

## **Burgos, Alexander N**

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**Subject:** FW: [External] RE: CPA RFC for August 2023

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**From:** Ascher, Seth M <seth.ascher@oah.nc.gov>

**Sent:** Tuesday, August 8, 2023 1:48 PM

**To:** David Nance <DavidNance@nccpaboard.gov>

**Cc:** Burgos, Alexander N <alexander.burgos@oah.nc.gov>; Felecia Ashe <FeleciaAshe@nccpaboard.gov>; Lynne Sanders <LynneSanders@nccpaboard.gov>

**Subject:** RE: [External] RE: CPA RFC for August 2023

Thank you for these updates, as well as the extensive work during the pre-review process. At this point, I anticipate recommending approval of this ruleset at August's meeting. I'll let you know if anything comes up in the meantime.

**Seth Ascher**

Counsel to the North Carolina Rules Review Commission

Office of Administrative Hearings

(984) 236-1934

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## Burgos, Alexander N

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**Subject:** FW: [External] RE: CPA RFC for August 2023  
**Attachments:** 21 NCAC 08F .0103.docx; 21 NCAC 08F .0105.docx; 21 NCAC 08F .0401.docx; 21 NCAC 08F .0410.docx; 21 NCAC 08H .0101.docx; 21 NCAC 08J .0112.docx; 21 NCAC 08M .0105.docx; 21 NCAC 08N .0205.docx; 21 NCAC 08N .0209.docx; 21 NCAC 08N .0211.docx; 21 NCAC 08N .0215.docx; 21 NCAC 08N .0304.docx; 21 NCAC 08N .0305.docx; 21 NCAC 08N .0307.docx; 21 NCAC 08N .0308.docx; 21 NCAC 08N .0309.docx; 21 NCAC 08N .0403.docx; 21 NCAC 08N .0404.docx; 21 NCAC 08N .0405.docx; 21 NCAC 08N .0406.docx; 21 NCAC 08N .0409.docx; 21 NCAC 08N .0410.docx; 21 NCAC 08N .0411.docx; 21 NCAC 08N .0412.docx

**Importance:** High

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**From:** David Nance <DavidNance@nccpaboard.gov>

**Sent:** Tuesday, August 8, 2023 9:49 AM

**To:** Ascher, Seth M <seth.ascher@oah.nc.gov>

**Cc:** Burgos, Alexander N <alexander.burgos@oah.nc.gov>; Felecia Ashe <FeleciaAshe@nccpaboard.gov>; Lynne Sanders <LynneSanders@nccpaboard.gov>

**Subject:** [External] RE: CPA RFC for August 2023

**Importance:** High

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Good morning:

The Board staff has reviewed your comments and requested changes to the Board's proposed rules as published in NCR 37:20. Please see the responses to questions identified below. In addition, updated copies of the rules are being provided as attached in the requested format. Please let me know if there are additional questions or items that Board staff needs to address. Attending the meeting in person on behalf of the Board will be David Nance, Executive Director, Lynne Sanders, Deputy Director, and Frank Trainor, Staff Attorney.

All rules were updated with the introductory statements as requested.

For Rule **21 NCAC 08F .0103**, you asked what is included in the "actual costs of examination services" on lines 5 and 6. There is a three-party contract between the AICPA (preparer of the exam and scorer of the exam), NASBA (processor of candidate activity for the exam), and Prometric (testing centers across the country where the exam is administered) for the overall administration of the exam. There are fees related to the exam process including a national database fee, an AICPA scoring fee, a photo fee, and a testing section fee. Those expenses change yearly due to cost factors and inflation. The Board collects that fee at the time of application. Once a student sits for an exam section, the Board provides the funds to NASBA to disburse to the testing partners per the contract. An actual amount is not presented in the rule as it is constantly changing. Let me know if you need any further discussion on this matter.

All other requested changes were made to updated rule.

For Rule **21 NCAC 08F .0105**, there is discussion of how the word vendor(s) is presented. It was originally noted as vendor(s) and you indicated during the initial review that it should be presented as vendors. When looking at the text as published in NCR 37:20, it appears that the corrected version as "vendors" was published. As such, the rule was updated with the updated introductory statement identifying it as amended as published with no additional changes.

For Rule **21 NCAC 08F .0410**, you asked if the Board is relying on an applicant's transcript to identify the fields of study. That would be correct. The transcript identifies the specific courses taken by the exam candidate and those courses are categorized into one of the 10 fields of study. A worksheet of the fields of study is provided on the Board's website as part of the license application process. Let me know if you need any further discussion on this matter.

All other requested changes were made to the updated rule.

For **Rule 21 NCAC 08J .0112**, you are essentially asking if we are providing two separate options for inactive CPAs to become retired. The rule provides for both active and inactive status CPAs to move to the CPA-retired status. Subsection (a) provides the application requirements applicable to the application for all individuals seeking retired status and the limitations on the services that could be provided while in retired status. Subsection (d) has been reworded to provide additional requirements for individuals moving from in active status to CPA-retired status. I hope that the reworded (d) provides a better presentation for our intent, but please let me know if there are further concerns as to how it has been reworded.

Thanks again for your timely review of our rules. Hopefully, the pre-issuance review streamlined the process. We always want the rulemaking process to go as smoothly as possible. I assume you will let me know if we need to do anything further in preparation for the rules meeting on August 17, 2023. Thanks in advance for your time.

*David R. Nance, CPA*

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1 21 NCAC 08F .0103 is amended with changes as published in 37:20 NCR 2020 as follows:

2  
3 **21 NCAC 08F .0103 FILING OF EXAMINATION APPLICATIONS AND FEES**

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

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

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

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

- 16 (1) evidence of citizenship; or  
17 (2) evidence of resident alien status; or  
18 (1)(3) other bona fide evidence that the applicant is legally allowed to remain in the United States; or  
19 (2)(4) a notarized affidavit of intention to become a U.S. citizen; or  
20 (3)(5) evidence that the applicant is a citizen of a foreign jurisdiction that extends to citizens of this State  
21 like or similar privileges to be examined.

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

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

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

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

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

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

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

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

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

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

21  
22 *History Note: Authority G.S. 93-2; ~~93-9(12)~~; 93-10; 93-12(3); 93-12(4); 93-12(5); 93-12(7);*

23 *Eff. February 1, 1976;*

24 *Readopted Eff. September 26, 1977;*

25 *Amended Eff. January 1, 2014; February 1, 2011; January 1, 2006; January 1, 2004; August 1,*  
26 *1998; February 1, 1996; April 1, 1994; March 1, 1990; May 1, 1989;*

27 *Readopted Eff. February 1, 2016;*

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

1 21 NCAC 08F .0105 is amended as published in 37:20 NCR 2021 as follows:

2  
3 **21 NCAC 08F .0105      CONDITIONING REQUIREMENTS**

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

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

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

9       (1) a candidate shall ~~obtain~~ earn a passing grade on all sections of the examination within an 18-month  
10 period;

11       (2) a candidate may sit for any section of the examination ~~individually;~~ individually and in any order;

12       (3) a candidate may retake the same section of the examination as many times during a one-year period  
13 as determined by the examination vendors but shall not retake a failed test section until the candidate  
14 has been notified of the score of the most recent attempt of that failed section; and

15       (4) credit awarded by the Board for passage of a section of the examination ~~is~~ shall be valid for an 18-  
16 month period ~~beginning on the date the section is taken.~~ from the date the passing scores are released  
17 by the examination vendors;

18       (5) the 18-month period begins on the date the first passing score is released to the candidate and  
19 concludes with the sit date of the final passed examination section, regardless of when the score is  
20 released by the examination vendors for the final passed section. A candidate, after earning credit  
21 for the initial passed section, must complete the remaining test sections of the examination by the  
22 last day of the 18-month period. If all four sections of the examination are not passed within the  
23 18-month period, credit for any test section passed outside of the 18-month period shall expire; and

24       (6) notwithstanding subparagraphs (c)(1), (c)(4), and (c)(5) of this Rule, the period of time in which to  
25 pass all test sections of the examination may be extended by the Board upon a showing that the  
26 credit was lost by reason of circumstances beyond the testing candidate's control.

27  
28 *History Note: Authority G.S. 93-12(3); 93-12(4); 93-12(5);*

29 *Eff. February 1, 1976;*

30 *Readopted Eff. September 26, 1977;*

31 *Amended Eff. February 1, 2011; January 1, 2006; January 1, 2004; August 1, 1998; April 1, 1994;*  
32 *April 1, 1991; March 1, 1990;*

33 *Readopted Eff. February 1, 2016;*

34 *Amended Eff. September 1, 2023; January 1, 2020.*

1 21 NCAC 08F .0401 is amended as published in 37:20 NCR 2021 as follows:

2  
3 **21 NCAC 08F .0401 WORK EXPERIENCE REQUIRED OF CANDIDATES FOR CPA**  
4 **CERTIFICATION**

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

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

10 (b) The following provisions apply to all candidates seeking to meet the work experience requirement of ~~G.S. 93-~~  
11 ~~12(5)e.3~~ G.S. 93-12(5)(c)(3) by working in the field of accounting:

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

32 (c) Rule .0409 of this Section applies to teaching experience acquired pursuant to ~~G.S. 93-12(5)e.2 and 4.~~ G.S. 93-  
33 12(5)(c)(2) and (4).

34  
35 *History Note: Authority G.S. 93-12(3); 93-12(5);*  
36 *Eff. February 1, 1976;*  
37 *Readopted Eff. September 26, 1977;*

1                    *Temporary Amendment Eff. June 17, 1982 for a period of 120 days to expire on October 12, 1982;*  
2                    *Legislative Objection Lodged Eff. July 20, 1982;*  
3                    *Amended Eff. February 1, 2011; January 1, 2006; August 1, 1998; March 1, 1990; July 1, 1989;*  
4                    *December 1, 1988; September 1, 1988;*  
5                    *Readopted Eff. February 1, ~~2016~~ 2016;*  
6                    *Amended Eff. September 1, 2023.*



1 21 NCAC 08F .0410 is amended with changes as published in 37:20 NCR 2022 as follows:

2

3 **21 NCAC 08F .0410 EDUCATION REQUIRED OF CANDIDATES FOR CPA CERTIFICATION**

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

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

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

7 ~~(b)~~ (2) 24 semester hours of coursework that ~~include~~ includes one three semester hour course from at least

8 ~~eight~~ 8 of the following 10 fields of study:

9 ———(1) ~~(A)~~ (A) communications;

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

11 ———(3) ~~(C)~~ (C) economics;

12 ———(4) ~~(D)~~ (D) ethics;

13 ———(5) ~~(E)~~ (E) finance;

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

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

16 ———(8) ~~(H)~~ (H) law;

17 ———(9) ~~(I)~~ (I) management; or

18 ———(10) ~~(J)~~ (J) statistics.

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

22

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

24 *Eff. January 1, 2001;*

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

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

27 *Amended Eff. September 1, 2023.*

1 21 NCAC 08H .0101 is amended as published in 37:20 NCR 2022 as follows:

2

3 **21 NCAC 08H .0101 RECIPROCAL CERTIFICATES**

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

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

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

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

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

13

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

15 *Eff. February 1, 1976;*

16 *Readopted Eff. September 26, 1977;*

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

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

19 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*  
20 *~~2014.~~ 2014;*

21 *Amended Eff. September 1, 2023.*

1  
2 21 NCAC 08J .0112 is adopted with changes as published in 37:20 NCR 2028 as follows:

3  
4 **21 NCAC 08J .0112 RETIRED STATUS - CHANGE OF STATUS**

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

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

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

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

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

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

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

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

21 (d) In addition to the requirements in Subparagraph (a), the application to move from inactive status to  
22 CPA-retired status will also contain the requirements set forth in ~~An individual on inactive status may~~  
23 change to CPA retired status by submitting an application consistent with 21 NCAC 08F .0502. However,  
24 the application will not require they are not required to provide the Board with an experience affidavit or  
25 three certificates of good moral character.

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

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

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

34  
35  
36 History Note: Authority G.S. 93-12(3); 93-12(8); 93-12(8b);

Eff. September 1, 2023.

1 21 NCAC 08M .0105 is amended as published in 37:20 NCR 2022 as follows:

2  
3 **21 NCAC 08M .0105 PEER REVIEW REQUIREMENTS**

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

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

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

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

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

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

25 (f) A CPA firm that does not have offices in North Carolina and that has provided any services as listed in G.S. 93-  
26 10(c)(3) to North Carolina clients shall participate in a peer review program.

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

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

31  
32 *History Note: Authority ~~G.S. 93-12(3); G.S. 93-10(c); 93-12(8c);~~*

33 *Eff. January 1, 2004;*

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

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

36 *Amended Eff. September 1, 2023.*

1 21 NCAC 08N .0205 is amended as published in 37:20 NCR 2023 as follows:

2  
3 **21 NCAC 08N .0205 CONFIDENTIALITY**

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

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

7 (1) to relieve a CPA of any reporting obligations pertaining to Section .0400 of this Subchapter;

8 (2) to affect in any way the CPA's compliance with an order of a court or a validly issued subpoena by  
9 this Board;

10 (3) to preclude the CPA from responding to any inquiry made by the AICPA Ethics Division or Trial  
11 Board, by a duly constituted investigative or disciplinary body of a state CPA society, or under state  
12 statutes;

13 (4) to preclude the disclosure of confidential client information necessary for the peer review ~~process~~  
14 ~~or for any quality review program; process;~~

15 (5) to preclude the CPA from assisting the Board in enforcing the accountancy statutes and rules;

16 (6) to affect a CPA's disclosure of confidential information to state or federal authorities when the CPA  
17 concludes in good faith based upon professional judgment that a crime is being or is likely to be  
18 committed; ~~or~~

19 (7) to affect a CPA's disclosure of confidential information when such disclosure is required by state or  
20 federal laws or ~~regulations; regulations; or~~

21 (8) to prohibit a CPA from revealing information:

22 (A) in order to establish a claim or defense on behalf of the CPA in a controversy between the CPA  
23 and a client;

24 (B) to establish a defense to a criminal charge or civil claim against the CPA based upon conduct in  
25 which the client was involved; or

26 (C) to respond to allegations in any proceeding concerning the CPA's professional services to the  
27 client.

28  
29 *History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);*

30 *Eff. April 1, 1994;*

31 *Amended Eff. February 1, 2004; April 1, 2003;*

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

33 *Amended Eff. September 1, 2023.*

1 21 NCAC 08N .0209 is amended as published in 37:20 NCR 2023 as follows:

2  
3 **21 NCAC 08N .0209 ACCOUNTING PRINCIPLES**

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

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

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

20  
21 *History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);*  
22 *Eff. April 1, 1994;*  
23 *Amended Eff. July 1, 2010;*  
24 *Readopted Eff. February 1, 2016. 2016;*  
25 *Amended Eff. September 1, 2023.*

1 21 NCAC 08N .0211 is amended as published in 37:20 NCR 2023 as follows:

2  
3 **21 NCAC 08N .0211 RESPONSIBILITIES IN TAX PRACTICE**

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

8 (b) Statements on Standards for Tax Services. The Statements on Standards for Tax Services issued by the AICPA,  
9 ~~including subsequent amendments and editions, are hereby incorporated by reference, as provided by G.S. 150B-21.6,~~  
10 ~~and shall be considered as the standards for tax services for the purposes of Paragraph (a) of this Rule. Departures~~  
11 ~~from the statements listed in this Paragraph shall be justified by those who do not follow them as set out in the~~  
12 ~~statements. AICPA are incorporated by reference, including subsequent amendments and editions. This document~~  
13 may be accessed at <https://www.aicpa.org/resources/toolkit/statements-on-standards-for-tax-services> at no cost.

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

21  
22  
23 *History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);*  
24 *Eff. April 1, 1994;*  
25 *Amended Eff. July 1, 2010; February 1, 2006; April 1, 2003;*  
26 *Readopted Eff. February 1, 2016; 2016;*  
27 *Amended Eff. September 1, 2023.*



1 21 NCAC 08N .0215 is amended as published in 37:20 NCR 2024 as follows:

2  
3 **21 NCAC 08N .0215 INTERNATIONAL FINANCIAL ACCOUNTING STANDARDS**

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

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

11 (1) International Financial Reporting Standards (IFRS) issued after ~~2001~~; 2003;

12 (2) International Accounting Standards (IAS) issued before ~~2001~~; 2004;

13 (3) Interpretations originated from the International Financial Reporting Interpretations Committee  
14 (IFRIC) issued after ~~2001~~; 2003; and

15 (4) Standing Interpretations Committee (SIC) issued before ~~2001~~; 2003.

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

23  
24 *History Note: Authority ~~G.S. 55-12~~; G.S. 55B-12; 57D-2-02; 93-12(9);*

25 *Eff. February 1, 2011;*

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

27 *Amended Eff. September 1, 2023.*

1 21 NCAC 08N .0304 is amended as published in 37:20 NCR 2024 as follows:

2

3 **21 NCAC 08N .0304 CONSULTING SERVICES STANDARDS**

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

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

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

18

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

1 21 NCAC 08N .0305 is amended as published in 37:20 NCR 2024 as follows:

2  
3 **21 NCAC 08N .0305 RETENTION OF CLIENT RECORDS**

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

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

10 (1) The CPA shall provide CPA prepared records relating to a completed and issued work product to  
11 the client, except that such records may be withheld if fees are due to the CPA for that specific work  
12 product; and

13 (2) ~~CPA's~~The CPA's work products shall be provided to the client, except that such work products may  
14 be withheld:

15 (A) if fees are due to the CPA for the specific work product;

16 (B) if the work product is incomplete;

17 (C) if for purpose of complying with professional ~~standards (for example, withholding an audit~~  
18 ~~report due to outstanding audit issues)~~ standards. For example, withholding an audit report  
19 due to outstanding audit issues; or

20 (D) if threatened or outstanding litigation exists concerning the engagement or CPA's work.

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

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

30 (1) comply with any subsequent requests to again provide records or copies of records described in  
31 Paragraphs (a) and (b) of this Rule. If subsequent to complying with a request, a client experiences  
32 a loss of records due to a natural disaster, the CPA shall comply with an additional request to provide  
33 such ~~records;~~ records that are in possession of the CPA; and

34 (2) retain records for periods that exceed applicable professional standards, state and federal statutes  
35 and regulations, and contractual agreements relating to the service performed.

36 (e) A CPA who has provided records to an individual designated or held out as the client's representative, such as the  
37 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.*

1 21 NCAC 08N .0307 is amended as published in 37:20 NCR 2025 as follows:

2  
3 **21 NCAC 08N .0307 CPA FIRM NAMES**

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

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

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

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

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

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

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

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

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

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

19 (d) Any CPA firm registered in another jurisdiction that provides notification of intent to practice pursuant to G.S.  
20 93-10(c)(3) may practice under the name as registered with that jurisdiction.

21  
22 *History Note:* Authority G.S. 55B-12; G.S 55B-5; 55B-12; 57D-2-02; 93-12(9);

23 Eff. April 1, 1994;

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

25 Readopted Eff. February 1, 2016. 2016;

26 Amended Eff. September 1, 2023.

1 21 NCAC 08N .0308 is amended as published in 37:20 NCR 2026 as follows:

2

3 **21 NCAC 08N .0308 VALUATION SERVICES STANDARDS**

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

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

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

19

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

21 *Eff. January 1, 2006;*

22 *Amended Eff. July 1, 2010;*

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

24 *Amended Eff. September 1, 2023.*

1 21 NCAC 08N .0309 is amended as published in 37:20 NCR 2026 as follows:

2  
3 **21 NCAC 08N .0309 PERSONAL FINANCIAL PLANNING SERVICES**

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

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

13 ~~(c) Copies of Statements. Copies of the Statement on Standards on Personal Financial Planning Services may be~~  
14 ~~inspected in the office of the Board, as described in 21 NCAC 08A .0102. Copies may be obtained from the AICPA,~~  
15 ~~220 Leigh Farm Road, Durham, NC 27707 as part of the "AICPA Professional Standards." They are available at cost,~~  
16 ~~which is one hundred sixty nine dollars (\$169.00) in paperback form or four hundred eighty six dollars (\$486.00) in~~  
17 ~~online subscription form. AICPA are incorporated by reference, including subsequent amendments and editions. This~~  
18 ~~document may be accessed at <https://aicpa.org/resources/download/statement-on-standards-in-personal-financial->~~  
19 ~~[planning-services](https://aicpa.org/resources/download/statement-on-standards-in-personal-financial-) at no cost.~~

20  
21 *History Note: Authority ~~G.S. 55-12; G.S. 55B-12; 57D-2-02; 93-12(9);~~*  
22 *Eff. February 1, ~~2016; 2016;~~*  
23 *Amended Eff. September 1, 2023.*



1 21 NCAC 08N .0403 is amended as published in 37:20 NCR 2027 as follows:

2

3 **21 NCAC 08N .0403 AUDITING STANDARDS**

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

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

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

17

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

19 *Eff. April 1, 1994;*

20 *Amended Eff. July 1, 2010; February 1, 2006;*

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

22 *Amended Eff. September 1, 2023.*

1 21 NCAC 08N .0404 is amended as published in 37:20 NCR 2027 as follows:

2  
3 **21 NCAC 08N .0404 ACCOUNTING AND REVIEW SERVICES STANDARDS**

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

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

12 ~~(c) Copies of Statements. Copies may be obtained from the AICPA, 220 Leigh Farm Road, Durham, NC 27707 as~~  
13 ~~part of the "AICPA Professional Standards." They are available at cost, which is one hundred ninety four dollars~~  
14 ~~(\$194.00) in paperback form or one hundred sixty nine dollars (\$169.00) in on line subscription form. This document~~  
15 ~~may be accessed at <https://us.aicpa.org/research/standards/compilationreview.html> at no cost.~~

16  
17 *History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);*  
18 *Eff. April 1, 1994;*  
19 *Amended Eff. July 1, 2010; February 1, 2006;*  
20 *Readopted Eff. February 1, ~~2016.~~ 2016;*  
21 *Amended Eff. September 1, 2023.*

1 21 NCAC 08N .0405 is amended as published in 37:20 NCR 2027 as follows:

2  
3 **21 NCAC 08N .0405 GOVERNMENTAL ACCOUNTING STANDARDS**

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

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

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

19  
20 *History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);*  
21 *Eff. April 1, 1999;*  
22 *Amended Eff. July 1, 2010; February 1, 2006;*  
23 *Readopted Eff. February 1, ~~2016.~~ 2016;*  
24 *Amended Eff. September 1, 2023.*

1 21 NCAC 08N .0406 is amended as published in 37:20 NCR 2027 as follows:

2

3 **21 NCAC 08N .0406 ATTESTATION STANDARDS**

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

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

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

17

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

19 *Eff. April 1, 1994;*

20 *Amended Eff. July 1, 2010; February 1, 2006;*

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

22 *Amended Eff. September 1, 2023.*

1 21 NCAC 08N .0409 is amended as published in 37:20 NCR 2027 as follows:

2

3 **21 NCAC 08N .0409 GOVERNMENT AUDITING STANDARDS**

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

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

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

17

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

19 *Eff. February 1, 2011;*

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

21 *Amended Eff. September 1, 2023.*

1 21 NCAC 08N .0410 is amended as published in 37:20 NCR 2028 as follows:

2  
3 **21 NCAC 08N .0410 INTERNATIONAL STANDARDS ON AUDITING**

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

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

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

17  
18 *History Note: Authority ~~G.S. 55-12; G.S. 55B-12; 57D-2-02; 93-12(9);~~*

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

20 *Amended Eff. September 1, 2023.*

1 21 NCAC 08N .0411 is adopted as published in 37:20 NCR 2029 as follows:

2

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

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

9

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

11 *Eff. September 1, 2023.*

1 21 NCAC 08N .0412 is adopted as published in 37:20 NCR 2029 as follows:

2

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

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

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

10

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

12 Eff. September 1, 2023.



## **Burgos, Alexander N**

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**From:** Ascher, Seth M  
**Sent:** Thursday, August 3, 2023 3:56 PM  
**To:** feleciaa@nccpaboard.gov; dnance@nccpaboard.gov  
**Cc:** Burgos, Alexander N  
**Subject:** CPA RFC for August 2023  
**Attachments:** CPA RFC 8.2023.docx

Good afternoon,

I'm the attorney who reviewed the Rules submitted by the Board of Certified Public Account Examiners for the August 2023 RRC meeting. The RRC will formally review these Rules at its meeting on Thursday, August 17, 2023, at 9:00 a.m. The meeting will be a hybrid of in-person and WebEx attendance, and an evite should be sent to you as we get close to the meeting. If there are any other representatives from your agency who want to attend virtually, let me know prior to the meeting, and we will get evites out to them as well.

Attached are Requests for Changes Pursuant to G.S. 150B-21.10. Please submit the revised Rules and forms to me via email, no later than 5 p.m. on August 11, 2023.

Note that there is a mistake in the introductory statement for all rules. I have only noted it once in the first rule and have not created a separate page for a rule where that is the only error. The introductory statements for all the rules need to be corrected to include information about publication in the register. See the examples for publication in the administrative code here: <https://www.oah.nc.gov/rule-format-examples#RuleFormatExamplesforPublicationintheNCAdministrativeCode-6063>

Please let me know if you have any questions of concerns.

### **Seth Ascher**

Counsel to the North Carolina Rules Review Commission  
Office of Administrative Hearings  
(984) 236-1934

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