

BOARD MEETING MINUTES

*S. C. Department of Labor, Licensing, & Regulation
Board of Accountancy*

Tuesday, February 5, 2021 9:00 a.m.
Web/Teleconference

NOTE: These minutes are a record of the motions and official actions taken by the Board and a brief summary of the meeting.

1. Call to Order

Michael Putich, CPA, Chair, was present and called the meeting of the South Carolina Board of Accountancy to order on February 5, 2021, at 9:05 a.m., with a quorum present. Other Board members present were: Ellen Adkins, CPA, David Nichols, Accounting Practitioner, Ken Whitener, CPA, Christopher Huggins, CPA, Jada McAbee, CPA, Charles Brooks, Public Member, Walda Wildman, CPA, and Bob Wood, Public Member. LLR staff members participating in the meeting included: Susanna Sharpe, CPA, Administrator, Chelsea Buchanan, Program Coordinator, and Mary League, Advice Counsel.

2. Consideration of Excuses for Absences of Board Members

There were no absences.

3. Adoption of Agenda

Motion

David Nichols made a motion to approve the agenda. Bob Wood seconded the motion, which carried unanimously.

Motion

David Nichols made a motion to go into executive session to receive legal advice. Bob Wood seconded the motion, which carried unanimously.

The Board returned from executive session and moved on to item 4.

4. New Business

A. SCACPA Presentation on Proposed Legislative Changes

Chair of SCACPA's Task Force studying the statutes, David Knoble, presented the draft of proposed changes to the Board statutes. The Board members had various questions and concerns:

-members felt it would be valuable to have one Board member from academia at all times to help address issues related to education.

-there was some concern that the idea of Board input and consent concerning staff and the Board Administrator may go too far and conflict with LLR policies.

-Board members discussed concerns that reducing the required hours for licensure in accounting and business subjects from 36 hours to 24 could result in prospective licensees taking 'empty' credits to earn the additional hours to reach 150 overall. They noted that the change from 120 to 150 in the overall hour requirement was made in conjunction with the increase from 24 to 36 hours for accounting and business, as well as reducing the experience requirement from two years to one. There was also concern that a decrease may threaten SC's substantial equivalency with other states.

-removing 'direct supervision' from the experience requirement could allow applicants to have experience signed off by someone with little or no knowledge of the applicant's work and produce new licensees with inadequate experience. Members questioned whether "verified" should be further defined.

-allowing CPA's who are retired or have been practicing a certain number of years to take a reduced amount of CPE could leave these licensees unprepared to perform work for the public given the constant changes to tax laws, audit standards, etc.

-requiring firm names to incorporate the services offered may create additional burden and confusion when a firm first applies for registration or changes the services offered. There was also concern that changes may conflict with the regulation, which allows a firm to retain the name of a retired partner who is still working in that firm.

-Board members discussed whether incorporating renewal notification deadlines and methods into statute is necessary given that there does not appear to be significant issues regarding non-renewal of license and could be burdensome to Board staff.

-regarding AP's, there was some concern about the required disclaimer for compilations that may require additional input from relevant organizations.

B. Appointment of Board Member to Education Committee

Motion

Bob Wood made a motion to appoint Walda Wildman to the education committee. David Nichols seconded the motion, which carried unanimously.

5. Chairs Remarks

None

6. Administrator's Report

Administrator Susanna Sharpe briefed the Board on a few items:

-the licensee update shows the number of current licensees and firms: 6,185 CPA's, 64 AP's, 4 PA's, 1,327 in state firms and 365 out of state firms.

-renewal progress was also discussed; as of January 15th, about 50% of licensees and firms had renewed. As of February 5th, only about 285 had not renewed and of those, 88 had already indicated they were not going to renew. She mentioned that each year, very few lapsing individuals and/or firms will need to reinstate.

-financial reports were presented in the Board package.

7. Public Comment

There were no public comments.

**8. Adjournment
Motion**

With no further business to be discussed at this time, Christopher Huggins made a motion to adjourn the meeting at 12:45 p.m. on February 5, 2021. David Nichols seconded the motion, which carried unanimously.