

COMPLAINT PROCEDURE

The purpose of this document is to set forth the general procedures for the handling of complaints filed by third parties against CPAs licensed by the North Carolina State Board of CPA Examiners.

I. RECORD OF COMPLAINT

All complaints must be filed on the Board's *Record of Complaint* form and must be notarized. The complaint must center on a violation of North Carolina General Statute 93-12(9) or the Professional Ethics and Conduct as listed in the North Carolina Administrative Code, Subchapter 08N. The *Record of Complaint* should provide a specific and detailed summary of the complaint including all evidence in support of the allegations. Once a complaint is filed with the Board and the Board initiates an investigation, the Board does not cease its investigation until the Board resolves any disciplinary interest it may have in the matter. The Board does not intervene in a private dispute regarding the amount of a fee charged by a CPA. Sometimes a complaint does not center on a violation that is within the Board's jurisdiction; the Board will close the case without taking further action.

II. REVIEW BY STAFF AND LEGAL COUNSEL

Upon receipt, the complaint and evidence are reviewed by staff and legal counsel in light of case precedents and informal guidelines established by the Board's Professional Standards Committee. An initial letter, along with a copy of the complaint in its entirety, is sent to the Respondent (the licensee against whom the complaint is filed) requesting a response to the allegations.

III. CONTACT WITH BOARD MEMBERS

The Respondent should not attempt to discuss the case with any member of the Board, either directly or in hypothetical terms, since to do so may disqualify that Board member from hearing the case.

IV. CONTACT WITH LICENSEE

The Board discourages contact between a complaining third party and a licensee once a complaint has been filed. If contact occurs and a settlement is reached, be aware that the Board's investigation will continue until the Board determines that its disciplinary interests have been resolved regarding the alleged violations of the Board's statutes and rules.

V. INVESTIGATION

Once the reply from the Respondent is received and reviewed, it may be sent back to you, the Complainant, for a response. This investigative process may require additional information and/or evidence from the Complainant, the Respondent, and any related

parties. If staff is unable to obtain sufficient evidence to substantiate the allegations, the Board may close the case without taking further action.

VI. PROFESSIONAL STANDARDS COMMITTEE

After staff and legal counsel have gathered information, the matter is referred to the Professional Standards Committee of the Board. The Professional Standards Committee--three members of the Board--reviews the complaint and may recommend that additional information be gathered, recommend to the full Board that the case be closed or recommend that the case continue forward. The Committee does not determine guilt or innocence; it simply reviews the complaint to determine whether the allegations, if supported by competent evidence, would warrant a contested case proceeding.

VII. SETTLEMENT

After receiving guidance from the Committee, staff and legal counsel may approach the Respondent to negotiate a Consent Order for settlement prior to a Hearing. The majority of cases are resolved by Consent Order because this allows the Board more options in achieving a balanced resolution.

VIII. HEARING

If settlement cannot be reached, a Public Hearing will be held. The Complainant and other related parties may be requested to appear and testify at the Hearing. Mileage expense will be paid by the Board to witnesses upon their request for reimbursement.

IX. CONCLUSION

After the Hearing, the Board may issue an Order. The Respondent may then appeal the Board's Order to Superior Court.