



North Carolina State Board of Certified Public Accountant Examiners

PUBLIC SESSION MINUTES

February 19, 2024

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

BOARD STAFF IN ATTENDANCE: David R. Nance, CPA, Executive Director; S. Lynne Sanders, CPA, Deputy Director; and Frank Trainor, Esq., Staff Attorney.

OTHERS IN ATTENDANCE: Mark Sotichack, CPA, NCACPA COO; Robert Broome, NCACPA Director of Advocacy; and faculty, students, and guests from UNC Wilmington.

CALL TO ORDER: Mr. Massey called the meeting to order at 1:00 p.m.

CONFLICTS OF INTEREST: Ms. Van Zant stated she recused herself from an item on the Professional Standards Committee's agenda.

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

MINUTES: Ms. Demery moved, and Ms. Van Zant seconded the motion to approve the January 2024 meeting minutes as submitted. The motion passed with seven (7) affirmative and zero (0) negative votes.

FINANCIAL AND BUDGETARY ITEMS: Mr. Payseur moved, and Ms. Kruse seconded the motion to approve the January 2024 financial statements as submitted. The motion passed with seven (7) affirmative and zero (0) negative votes.

LEGISLATIVE AND RULEMAKING ITEMS: Mr. Nance informed the Board that staff are ahead of schedule in reviewing proposed changes to Board rules as part of the legislatively mandated periodic rules review process. The Board's most immediate deliverable is to denote whether each of the Board's rules are necessary or not and then post for a 60-day comment period. Staff have completed the worksheet noting responses, which will be shared with the Board at its March meeting. Upon approval by the Board, the worksheet will be posted for the 60-day comment period.

NATIONAL ORGANIZATION ITEMS: Several Board members reported on the status of their work on NASBA committees. Some committees have not met since the Board's January 22, 2024, or meetings have been held to plan upcoming activities. Mr. Massey noted that NASBA recently held a virtual Mid-Atlantic regional meeting. Various topics of interest to jurisdictions in the region were discussed, with more discussions planned at the upcoming Executive Director's conference in March and the Eastern Regional meeting in June.

Ms. Van Zant moved, and Ms. Lynch seconded the motion to approve the response to the AICPA Exposure Draft, Proposed Peer Review Standards Update No. 2, *Reviewing A Firm's System of Quality Management and Omnibus Technical Enhancements*. The motion passed with seven (7) affirmative and zero (0) negative votes. (Appendix I)

Mr. Nance discussed the work of the Professional Licensure Task Force. He noted he would prepare a response on behalf of the Board to a recent survey soliciting State Boards' feedback on proposed models. The draft response will be shared with the Board at the March 13, 2024, 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. C2023113 - Sara Fording Gonzalez - Approve the signed Consent Order. (Appendix II)

Case No. C2023116 - Nathaniel Nathan McKenzie - Approve the signed Consent Order. (Appendix III)

Case Nos. C2023200-1 and C2023200-2 - Barton W. Baldwin and Baldwin & Hodge, LLP - Approve the signed Consent Order. (Appendix IV)

Case Nos. C2023202-1 and C2023202-2 - Christopher Max Kemp and Kemp & Hymanson CPAs, LLP - Approve the signed Consent Order. (Appendix V)

Case No. C2024003 - Close the case without prejudice.

Case No. C2023204 - Close the case without prejudice.

Case No. C2023206 - Close the case without prejudice.

Case No. C2023207 - Close the case without prejudice.

Case No. C2023214 - Close the case without prejudice.

Case No. C2023215 - Close the case without prejudice with a Letter of Warning.

Case No. C2024005 - Close the case without prejudice with a Letter of Warning.

Mr. Winstead stated that the Committee provided guidance to Board staff on one other case.

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:

Alice Zhang DeGaetano
Jesse Allen Flowers
Brittany Taylor Hernon
Matthew Joseph Knepper

Ryan Long Le
Dishant Ashok Patel
Heliben Ureshkumar Patel

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

Dominic Abbate
Michael Steven Ament
Brian Edmond Baccaglini
Caroline McKinsey Bare
Jason Douglas Bergeron
Mary Kenzie Bobbett
Ashley Nicole Bornkamp
Jocelyn Danette Green Boyd
Joshua Trey Branch
Austin Scott Brooks
Olivia Richardson Bruner
Zackery Stephen Busby
Nathan Anthony Caldwell
Christina Elizabeth Chapman
Raine Michael Craft
Charles Noel Cunningham
Alice Zhang DeGaetano
Rebekah Elizabeth Drum
Natalie Hardee Erwin
Carolyn Ann-Veloria Fields
Jesse Allen Flowers
Stuart Bryan Gentry
Jonathan Emmanuel Guevarez Salgado
Caroline Ann Hale
Hunter MacKenzie Heaton
William Nathan Hensley
Brittany Taylor Hernon
Kyle Michael Hespeler
Kaylee Green Hughes
Margaret Welsh Hulbert
Jerome Brian King
Ethan Albert Klemons

Matthew Joseph Knepper
Alexa Rae Koch
Christopher Lee Koogler
Christina Leigh Laney
Ryan Long Le
Kacie Neal Loye
Christian Chadwick Lynch
Ciara Therese Mottley
Mahsa Victoria Movahed
Kassidy Faye Muse
Zaynab Rajaa Nasif
Allison Merritt Neal
Jose Carlos Ortega
Bhavin B. Patel
Dishant Ashok Patel
Heliben Ureshkumar Patel
Jo Luise Penninger
Nicholas Brock Pittman
Ryan Douglas Poudrier
Alexander Wayne Ramsey
Joseph Tucker Robertson
Audrey Helene Rollins
Janelle Corinne Shipotofsky
Mitchell Hardin Smith
Stephen James Svetik
Matthew James Trivison
Rebecca Elaine Trent
Yijie Wang
Lauren Marie Warr
Austin Murray Young
Yishan Zhao
Kenny Youngbiao Zheng

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

Megan Ashley Enderson, T14284
Kristin Elizabeth Agosta, T14285
Kevin Perry Wise, T14286
Stephen Walker Ellis, T14287
Julia Schroeck, T14288
Iryna Koshova, T14289
Ryan Timothy O'Connor, T14290
William Gunning Tubbs, T14291
Karen W. Newmeyer, T14292
Darrin Jordan Williams, T14293
Dillon Alexander Kosofsky, T14294
Timothy Cornell Buroff, T14295
Stela Veselinova Petrova, T14296
Ryan Michael Starkes, T14297
Meredith Jane Law, T14320
Christopher Walden Bailey, T14321
Erik J. Wszalek, T14322
Jay Francis Barber, T14323
Kelley Marie Grow, T14324
Megan Laurel McConnell, T14325
John Joseph Rosano, T14326
Nathaniel Scott Roper, T14327

Joseph D. Johnston, T14328
Jack Michael Waller, T14329
Steven Lawrence Lorenzen, T14330
Jessica T. Woodhouse, T14331
Eunho Cho, T41332
Jeffrey Carl Himmelreich, T14333
Brittany Cummings, T14334
Ari Matthew Kaplan, T14335
Qiao Ke, T14336
Guoyin Wang, T14337
Kelley A. Quinn, T14338
Sam A. Pitts, T14339
Qi Qi, T14340
John Lewis Vincie III, T14341
Barbara M. Petro, T14342
Pablo Monteverde Medina, T14343
Spencer Christian White, T14344
Jesse Daniel Chroman, T14345
John Gordon Barrasso, T14346
Randy Nicholas Kohn, T14347
Denise Michelle Stubbs, T14348
Kyle John Krebs, T14349

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

Andrew Joshua Brinkman
Eric James Elman
Cesar Ford-Morel
Kevin Paul Gawron
Robert Scott Jackson
Samuel Awortwe Johnson

Tailor L. Kline
Karen W. Newmeyer
Steven C. Roiland
Aydely Santiago-Taiman
Briana Nicole Stone
Sarah Rachel Taylor

Miscellaneous - Approve an individual's request that the Board allow a specific course to count toward the "eight of the ten fields of study" education requirement for CPA licensure based on the Board staff's detailed analysis of the course content.

Reinstatements - Approve the CPA certificate reinstatement application submitted by the following individuals:

Patrick William Nee, #45007

Leilani Michelle Perdue, #30516

Sherrie Oakley Simpson, #18219
Katherine Drew Skale, #34188

Laura Roberts Smith, #18634

Reissuance of New Certificate - Approve the applications for reissuance of new certificate submitted by the following individual:

Margaret Linn Naumchick Rauh, #26736

William Gregory Stiehl, #32295

CPE Extension Request - Approve the following individual for an extension until the date noted to complete the 2023 CPE requirement:

Clara Faye Bryant, #14556

February 29, 2024

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

Shannan Adams
Lauren Adiletta
Miao Allison
Hailey Amass
Miguel Andrade-Urioso
Emily Armstrong
Auma Asiyo
Christopher Baker
Stewart Baker
Sydney Baldwin
Carla Batchelor
Kevin Bell
Emily Bennett
Douglas Bittner
John Blue
Ethan Boyer
Robin Bradley
Amber Briggs
Charles Briosio
James Brooks
Jack Brown
Violette Bruchon
Ethan Brunelli
Shelby Bryson
Travis Burk
Andrew Butterfield
Allison Carlyle
Heather Carrasco

Grayson Cashwell
Ellen Chambers
Patrick Chapepa
Shiyi Chen
Linwood Cheshire
Dianna Clark
Caroline Clevenger
Louisa Coates
Amanda Colley-Townsend
Cody Collins
John Conley
Jessica Copeland
Tyler Counts
Cole Crawford
Alexis Credle
James Croom
Catherine Currin
Brian Dampman
Peter Davis
Thomas Dawson
Anthony DeMarco
Sean DeMarco
Wellington Deno-Mena
Cameron Denton
Nicholas Desmond
Timothy Dillon
Anna Dixon
Jillian Dunn

Kimberly East
Noah Ehreth
Olivia Elgin
Josiah Fahey
Andrew Farrug
Vianney Ferdinand
Daniel Figueroa
Anna-Kelly Fink
Alexander Forrest
Janay Frank
Mitchell Frei
Zachary Fry
Victoria Gahn
Lacy Galloway
Morgan Garriss
Diana Gasinski
Haley Gilmore
Stephanie Glasson
Evelyn Gonzalez
Caitlin Gordon
Heather Graham
Jillian Graves-Mobley
Lily Grissom
Maggie Grondy
Rachel Grote
William Hackley
Alexis Haggard
Alison Hammett
DeMario Harris
Christopher Hastings
Kristen Hausman
Ashley Hawkins
Kaitlyn Hayes
Annalise Heimes
Aliza Hendrix
Caroline Hendrix
Alexander Hester
Emily Hicks
Brian Himmel
Jorge Hipolito Canario
Tuyen Ho
Tanner Hobbs
Tyler Hobson
Jordan Hofmeister

Payton Hudson
Madison Hughes
William Humphrey
Connor Hunt
Lily Hunt
Joseph Huynh
Jason Iannicelli
Delaney Jacke
Louis Jakub
Kevin Jarman
Jonathan Jewell
Edwin Jimenez Paulino
Andrew Johnson
Alicia Jones
Alexis Juarez
Nicholas Kabiri
Jacob Kauffman
Ayden Kelley
John Kelley
Kaitlin King
Breanna Kirk
Chase Kirkman
Melanie Kisting
Mark Klabo
Jihe Koo
Lija Kornivska
Eli Kovacs
Daniel Larson
Katherine Lawless
Sean Leahy
John Lewis
William Love
Claire Mahoney
Samuel Makarov
Yvette Mammes
Wyatt Manus
Juan Pablo Martinez Romero
Danny Massry
Amanda Matthews
Timothy May
Sarah McCarthy
Sloman McDurmon
Walter McEachern
Jonathon McLean

Moniqua McLean
Adam Midyette
Kellie Miller
Luke Miller
Matthew Miller
Christopher Minneci
Breanna Mirakian
Bilali Mohammed
Chelsea Morgan
Brian Morris
Matthew Morrison
Rhonda Moseley
Taner Moulton
Jaleesa Murphy
Taylor Murray
Trevor Musgrave
Kajol Nariani
Ha Nguyen
Jack Niemer
Chun Nip
Meredith Norris
Parker Norris
Ryan O'Keeffe
Nathaniel O'Shields
Cassia OBrien
Nathan Oldja
Samuel Olivares
Jessica Outlaw
Sabryn Owens
Misty Pallett
Aishni Patel
Leonel Paulin Santiago
Whitney Pearce
Hannah Peele
David Phagan
Elizabeth Poppe
Blair Powell
Brittany Powell
Jordan Powell
Callin Randolph
Grace Rathbun
Jeremy Reed
Lawrence Repko
Alexander Retamar

Payton Reynolds
Matthew Ridenour
Dylan Ritch
Giny Robles
Abigail Ross
Hailey Ross
Rachel Rouse
Ahmad Saleem
Robert Savino
Rachel Schneider
Gabrielle Shannon
Kaytlin Shaver
Daniel Sheitman
Madeline Sherrick
Stephanie Shewhart
Dhruva Shivakumar
Joshua Sigmon
Joshua Simmons
Anne Sippe
Elise Smith
Shawn Smith
Wesley Smith
Meghan Spillare
Dylan Spurlin
Jada Staten
George Streetman
James Suggs
Emily Sullivan
Brandon Tahamtan
William Taylor
Thomas Te Groen
Martin Thomas
Katelyn Tindal
Ariston Tomes
Annagrace Toothman
Brett Tornquist
Scarlett Trainor
Matthew Turner
Dominick Vaccaro
Carlos Valencia
Micah Vera
Lucas Votaw
Ashley Wagner
Callum Walker

Alexander Walsh
Jonathan Walsh
Nora Walsh
Kayla Walter
Jace Ward
Elle Warshawsky
Joseph Wells
Caleb Westbrook
Molly White
Lucas Whitesides
Whitney Whitley

Ashlyn Williams
Brandon Williams
Elana Williams
Jordan Williams
Mackenzie Willson
Melanie Winkle
Khendra Witt
Jessica Woolfe
Ying Zhou
Joshua Zimmer
Meghan Zuzolo

Miscellaneous - Approve an individual's request to apply for the Uniform CPA Exam based on additional course information provided by the candidate and research conducted by the Board staff.

CPA Firm Registrations - Approve the CPA firm registration applications submitted by the following firms:

S Agarwal CPA PLLC
Sonali Asati CPA PLLC
JPR Resources PLLC

Pines Accounting Services, PLLC
Wooten CPA PLLC

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: The Board reviewed the January 2024 operational metrics and the Executive Staff Report.

Mr. Payseur moved, and Ms. Van Zant seconded the motion to change the time of the March 13, 2024, meeting to 10:00 a.m. and move the location of the July 22, 2024, meeting to the UNC-Chapel Hill campus. The motion passed with seven (7) affirmative and zero (0) negative votes.

PUBLIC COMMENTS: The UNC-W Beta Alpha Psi Chapter presented highlights of their chapter activities for the year and their increased membership.

ADJOURNMENT: Mr. Winstead moved, and Ms. Demery seconded the motion to adjourn the meeting at 2:22 p.m. The motion passed with seven (7) affirmative and zero (0) negative votes.

Respectfully submitted:

Attested to by:



David R. Nance, CPA
Executive Director



Gary R. Massey, CPA
President



North Carolina State Board of Certified Public Accountant Examiners

February 19, 2024

American Institute of Certified Public Accountants
 Attention: Brad Coffey, AICPA Peer Review Board
 220 Leigh Farm Road
 Durham, NC 27707-8110

The North Carolina State Board of CPA Examiners (Board) has reviewed the Exposure Draft, Proposed Peer Review Standards Update No. 2, *Reviewing A Firm's System of Quality Management and Omnibus Technical Enhancements* prepared by the American Institute of Certified Public Accounts (AICPA). The draft proposes revisions to the standards with conforming updates to address the issuance of the quality management standards by the Auditing Standards Board. The AICPA Peer Review Board (PRB) has requested feedback from all interested parties but identified sections specific to respondents providing their views on behalf of state boards of accountancy. The Board offers the following comments:

Most of the proposed language changes relate to the conformity changes with the new quality management standards and the increase in firm management responsibilities for achieving quality results. As such, the focus shifts from a discussion of quality control standards to quality management standards. The Board agrees with the emphasis on firms' "tone at the top" in achieving quality results and agrees these language changes are necessary to conform with the quality management standards.

The Exposure Draft notes that the standards will continue to categorize matters identified by peer reviewers as either design or compliance matters and asks whether additional report wording issues should be considered. An example offered is relabeling "compliance matters" to "operating effectiveness matters." The Board believes that consistency in the reporting formats is important on behalf of Board staff charged with monitoring firms' peer review program results. To support this objective, compliance matters, as defined in Section 100, identify when an aspect of a firm's properly designed system of quality management is not implemented or does not operate as designed. As such, the Board recommends staying with the current categorization of matters for further consideration as compliance matters.

An ask of the Exposure Draft for state boards of accountancy is if any changes will need to be made to state laws or board regulations to address the transition from quality control standards to quality management standards. The Board has not identified any changes that would be required as part of this transition.

A question is asked if the peer review standards should include a definition of "root cause" or explanatory material that would provide users with additional considerations for concluding whether the severity and pervasiveness of a root cause may be systemic in nature. Root cause analysis would be a method by which reviewers identify the underlying reasons for why a particular quality management condition exists. Understanding the root cause for a noncompliance matter would provide the firm with a roadmap to prevent the recurrence of quality management failures and promote positive outcomes. Knowing the "why" can assist in determining the recommendation for addressing the condition and assessing the effectiveness of the actions taken. Therefore, the Board would support this addition to the peer review standards.

A critical change is identified in the Reviewer Qualifications with PR-C Section 200, *General Principles and Responsibilities for Reviewers*. The new language proposes that a reviewer who retires from the practice of public accounting may continue to serve as a peer review team member during the 18 months after the individual's retirement date. The Board does not see this as a problem as the conditions for this to occur include the requirement to obtain relevant continuing professional education that should maintain their current knowledge of professional standards. However, the Board does have some concern with the language in how this section is presented. Many state boards of accountancy have a CPA-retired status that allows CPAs to maintain their CPA designation. However, the status is generally honorary, and such CPAs are not "licensed to practice as a CPA" and are further restricted from continuing to perform services that are identified as the "public practice of accounting." The PRB should consider changing the presentation in this matter to ensure there is no confusion or unintended consequences related to a "retired" CPA serving in this role.

Finally, the Board agrees that the language added regarding facilitated state board access (FSBA) is essential in assisting state boards of accountancy in performing their monitoring responsibilities for firm quality management issues. This Board updated its rules recently such that a firm located in North Carolina may not be permitted to opt out of providing access to the firm's peer review results and other documentation through FSBA. Due to the length of time from a firm's peer review scheduling and the finalization of the process with peer review results, the monitoring of peer review activity has become difficult, complex, and time-consuming for state boards of accountancy. As more information is made available within FSBA, state boards of accountancy can more readily monitor the process without constantly engaging with the impacted firms. As such, the Board would request that the PRB consider making the "objective peer review information" as identified at .A18 within PR-C Section 300, *General Principles and Responsibilities for Review Firms*, mandatory reporting requirements within the FSBA system.

The Board agrees that the proposed effective dates for QM-related changes (December 31, 2025) and omnibus technical enhancements (October 31, 2024) are reasonable.

The Board appreciates the opportunity to comment on the proposed Exposure Draft, particularly the questions about state boards of accountancy.

Sincerely,



Gary R. Massey, CPA
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2023113

IN THE MATTER OF:
Sara Fording Gonzalez, CPA, #30420
Respondent

CONSENT ORDER

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

1. Sara Fording Gonzalez, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number #30420 as a Certified Public Accountant.
2. The Board received a complaint from one of the Respondent's clients ("Complainant") alleging, among other things, that the Respondent had not timely returned client-provided records.
3. The Complainant requested a return of his original documents on May 10, 2023. The Respondent fulfilled that request on July 21, 2023.
4. The Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. The Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. The original documents provided by the Complainant are considered to be "client-provided" records as that term is used in 21 NCAC 08N .0305(a).
3. Per 21 NCAC 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."
4. Per 21 NCAC 08N .0305(h), a "CPA who is required to return or provide records to the client shall comply with the client's request as soon as practicable, but no later than 45 days after the request is made."
5. The Respondent's failure to provide the Complainant's client-provided records within 45 days after the initial request constitutes a violation of 21 NCAC 08N .0305.

Consent Order 2
Sara Fording Gonzalez, CPA

6. The other allegations contained in the Complaint are hereby dismissed.
7. Per N.C. Gen. Stat. § 93-12(9), and also by virtue of the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and the Respondent agree to the following Order:

1. The Respondent, Sara Fording Gonzalez, CPA, is hereby censured.

CONSENTED TO THIS THE 8th DAY OF February, 2024
(Day) (Month) (Year)

Sara F

Respondent

APPROVED BY THE BOARD THIS THE 19 DAY OF February, 2024
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY:

Darryl Massey

President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2023116

IN THE MATTER OF:
Nathaniel Nathan McKenzie, CPA
Respondent

CONSENT ORDER

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

1. Nathaniel Nathan McKenzie, CPA (hereinafter "Respondent"), is the holder of North Carolina Practice Privilege as a Certified Public Accountant.
2. The Board received a complaint from a client ("Complainant") related to the audit and tax services performed by the Respondent firm. The Complainant asserted that the Respondent had performed audit and tax services for the client. The Complainant alleged that the work was poorly performed, and that the Respondent had become unreliable and unresponsive.
3. The Board staff obtained the audit report from the client. Following a review of the audit report, the staff requested audit workpapers from the Respondent.
4. The Respondent's workpapers contained numerous and significant deficiencies. Among other things, there was insufficient documentation of audit work identifying testing procedures performed, planned testing objectives, support for transaction testing, or evidence of review of internal controls. Some of the more significant deficiencies include:
 - a. Failure to document audit planning;
 - b. Failure to document preliminary or final analytical procedures;
 - c. Failure to document auditor independence;
 - d. Failure to document engagement acceptance and understanding;
 - e. Failure to document fraud risk identification, or internal control and risk assessments;
 - f. Failure to document the understanding and design of internal controls; and
 - g. Failure to obtain required management representations.
5. The Respondent is licensed in another jurisdiction and has performed only a couple of engagements in the State of North Carolina.
6. The Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

Consent Order 2
Nathaniel Nathan McKenzie, CPA

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. The Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Pursuant to N.C. Gen. Stat. § 93-10, the Respondent has utilized a practice privilege to engage with a limited number of clients in the State of North Carolina.
3. The Respondent's audit workpapers are insufficient and indicate a failure to perform all necessary testing and procedures, resulting in a violation of 21 NCAC 08N .0403 (Audit Standards).
4. Per N.C. Gen. Stat. § 93-12(9), and also by virtue of the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and the Respondent agree to the following Order:

1. The Respondent's practice privilege to perform services in the State of North Carolina is hereby revoked.

CONSENTED TO THIS THE 2/11/24 DAY OF February, 2024
(Day) (Month) (Year)
[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 19 DAY OF February, 2024
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY:

[Signature]
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #s C2023200-1/2

IN THE MATTER OF:
Barton W. Baldwin, CPA, #10804
Baldwin & Hodge, LLP
Respondents

CONSENT ORDER

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

1. Barton W. Baldwin, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 10804 as a Certified Public Accountant.
2. Baldwin & Hodge, LLP (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina. Hereinafter, the Respondent and the Respondent Firm are collectively referred to as the "Respondents."
3. On November 6, 2023, the Board staff received a referral from the United States Department of Labor (hereinafter "DOL") disclosing a deficiency with an ERISA audit prepared by the Respondent Firm. The referral identified that the audit report for a client's employees' 401(k) plan as of December 31, 2021, was not performed in accordance with applicable standards.
4. The Respondent Firm responded that the original audit report was not in compliance with new standards because the updated format had not been utilized. The time period covered by the report occurred prior to the change in standards, however, the implementation date for new standards had occurred prior to issuance of the report. After being notified, the Respondent Firm reissued the report using the updated reporting format. The Respondent Firm addressed the issue within the required filing deadline established by the DOL.
5. The Respondents state that they no longer perform ERISA audit services. The Respondent Firm received a "pass" on its last system peer review.
6. The Respondents wish to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondents understand and agree that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

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

NC BOARD OF

JAN - 8 2024

CPA EXAMINERS

2. By virtue of the facts set forth above, the Respondents violated Rules 21 NCAC 08N .0212 and .0403.
3. Per N.C. Gen. Stat. § 93-12(9), and also by virtue of the Respondents' consent to this order, the Respondents are subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and the Respondents agree to the following Order:

1. The Respondent is hereby censured.
2. Should the Respondents choose to perform ERISA services subject to peer review in the future, then each staff member participating in engagements subject to peer review must take four (4) hours of group study A&A CPE annually related to ERISA audits until the Respondent Firm receives a "pass" or a "pass with deficiencies" on a peer review.

CONSENTED TO THIS THE 21st DAY OF December, 2023.
(Day) (Month) (Year)

Barton W. Baldwin
Respondent

Barton W. Baldwin Managing Partner
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 19 DAY OF February, 2024.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Harry R. Massey
President

NC BOARD OF
JAN - 8 2024
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #s C2023202-1/2

IN THE MATTER OF:

Christopher Max Kemp, CPA, #13801
Kemp & Hymanson CPAs, LLP
Respondents

CONSENT ORDER

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

1. Christopher Max Kemp, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 13801 as a Certified Public Accountant.
2. Kemp & Hymanson CPAs, LLP (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina. Hereinafter, the Respondent and the Respondent Firm are collectively referred to as the "Respondents."
3. On November 6, 2023, the Board staff received a referral from the United States Department of Labor (hereinafter "DOL") disclosing a deficiency with an ERISA audit prepared by the Respondent Firm. The referral identified that the audit report for a client's 401(k) profit sharing plan as of December 31, 2021, was not performed in accordance with applicable standards.
4. The Respondent Firm responded that it erroneously thought the implementation date for the new standards updates did not apply to the audit year ending December 31, 2021. After being notified, the Respondent Firm reissued the report using the updated reporting format. The Respondent Firm addressed the issue within the required filing deadline established by the DOL.
5. The Respondents state that they no longer perform any assurance services and are no longer a part of the peer review program. The Respondent Firm received a "pass" on its last system peer review.
6. The Respondents wish to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondents understand and agree that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

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

Consent Order - 2
Christopher Max Kemp, CPA
Kemp & Hymanson CPAs, LLP

2. By virtue of the facts set forth above, the Respondents violated Rules 21 NCAC 08N .0212 and .0403.
3. Per N.C. Gen. Stat. § 93-12(9), and also by virtue of the Respondents' consent to this order, the Respondents are subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and the Respondents agree to the following Order:

1. The Respondent is hereby censured.
2. Should the Respondents choose to perform services subject to peer review in the future, then each staff member participating in engagements subject to peer review must take four (4) hours of group study A&A CPE annually related to ERISA audits until the Respondent Firm receives a "pass" or a "pass with deficiencies" on a peer review.

CONSENTED TO THIS THE 27 DAY OF December, 2023
(Day) (Month) (Year)

Christopher Max Kemp
Respondent

Max Kemp
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 19 DAY OF February, 2024
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Larry R Massey
President

NC BOARD OF
DEC 29 2023
CPA EXAMINERS