

20 NCAC 03 .0506 WITHHOLDING OF APPROVAL

(a) Whenever any of the following conditions exists, the Secretary may withhold approval under either 20 NCAC 3 .0502 or 20 NCAC 3 .0505:

- (1) The auditor has failed to furnish to the commission reports on any audit subject to the approval of the Commission, when nine months has elapsed since the later of the date of the contract or the end of the fiscal period to be audited.
- (2) The auditor exhibits in his reports of audit a lack of knowledge of North Carolina law or of generally accepted accounting principles.
- (3) The Commission has reason to believe that the audit was not performed in accord with the requirements of this Section.

Whenever an approval is withheld by the Commission, the Commission shall notify the auditor immediately of the withholding of the approval, and the specific reason therefore.

(b) Whenever an approval has been withheld, the auditor may request a review of the case by the deputy secretary, accounting advisory section. The request must be in writing to the said deputy secretary at the mailing address of the Commission. The request must include an explanation of why the approval should be given. In his discretion the deputy secretary may require a meeting with the auditor to discuss the matter. If the matter applies to the performance of one or more specific audits, the auditor must bring to the meeting his working papers for the subject audit(s) and make them available in their entirety to the deputy secretary.

(c) The deputy secretary may, at any time, at his own discretion or at the request of the auditor, refer a matter of accounting principles or auditing standards to either the North Carolina Association of Certified Public Accountants or the American Institute of Certified Public Accountants for an advisory opinion.

(d) If matters cannot be resolved by this means, the auditor may proceed under 20 NCAC 3 .0105, contested case procedures.

*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.*