

BOARD MEETING MINUTES

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

Thursday, August 19, 2021 10:00 a.m.
SYNERGY OFFICE PARK
KINGSTREE BUILDING, ROOM 108
110 CENTERVIEW DRIVE
COLUMBIA, S.C. 29210

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

Jada McAbee, CPA, Acting Chair, was present and called the meeting of the South Carolina Board of Accountancy to order on August 19, 2021, at 10:15 a.m., with a quorum present. Other Board members present were: Chris Huggins, CPA, Chip Summers, CPA, David Nichols, Accounting Practitioner, Gale Bell, Accounting Practitioner, Ken Whitener, CPA, Lora Prevatte, CPA, Walda Wildman, CPA, Charles Brooks, Public Member, and Bob Wood, Public Member. LLR staff members participating in the meeting included: Susanna Sharpe, CPA, Administrator, Chelsea Buchanan, Program Coordinator, Micah Hurtt, Program Assistant, Katherine Greer, Administrative Assistant, Mary League, Advice Counsel, Christa Bell from the Office of Investigations and Enforcement, Abhi Deshpande from the Finance and Procurement Office, Dean Grigg, Assistant Deputy Director and Kate Barroll and Erin Baldwin from the Office of Disciplinary Counsel.

2. Consideration of Excuses for Absences of Board Members

Motion

Chris Huggins made a motion to excuse the absence of new Board member Janet Pierce. David Nichols seconded the motion, which carried unanimously.

3. Adoption of Agenda

Motion

David Nichols made a motion to approve the agenda. Chip Summers seconded the motion, which carried unanimously.

4. Finance Presentation by LLR

Abhijit Deshpande from LLR's Finance and Procurement Office made a presentation regarding the Board's current and projected financials. He noted that after thorough review by the agency, no fee changes are recommended at this time.

5. Approval of Meeting Minutes

Motion

Walda Wildman made a motion to approve the minutes from the June 10, 2021 meeting. Chris Huggins seconded the motion, which carried unanimously.

6. Acting Chair's Remarks

Acting Chair Jada McAbee thanked the members for being present and explained that she would be serving as Acting Chair as prior Board Chair Michael Putich has been replaced on the Board. Ms. McAbee also asked new Board member Lora Prevatte to introduce herself and mentioned that she would like to prepare a written resolution for each prior Board member to thank them for their service on the Board.

7. Office of Investigation & Enforcement

A. Office of Investigation & Enforcement Report

Christa Bell briefed the Board on the OIE report. 25 complaints have been received since January 1, 2021, with 6 active 2021 investigations. One case has been closed since January 1, 2021. The average age of the 2021 cases is 93 days. No cases are over the 150 day threshold that require Board approval. She also informed the Board of the recent departure of Board Investigator Courtney Crosby, leaving the position vacant.

B. Investigative Review Committee (IRC Report)

Seven cases were submitted for approval from the August 13, 2021 IRC Committee meeting. Four cases were recommended for dismissal and one for a letter of caution. Two cases were recommended for formal complaints.

Motion

Walda Wildman made a motion to approve the August 13th IRC report. Gale Bell seconded the motion, which carried unanimously.

8. Office of Disciplinary Counsel Report

Erin Baldwin presented the report for information. There are eight open cases, with four on the agenda for today. Six cases are pending hearings or consent agreements. One case is pending closure.

9. Disciplinary Hearings-MOA/SOF

A. 2018-14 & 2020-36-Derle A. Lowder, Jr.

Motion

Ken Whitener made a motion to go into executive session to receive legal advice in this matter. David Nichols seconded the motion, which carried unanimously.

Motion

Chris Huggins made a motion to come out of executive session. Gale Bell seconded the motion, which carried unanimously. No votes were taken during executive session.

Motion

Walda Wildman made a motion to accept the MOA, issue a public reprimand and impose a monetary penalty of \$1750 plus \$406.46 for investigative costs to be paid within 30 days of the date of the order and require the licensee to complete 10 additional CPE hours in tax for 2021, 20 additional hours in tax for 2022, and 20 additional hours in tax for 2023. Chris Huggins seconded the motion, which carried unanimously.

B. 2019-2 & 2019-20-Francis M. Branyon, III

Motion

David Nichols made a motion to go into executive session to receive legal advice in this matter. Chris Huggins seconded the motion, which carried unanimously.

Motion

Gale Bell made a motion to come out of executive session. Chris Huggins seconded the motion, which carried unanimously. No votes were taken during executive session.

Motion

Walda Wildman made a motion to accept the MOA, issue a public reprimand, permanently prohibit the licensee from performing attest engagements including compilations, and impose a monetary penalty of \$1750 to be paid within 9 months of the date of the order plus investigative costs of \$211 to be paid within 60 days of the date of the order. Ken Whitener seconded the motion, which carried unanimously.

10. New Business

A. Nomination of Committee to Update SC Rules and Regulations Course

Motion

Jada McAbee made a motion to appoint Bob Wood, Walda Wildman, and Ken Whitener to the committee to update the SC Rules and Regulations Course. Chris Huggins seconded the motion, which carried unanimously.

B. Discussion of S.812

David Knoble was present to answer any questions from Board members about the bill filed by SCACPA. Advice Counsel Mary League mentioned that the proposed provision permitting advisory opinions had no parameters regarding what kinds of questions could be asked and the opinions would be fact-specific. She also commented that the proposed provision regarding Board rulings, etc. be made easily accessible to the public is broad and would duplicate information already available to the

public. Mr. Knoble stated that he will review those items and will return with any adjustments or feedback.

C. Approval of Travel Budget and Approval of Attendees for NASBA Annual Meeting

Motion

Bob Wood made a motion to approve the travel budget as presented and approve Board Administrator Susanna Sharpe, Jada McAbee, and Chris Huggins or another Board Member at the discretion of the chair to attend the NASBA Annual Meeting in October. Ken Whitener seconded the motion, which carried unanimously.

D. Oath Ceremony

Motion

Walda Wildman made a motion to hold the Oath Ceremony recognizing newly licensed CPA's as a part of SCACPA's spring and fall events. Charles Brooks seconded the motion, which carried unanimously.

E. Holding Out and Principal Place of Business in Regards to Practice Privilege

Motion

Walda Wildman made a motion to have the SC Rules and Regulations course committee discuss this topic at an upcoming committee meeting and put the matter on the agenda for the October Board meeting. Jada McAbee seconded the motion, which carried unanimously.

F. CPE Credit for CPE Used to Earn Another Credential

Motion

Walda Wildman made a motion that the Board rescind prior interpretation of CPE regulations that prohibited licensees from claiming CPE credit for education hours taken to earn an additional credential and to allow licensees to claim such hours as long as the education furthers their professional competence and complies with the requirements of Regulation 1-08. Charles Brooks seconded the motion, which carried unanimously.

G. SCACPA Update

Chris Jenkins gave an update for SCACPA. He spoke about CPA Evolution and trends in CPE preferences such as the needs of employers to have CPA's take more entry-level technical skills and personal development courses, and the preference for online and "just-in-time" CPE, particularly among younger CPA's. David Knoble also mentioned a proposed amendment to the reciprocity statute that is designed to clarify the current language. Concerns about the vacant investigator position were also raised and Christa Bell from the Office of Investigations and

Enforcement and Dean Grigg, Assistant Deputy Director of LLR, returned to answer questions.

Motion

Charles Brooks made a motion to hold investigations of existing and new cases in abeyance until the vacant Investigator position can be filled by a licensed CPA. Cases nearing the time limit of 150 days will be considered for extensions on a case-by-case basis. Walda Wildman seconded the motion, which carried unanimously.

H. CPA Evolution Update

Motion

Charles Brooks made a motion to ask Board Administrator Susanna Sharpe to respond to the NASBA and AICPA CPA Evolution survey in consultation with Acting Chair Jada McAbee. Walda Wildman seconded the motion, which carried unanimously.

11. Administrator's Report

- Proposed Board meeting dates for 2022 were included in the Board package
- As of August 18, 2021, there are 6207 active CPA's, 61 active AP's, 3 active PA's, 1313 active in-state firms, and 367 active out-of-state firms.
- The Board financial reports were included in the Board materials.
- Item 11C was deferred to the October meeting for further discussion.
- a copy of the second quarter newsletter was included in the Board package.

12. Public Comment

There were no public comments.

13. Adjournment

Motion

With no further business to be discussed at this time, Gale Bell made a motion to adjourn the meeting at 4:05 p.m. on August 19, 2021. Chris Huggins seconded the motion, which carried unanimously.