

20 NCAC 03 .0504 WHO MAY PERFORM AUDITS

The following persons may perform audits under this Section:

- (1) Any person who holds a valid and unrevoked certificate to practice as a certified public accountant in North Carolina, provided that a non-resident holder of such a certificate must also satisfy the Secretary that he has an adequate knowledge of the laws of the state as they apply to governmental units;
- (2) An audit agency of the State of North Carolina or of the United States Government provided that the said agency agrees in advance to comply with the applicable requirements and conditions listed in 20 NCAC 3 .0502 and the audit engagement is directly and continuously supervised by a person who holds a valid license to practice as a CPA in any of the fifty states or the District of Columbia, and provided further that an audit by an agency of the State of North Carolina is specifically approved by the State Auditor of North Carolina;
- (3) Any person, who fulfills all of the following criteria may be approved by the Commission as qualified to audit local government accounts:
 - (a) He has practiced as an accountant in the State of North Carolina for at least three years;
 - (b) He has completed at least 15 semester hours of accounting courses in an accredited institution of higher education including cost accounting, auditing and the theory of accounts;
 - (c) He has passed, within the three years immediately prior to approval, either the theory of accounts and auditing examinations given by the N.C. Board of Certified Public Account Examiners or other equivalent examination(s);
 - (d) He has passed an examination on the principals of governmental accounting and auditing and on state law as it applies to the operations of the type of governmental unit to be audited. Said examination to be given only after the applicant has completed 3(a), (b), and (c) of this Rule. The approval by the commission shall be for a term of five years and may be renewed for five year periods; provided that the Commission may at any renewal require the applicant to take and pass one or more of the examinations listed as 3(c) and (d) of this Rule, prior to the Commission renewing its approval.

*History Note: Authority G.S. 159-3(f);
Eff. February 1, 1976;
Readopted Eff. September 23, 1977;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018.*