

BOARD MEETING MINUTES
S. C. Department of Labor, Licensing, & Regulation
Board of Accountancy
Tuesday, May 3, 2022 10:00 a.m.

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, Chair, was present and called the meeting of the South Carolina Board of Accountancy to order on May 3, 2022, at 10:01 a.m., with a quorum present. Other Board members present were: Chris Huggins, CPA, Vice Chair, Ken Whitener, CPA, Chip Summers, CPA, Deltrease Hart-Anderson, Accounting Practitioner, Walda Wildman, CPA, Janet Pierce, 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, Reena Pandiri, Administrative Assistant, Mary League and Joseph Epting, Advice Counsel, Donnell Jennings and Rodney Pigford from the Office of Investigations and Enforcement, Doris Cubitt, CPA, Investigator, Erin Baldwin from the Office of Disciplinary Counsel, and Holly Beeson from the Office of Governmental Affairs.

2. Consideration of Excuses for Absences of Board Members

Motion

Ken Whitener made a motion to excuse the absences of Lora Prevatte and David Nichols. Chris Huggins seconded the motion, which carried unanimously. Charles Brooks joined the meeting at noon.

3. Adoption of Agenda

Motion

Janet Pierce made a motion to approve the agenda. Chip Summers seconded the motion, which carried unanimously.

4. Legislative Update

Holly Beeson from LLR Office of Governmental Affairs presented the legislative update. Bill S.812 has passed the House subcommittee and full committee and is on the calendar for consideration by the full House. With six days left in the legislative session, it is expected to pass the House before the end of session. Mrs. Beeson noted it would be a good time to go ahead and publish a notice of drafting in the state register. She suggested also including in the notice that all Boards will be beginning the

process of a Regulation Review as required every five years, so that the two processes may be completed simultaneously.

Motion

Walda Wildman made a motion to go ahead with publishing a notice of drafting in the State Register. Bob Wood seconded the motion, which carried unanimously.

5. Approval of Meeting Minutes

Motion

Walda Wildman made a motion to approve the minutes as received. Chip Summers seconded the motion, which carried unanimously.

6. Chair's Remarks (Jada McAbee)

Chair Jada McAbee welcomed everyone and congratulated the members on another successful tax season. She also pointed out the upcoming Oath Ceremony, where the SC Lieutenant Governor will be the keynote speaker.

7. Office of Investigation & Enforcement

A. Office of Investigation & Enforcement Report

Rodney Pigford briefed the Board on the OIE report. 2 complaints have been received since January 1, 2022. As of April 13, 2022, there are 8 active 2021 investigations and 3 active 2020 investigations.

Mr. Pigford also announced that Doris Cubitt, CPA, has been hired as the Board Investigator on a part-time, temporary basis until a more permanent individual can be hired. Donnell Jennings was also introduced to the Board as the new Chief Investigator in the Office of Investigation and Enforcement.

B. Investigative Review Committee (IRC Report)

The IRC met on April 20, 2022 to consider four cases and recommended that all four cases be dismissed. Bob Wood noted that one of the cases involved allegations of advertising accountancy without a license but the report did not indicate a resolution of this allegation.

Motion

Bob Wood made a motion to accept the April 20, 2022 IRC report with the IRC logic supplemented to reflect that allegations of advertising without a license have been resolved by the Respondent's agreement not to advertise or practice accountancy until appropriately licensed. Chris Huggins seconded the motion, which carried unanimously.

C. Requests for Extension of Time to Complete Investigation

An extension of time to complete investigation is being requested for eight cases. All eight cases have been reassigned to Investigator Doris Cubitt and reassignment letters sent to respondents.

Motion

Janet Pierce made a motion to approve the extensions as requested. Ken Whitener seconded the motion, which carried unanimously.

8. Office of Disciplinary Counsel Report

Erin Baldwin presented the report for information. There are five open cases and she expects four of those cases to be heard at the next Board meeting. The remaining case is resolved by the approval of the IRC report.

9. Application Hearings

A. Clarence Musselwhite

The application for licensure as a CPA could not be approved at staff level because the applicant checked no to having a criminal history when the required records check indicated a charge in 2015.

Motion

Walda Wildman made a motion to approve the application given that the Board has previously heard several very similar cases and will be considering revised wording of the application question. Ken Whitener seconded the motion, which carried unanimously.

B. Jonathan Greene

The application for reciprocal licensure as a CPA could not be approved at staff level because the applicant checked no to having a criminal history when the required records check indicated a charge in 2016.

Motion

Walda Wildman made a motion to approve the application given that the Board will be considering revised wording of the application question. Chris Huggins seconded the motion, which carried unanimously.

C. Betsy Davis

The application for reciprocal licensure as a CPA could not be approved at staff level because the applicant checked no to having a criminal history when the required records check indicated a charge in 2020.

Motion

Walda Wildman made a motion to approve the application despite the “no” answer given the consideration of revised wording. Chris Huggins seconded the motion, which carried unanimously.

10. New Business

A. Discussion of Quality Verification Reviews

The Board discussed whether to continue the Quality Verification Reviews program and if so, what should be the structure of the program. One concern raised is that the program may be duplicative of the peer review process, wherein the review is much more thorough. There is also concern about whether a false sense of security is created by the perception that 100% of the audits received are reviewed.

Motion

Walda Wildman made a motion that the Board discontinue the Quality Verification Reviews program. Chris Huggins seconded the motion, which carried unanimously.

B. Approval of Attendees for NASBA Eastern Regional Conference

Motion

Chris Huggins made a motion to approve Chair Jada McAbee, Vice Chair Chris Huggins, and Board Administrator Susanna Sharpe, to attend the NASBA Eastern Regional Conference in June. Chip Summers seconded the motion, which carried unanimously.

C. Discussion of S.812 and Regulation Review

The Board discussed the composition of the Regulation Task Force to be created. Members will send suggestions to the Board Administrator to be discussed at the next meeting. Discussion of the ethics requirement for annual CPE will also be on the agenda for the June meeting.

D. SCACPA Update

Chris Jenkins presented the SCACPA update. He highlighted the issue of the shrinking CPA pipeline and the effect the upcoming exam changes may have. State CPA associations hope to collect further data to identify ways to draw individuals to the pipeline as well as retain candidates already in the pipeline.

11. Administrator's Report (Susanna Sharpe)

-As of April 1, 2022, there are 6,161 active CPA's, 62 active AP's, 3 active PA's, 1,286 active in-state firms, and 362 active out-of-state firms.

According to data collected by staff during the renewal period, only 10 of the CPA's whose licenses lapsed in 2022 could not be reached by staff before the deadline to confirm the licensees intent not to renew.

-The Board financial reports were included in the Board materials.

-The second quarter newsletter was also included in the Board materials and features information on the upcoming Oath Ceremony and requirements for firms doing governmental audits.

-Ms. Sharpe gave a brief summary of the NASBA Executive Director's conference in April. Prominent topics included deregulation, mobility and principal place of business in the remote work landscape, and continued support for the 150 hour education requirement.

- Board member training may be on the agenda for an upcoming meeting as some members have not received the training since joining the Board.
- The upcoming exam changes and expected score delays may require future discussion of the 18-month window.
- Advice Counsel Mary League introduced Joe Epting, who will be taking over the role of Advice Counsel.

12. Public Comment

There were no public comments.

13. Adjournment

Motion

With no further business to be discussed at this time, Walda Wildman made a motion to adjourn the meeting at 1:12 p.m. on May 3, 2022. Chris Huggins seconded the motion, which carried unanimously.