional corporation or professional limited liability company of more than one CPA shareholder or CPA member or an association when in fact there is no partnership nor is there more than one CPA shareholder or CPA member of a CPA firm. For example, no CPA firm having just one CPA member may have as a part of its name the words "associates," "group," "firm," or "company" or their abbreviations. It is also misleading if a CPA renders non attest professional services through a non CPA firm using a name that implies any non licensees are CPAs.~~ Misleading Names Prohibited. A CPA firm shall not trade upon the CPA title through use of any name that is misleading. A misleading CPA firm name is one which:

- (1) Implies the existence of a partnership or registered limited liability partnership or a professional corporation or professional limited liability company if the firm is not, in fact, one of those entities;
- (2) Includes the name of an individual who is not a CPA if the words "certified public accountants" or "CPAs" are included in the firm name;
- (3) Includes information about or indicates an association with persons who are not current or former members of the firm, unless the name is that of a firm network;
- (4) Includes the terms "& Company", "& Associates", or "Group", but the firm does not include, in addition to the named partner, shareholder, owner, or member, at least one other unnamed partner, shareholder, owner, member, or staff employee;
- (5) Contains any representation that would be likely to cause a reasonable person to have a false or unjustified expectation of favorable results or capabilities, including names indicating qualitative superiority or pricing differences;
- (6) Claims or implies the ability to influence a regulatory body or official; or

(7) Includes the name of an owner whose license has been revoked for disciplinary reasons by the Board, whereby the licensee has been prohibited from practicing public accountancy or prohibited from using the title CPA or holding themselves out as a Certified Public Accountant.

(c) ~~Any CPA firm that has continuously used an assumed name approved by the Board prior to April 1, 1999, may continue to use the assumed name. A CPA firm (or a successor firm by sale, merger, or operation of law) using the name, or a portion of a name, or the initials of the name, or the acronym derived from the name of a firm association or firm network that was approved by the Board prior to April 1, 1999 may continue to use that name so long as that use is not deceptive. A CPA firm (or a successor firm by sale, merger, or operation of law) may continue to use the surname of a retired or deceased partner or shareholder in the CPA firm's name so long as that use is not deceptive.~~

Permissible Firm Names: The following is a non-exhaustive list of types of CPA firm names that are not in and of themselves misleading and are permissible so long as they do not violate other firm name provisions:

(1) A firm name that includes the names or initials of one or more former or current owners;

(2) A firm name that excludes the names of one or more former or current owners;

(3) A firm name that uses the "CPA" title as part of the firm name when all named individuals are owners of the firm who hold the CPA title or are former owners who held the CPA title at the time they ceased to be owners of the firm; or

(4) A firm name that includes the name of a non-CPA owner if the words "certified public accountant" or "CPA" title are not a part of the firm name.

(d) Any CPA firm registered in another jurisdiction that provides notification of intent to practice pursuant to G.S. 93-10(c)(3) may practice under the name as registered with that jurisdiction.

*History Note: Authority ~~G.S. 55B-12; G.S. 55B-5; 55B-12; 57D-2-02; 93-12(9);~~*

*Eff. April 1, 1994;*

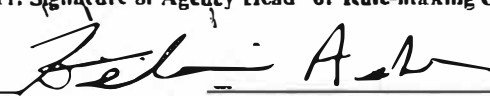
*Amended Eff. February 1, 2011; January 1, 2006; April 1, 1999; August 1, 1995;*

*Readopted Eff. February 1, ~~2016~~ 2016;*

*Amended Eff. September 1, 2023.*



## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0308 Valuation Services Standards	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> <b>Notice Required</b> Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> <b>Notice not required under G.S.:</b> Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly            Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Clarified language to be consistent with other rule presentations. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
<b>10. Rulemaking Coordinator:</b> Felecia Ashe Felecia Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. <b>Typed Name:</b> Felecia Ashe <b>Title:</b> Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0308 is proposed for amendment as follows:

**21 NCAC 08N .0308 VALUATION SERVICES STANDARDS**

(a) Standards for Valuation Services. A CPA shall not render valuation services of a business, a business ownership interest, security, or intangible asset unless the CPA has complied with the ~~standards for valuation services.~~ Statements on Standards for Valuation Services.

(b) ~~Statements on Standards for Valuation Services. The Statements on Standards for Valuation Services (including the definition of such services), including the definition of such services, issued by the AICPA, including amendments and editions, are hereby adopted by reference, as provided by G.S. 150B-21.6, and shall be considered as the approved standards for valuation services for the purposes of Paragraph (a) of this Rule. Departures from the standards listed in this Paragraph shall be justified by those who do not follow them as set out in the statements.~~

(c) ~~Copies of Statements. Copies of the statements on standards for valuation services may be inspected in the offices of the Board, as described in 21 NCAC 08A .0102. Copies may be obtained from the AICPA, 220 Leigh Farm Road, Durham, NC 27707 as part of the "AICPA Professional Standards." They are available at cost, which is one hundred ninety-four dollars (\$194.00) in paperback form or one hundred sixty-nine dollars (\$169.00) in on-line subscription form. AICPA are incorporated by reference, including subsequent amendments and editions. This document may be accessed at <https://www.aicpa.org/resources/download/statement-on-standards-for-valuation-services-vs-section-100> at no cost.~~

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


*Eff. January 1, 2006;*

*Amended Eff. July 1, 2010;*

*Readopted Eff. February 1, 2016. 2016;*

*Amended Eff. September 1, 2023.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0309 Personal Financial Planning Services	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Clarified language to be consistent with other rule presentations. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
<b>10. Rulemaking Coordinator:</b> Felecia Ashe Felecia Ashe Phone: 919-733-4223 E-Mail: <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance Phone: 919-733-4215 E-Mail: <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0309 is proposed for amendment as follows:

**21 NCAC 08N .0309 PERSONAL FINANCIAL PLANNING SERVICES**

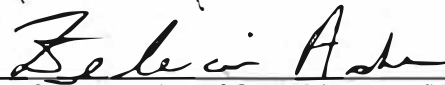
(a) Statement on Standards on Personal Financial Planning Services. A CPA shall not render personal financial planning services unless the CPA has complied with the ~~applicable standards for personal financial planning services.~~  
Statement on Standards on Personal Financial Planning Services.

(b) Statement on Standards on Personal Financial Planning Services. The Statement on Standards on Personal Financial Planning Services ~~(including the definition of such services)~~, including the definition of such services, issued by the AICPA, ~~including subsequent amendments and editions, is hereby adopted by reference, as provided by G.S. 150B-21.6, and shall be considered as the approved standards for personal financial planning services for the purpose of Paragraph (a) of this Rule. Departures from the statements listed in this Paragraph shall be justified by those who do not follow them as set out in the statements.~~

~~(c) Copies of Statements. Copies of the Statement on Standards on Personal Financial Planning Services may be inspected in the office of the Board, as described in 21 NCAC 08A .0102. Copies may be obtained from the AICPA, 220 Leigh Farm Road, Durham, NC 27707 as part of the "AICPA Professional Standards." They are available at cost, which is one hundred sixty-nine dollars (\$169.00) in paperback form or four hundred eighty-six dollars (\$486.00) in online subscription form. AICPA are incorporated by reference, including subsequent amendments and editions. This document may be accessed at <https://aicpa.org/resources/download/statement-on-standards-in-personal-financial-planning-services> at no cost.~~

*History Note: Authority ~~G.S. 55-12; G.S. 55B-12; 57D-2-02; 93-12(9);~~  
~~Eff. February 1, 2016. 2016;~~  
Amended Eff. September 1, 2023.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0403 Auditing Standards	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact ( $\geq \$1,000,000$ ) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Clarified language to be consistent with other rule presentations. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
<b>10. Rulemaking Coordinator:</b> Felecia Ashe Felecia Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  <hr/> <b>*If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form.</b>  Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0403 is proposed for amendment as follows:

**21 NCAC 08N .0403      AUDITING STANDARDS**

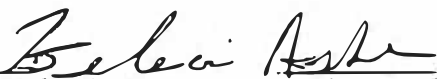
(a) Standards for Auditing Services. A CPA shall not render auditing services unless the CPA has complied with the applicable generally accepted auditing standards.

(b) Statements on Auditing Standards. The Statements on Auditing Standards issued by the AICPA, ~~including subsequent amendments and editions, are hereby adopted by reference, as provided by G.S. 150B-21.6; AICPA are incorporated by reference, including subsequent amendments and editions,~~ and shall be considered generally accepted auditing standards for the purposes of Paragraph (a) of this Rule. ~~Departures from the statements listed in this Paragraph shall be justified by those who do not follow them as set out in the statements.~~

~~(c) Copies of Statements. Copies of the Statements on Auditing Standards may be inspected in the offices of the Board, as described in 21 NCAC 08A .0102. Copies may be obtained from the AICPA, 220 Leigh Farm Road, Durham, NC 27707 as part of the "AICPA Professional Standards." They are available at cost, which is one hundred ninety-four dollars (\$194.00) in paperback form or one hundred sixty-nine dollars (\$169.00) in on-line subscription form. This document may be accessed at <https://us.aicpa.org/research/standards/auditattest/clarifiedsas.html> at no cost.~~

*History Note:      Authority G.S. 55B-12; 57D-2-02; 93-12(9);  
Eff. April 1, 1994;  
Amended Eff. July 1, 2010; February 1, 2006;  
Readopted Eff. February 1, 2016, 2016;  
Amended Eff. September 1, 2023.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0404 Accounting and Review Services Standards	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> <b>Notice Required</b> Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> <b>Notice not required under G.S.:</b> Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<p style="text-align: center;"><b>9. REASON FOR ACTION</b></p> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Clarified language to be consistent with other rule presentations. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
<b>10. Rulemaking Coordinator:</b> Felecia Ashe Felecia Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleclas@nccpaboard.gov">feleclas@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. <b>Typed Name:</b> Felecia Ashe <b>Title:</b> Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0404 is proposed for amendment as follows:

**21 NCAC 08N .0404 ACCOUNTING AND REVIEW SERVICES STANDARDS**

(a) Standards for Accounting and Review Services. A CPA shall not render accounting and review services unless the CPA has complied with the standards for accounting and review services.


(b) Statements on Standards for Accounting and Review Services. ~~The Statements on Standards for Accounting and Review Services issued by the AICPA, including subsequent amendments and editions, are hereby adopted by reference, as provided by G.S. 150B-21.6; AICPA are incorporated by reference, including subsequent amendments and editions, and shall be considered as the approved standards for accounting and review services for the purposes of Paragraph (a) of this Rule. Departures from the statements listed in this Paragraph shall be justified by those who do not follow them as set out in the statements.~~

~~(c) Copies of Statements. Copies may be obtained from the AICPA, 220 Leigh Farm Road, Durham, NC 27707 as part of the "AICPA Professional Standards." They are available at cost, which is one hundred ninety-four dollars (\$194.00) in paperback form or one hundred sixty-nine dollars (\$169.00) in on-line subscription form. This document may be accessed at <https://us.aicpa.org/research/standards/compilationreview.html> at no cost.~~

*History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);  
Eff. April 1, 1994;  
Amended Eff. July 1, 2010; February 1, 2006;  
Readopted Eff. February 1, 2016;  
Amended Eff. September 1, 2023.*



## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0405 Governmental Accounting Standards	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTIOIN <input type="checkbox"/> REPEAL THROUGH READOPTIOIN	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b>	
<b>9A. What prompted this action? Check all that apply:</b> <input checked="" type="checkbox"/> Agency <input type="checkbox"/> Court order / cite: <input type="checkbox"/> Federal statute / cite: <input type="checkbox"/> Federal regulation / cite: <input type="checkbox"/> Legislation enacted by the General Assembly Cite Session Law: <input type="checkbox"/> Petition for rule-making <input type="checkbox"/> Other:	
<b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Clarified language to be consistent with other rule presentations. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
<b>10. Rulemaking Coordinator:</b> Felecia Ashe Felecia Ashe Phone: 919-733-4223 E-Mail: <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> Additional agency contact, if any: David R. Nance Phone: 919-733-4215 E-Mail: <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0405 is proposed for amendment as follows:

**21 NCAC 08N .0405      GOVERNMENTAL ACCOUNTING STANDARDS**

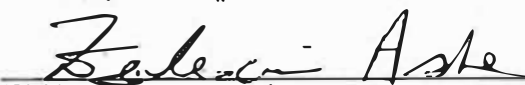
(a) Standards for Governmental Accounting. A CPA shall not permit the CPA's name to be associated with governmental financial statements for a client unless the CPA has complied with the standards for governmental accounting.

(b) Statements on Governmental Accounting and Financial Reporting Services. The Statements on Governmental Accounting and Financial Reporting Services issued by the GASB, ~~including subsequent amendments and editions, are hereby adopted by reference, as provided by G.S. 150B-21.6; GASB are incorporated by reference, including subsequent amendments and editions,~~ and shall be considered as the approved standards for governmental accounting for the purposes of Paragraph (a) of this Rule. ~~Departures from the statements listed in this Paragraph shall be justified by those who do not follow them as set out in the statements.~~

~~(c) Copies of Statements. Copies of the Statements on Governmental Accounting and Financial Reporting Standards, including technical bulletins and interpretations, may be inspected in the offices of the Board, as described in 21 NCAC 08A .0102. Copies may be obtained from the GASB, Post Office Box 30784, Stamford, CT 06150. They are available at cost, which is one hundred eighty four dollars (\$184.00). In addition to the basic set, an updating subscription service is available for two hundred twenty five dollars (\$225.00) annually. This document may be accessed at <https://www.gasb.org/standards> at no cost.~~

*History Note:      Authority G.S. 55B-12; 57D-2-02; 93-12(9);  
Eff. April 1, 1999;  
Amended Eff. July 1, 2010; February 1, 2006;  
Readopted Eff. February 1, 2016; 2016;  
Amended Eff. September 1, 2023.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0406 Attestation Standards	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> <b>Notice Required</b> Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> <b>Notice not required under G.S.:</b> Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Clarified language to be consistent with other rule presentations. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
<b>10. Rulemaking Coordinator:</b> Felecia Ashe Felecia Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:drance@nccpaboard.gov">drance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review; <input type="checkbox"/> RRC determined substantial changes; <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0406 is proposed for amendment as follows:

**21 NCAC 08N .0406      ATTESTATION STANDARDS**

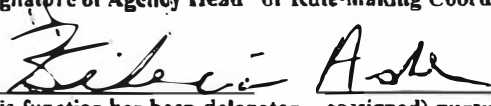
(a) Standards for Attestation Services. A CPA shall not render attestation services unless the CPA has complied with the applicable attestation standards.

(b) Statements on Standards for Attestation Engagements. The Statements on Standards for Attestation Engagements issued by the AICPA, ~~including subsequent amendments and editions, are hereby adopted by reference, as provided by G.S. 150B-21.6,~~ AICPA are incorporated by reference, including subsequent amendments and editions, and shall be considered attestation standards for the purposes of Paragraph (a) of this Rule. ~~Departures from the statements listed in this Paragraph shall be justified by those who do not follow them as set out in the statements.~~

~~(c) Copies of Statements. Copies of the Statements on Standards for Attestation Engagements may be inspected in the offices of the Board, as described in 21 NCAC 08A .0102. Copies may be obtained from the AICPA, 220 Leigh Farm Road, Durham, NC 27707 as part of the "AICPA Professional Standards." They are available at cost, which is one hundred ninety four dollars (\$194.00) in paperback form or one hundred sixty nine dollars (\$169.00) in on-line subscription form. This document may be accessed at <https://us.aicpa.org/research/standards/auditattest/ssae> at no cost.~~

*History Note:      Authority G.S. 55B-12; 57D-2-02; 93-12(9);  
Eff. April 1, 1994;  
Amended Eff. July 1, 2010; February 1, 2006;  
Readopted Eff. February 1, 2016. 2016;  
Amended Eff. September 1, 2023.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0409 Government Auditing Standards	
<b>3. Action:</b> <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READOPTION <input type="checkbox"/> REPEAL THROUGH READOPTION	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> <b>Notice Required</b> Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> <b>Notice not required under G.S.:</b> Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly            Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Clarified language to be consistent with other rule presentations. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
<b>10. Rulemaking Coordinator:</b> Felecia Ashe Felecia Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. <b>Typed Name:</b> Felecia Specialsit <b>Title:</b> Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0409 is proposed for amendment as follows:

**21 NCAC 08N .0409      GOVERNMENT AUDITING STANDARDS**

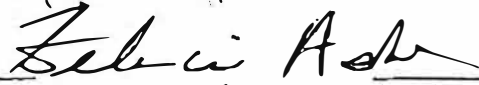
(a) Standards for Government Audits. A CPA shall not render audit services to a government entity or entity that receives government awards and is required to receive an audit in accordance with Government Auditing Standards unless the CPA has complied with the applicable Generally Accepted Government Auditing Standards.

(b) Government Auditing Standards. The Government Auditing Standards issued by the United States Government Accountability Office, ~~including subsequent amendments and additions, are hereby incorporated by reference, as provided by G.S. 150B-21.6;~~ Office are incorporated by reference, including subsequent amendments and editions, and shall be considered Generally Accepted Government Auditing Standards for the purpose of Paragraph (a) of this Rule. ~~Departures from the standards listed in this Paragraph shall be justified by those who do not follow them as set out in the standards.~~

~~(c) Copies of Standards. Copies of the Government Auditing Standards may be inspected in the offices of the Board, as described in 21 NCAC 08A .0102. Copies may be obtained from the Government Printing Office, Washington, D.C. 20402-0001. They are available at a cost, which is sixteen dollars (\$16.00) in paperback form. This document may be accessed at <https://www.gao.gov/yellowbook> at no cost.~~

*History Note:      Authority G.S. 55B-12; 57D-2-02; 93-12(9);  
                         Eff. February 1, 2011;  
                         Readopted Eff. February 1, 2016-2016;  
                         Amended Eff. September 1, 2023.*

## SUBMISSION FOR PERMANENT RULE

1. Rule-Making Agency: North Carolina State Board of Certified Public Accountant Examiners	
2. Rule citation & name (name not required for repeal): 21 NCAC 08B .0410 International Standards on Auditing	
3. Action: <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
4. Rule exempt from RRC review? <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	5. Rule automatically subject to legislative review? <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
6. Notice for Proposed Rule: <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
7. Rule establishes or increases a fee? (See G.S. 12-3.1)  <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority:  <input checked="" type="checkbox"/> No	8. Fiscal impact. Check all that apply.  <input type="checkbox"/> This Rule was part of a combined analysis.  <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
9. REASON FOR ACTION 9A. What prompted this action? Check all that apply: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> 9B. Explain: Proposed amendments to the Rule are to align the rules for NC CPAs with changes occurring within the profession. Clarified language to be consistent with other rule presentations. Cleans up language to provide the internet location whereby persons can access the underlying documentation for free.	
10. Rulemaking Coordinator: Felecia Ashe Felecia Ashe Phone: 919-733-4223 E-Mail: <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> Additional agency contact, if any: David R. Nance Phone: 919-733-4215 E-Mail: <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	11. Signature of Agency Head* or Rule-making Coordinator: <div style="text-align: center; margin-top: 10px;">   <hr style="width: 100%;"/> </div> *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form.  Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
Action taken:  <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

21 NCAC 08N .0410 is proposed for amendment as follows:

**21 NCAC 08N .0410 INTERNATIONAL STANDARDS ON AUDITING**

(a) International Standards on Auditing. A CPA shall not render auditing services that report to comply with international standards unless the CPA has complied with the applicable international standards on auditing.

(b) Statement on International Standards on Auditing. The Statement on International Standards on Auditing issued by the International Auditing and Assurance Board, ~~including subsequent amendments and additions, are hereby incorporated by reference, as provided by G.S. 150B-21.6; Assurance Standards Board are incorporated by reference, including subsequent amendments and editions,~~ and shall be considered International Standards on Auditing for the purpose of Paragraph (a) of this Rule. ~~Departures from the standards listed in this Paragraph shall be justified by those who do not follow them as set out in the standards:~~

~~(c) Copies of the Standards. Copies of the International Standards on Auditing may be inspected in the offices of the Board, as described in 21 NCAC 08A .0102. Copies may be obtained from the International Auditing and Assurance Board at 529 5th Avenue, 6th Floor, New York, NY 10017. They are available at a cost, which is one hundred sixty dollars (\$160.00) in paperback form. This document may be accessed at <https://www.iaasb.org/standards-pronouncements> at no cost.~~

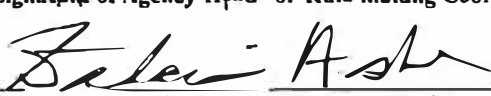
*History Note: Authority ~~G.S. 55-12; G.S. 55B-12; 57D-2-02; 93-12(9);~~*

*~~Eff. February 1, 2016. 2016;~~*

*~~Amended Eff. September 1, 2023.~~*



## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0411 Audits Subject to the Single Audit Act	
<b>3. Action:</b> <input checked="" type="checkbox"/> <b>ADOPTION</b> <input type="checkbox"/> <b>AMENDMENT</b> <input type="checkbox"/> <b>REPEAL</b> <input type="checkbox"/> <b>READoption</b> <input type="checkbox"/> <b>REPEAL THROUGH READoption</b>	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> <b>Notice Required</b> Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> <b>Notice not required under G.S.:</b> Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b>  <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority:  <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b>  <input type="checkbox"/> This Rule was part of a combined analysis.  <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed rule relates to services performed under the Single Audit Act and ensures that NC CPAs perform such services in accordance with proper professional standards.	
<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe <b>Phone:</b> 919-733-4223 <b>E-Mail:</b> <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> <b>Additional agency contact, if any:</b> David R. Nance <b>Phone:</b> 919-733-4215 <b>E-Mail:</b> <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b> <div style="text-align: center; margin-top: 10px;">   <hr style="width: 100%;"/> </div> <p><small>*If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form.</small></p> <b>Typed Name:</b> Felecia Ashe <b>Title:</b> Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b>  <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	


21 NCAC 08N .0411 is proposed for adoption as follows:

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

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

*History Note:    Authority G.S. 55B-12, 57D-2-02; 93-12(9);  
Eff. September 1, 2023.*

## SUBMISSION FOR PERMANENT RULE

<b>1. Rule-Making Agency:</b> North Carolina State Board of Certified Public Accountant Examiners	
<b>2. Rule citation &amp; name (name not required for repeal):</b> 21 NCAC 08N .0412 Forensic Services	
<b>3. Action:</b> <input checked="" type="checkbox"/> ADOPTION <input type="checkbox"/> AMENDMENT <input type="checkbox"/> REPEAL <input type="checkbox"/> READoption <input type="checkbox"/> REPEAL THROUGH READoption	
<b>4. Rule exempt from RRC review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No	<b>5. Rule automatically subject to legislative review?</b> <input type="checkbox"/> Yes. Cite authority: <input checked="" type="checkbox"/> No
<b>6. Notice for Proposed Rule:</b> <input checked="" type="checkbox"/> Notice Required Notice of Text published on: April 17, 2023 Link to Agency notice: <a href="http://www.nccpaboard.gov">www.nccpaboard.gov</a> Hearing on: June 20, 2023 Adoption by Agency on: June 20, 2023 <input type="checkbox"/> Notice not required under G.S.: Adoption by Agency on:	
<b>7. Rule establishes or increases a fee? (See G.S. 12-3.1)</b> <input type="checkbox"/> Yes Agency submitted request for consultation on: Consultation not required. Cite authority: <input checked="" type="checkbox"/> No	<b>8. Fiscal impact. Check all that apply.</b> <input type="checkbox"/> This Rule was part of a combined analysis. <input type="checkbox"/> State funds affected <input type="checkbox"/> Local funds affected <input type="checkbox"/> Substantial economic impact (≥\$1,000,000) <input type="checkbox"/> Approved by OSBM <input checked="" type="checkbox"/> No fiscal note required
<b>9. REASON FOR ACTION</b> <b>9A. What prompted this action? Check all that apply:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Agency  <input type="checkbox"/> Court order / cite:  <input type="checkbox"/> Federal statute / cite:  <input type="checkbox"/> Federal regulation / cite:         </div> <div style="width: 45%;"> <input type="checkbox"/> Legislation enacted by the General Assembly              Cite Session Law:  <input type="checkbox"/> Petition for rule-making  <input type="checkbox"/> Other:         </div> </div> <b>9B. Explain:</b> Proposed rule relates to services performed under the Standards for Forensic Services and ensures that NC CPAs perform such services in accordance with proper professional standards.	
<b>10. Rulemaking Coordinator:</b> Felecia F. Ashe Felecia F. Ashe Phone: 919-733-4223 E-Mail: <a href="mailto:feleciaa@nccpaboard.gov">feleciaa@nccpaboard.gov</a> Additional agency contact, if any: David R. Nance Phone: 919-733-4215 E-Mail: <a href="mailto:dnance@nccpaboard.gov">dnance@nccpaboard.gov</a>	<b>11. Signature of Agency Head* or Rule-making Coordinator:</b>  *If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form. Typed Name: Felecia Ashe Title: Accounting Specialist
<b>RRC AND OAH USE ONLY</b>	
<b>Action taken:</b> <input type="checkbox"/> RRC extended period of review: <input type="checkbox"/> RRC determined substantial changes: <input type="checkbox"/> Withdrawn by agency <input type="checkbox"/> Subject to Legislative Review <input type="checkbox"/> Other:	

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

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

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

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

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

Eff. September 1, 2023.