

BOARD MEETING MINUTES

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

Thursday, January 26, 2023 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 January 26, 2023, at 10:00 a.m., with a quorum present. Other Board members present were: Chris Huggins, CPA, Vice Chair, Ken Whitener, CPA, Walda Wildman, CPA, Lora Prevatte, CPA, Chip Summers, CPA, Bob Wood, Public Member, and Charles Brooks, Public Member. LLR staff members participating in the meeting included: Susanna Sharpe, CPA, Board Administrator, Chelsea Buchanan, Program Coordinator, Joseph Epting, Advice Counsel, Donnell Jennings and James Kemfort from the Office of Investigations and Enforcement, Doris Cubitt, CPA, and Jamie Keller, CPA, Investigator, and Erin Baldwin from the Office of Disciplinary Counsel. Also present: newly appointed Board member Jayne Maas, CPA, Marcus Aron and Michael Auerbach from the US Department of Labor, Colleen Conrad and John Johnson from NASBA, and David Dameron and David Knoble from SCACPA.

2. Consent Agenda

A. Consideration of Excuses for Absences of Board Members

Charles Brooks made a motion to excuse the absences of Deltrease Hart-Anderson and Jan Pierce. Chris Huggins seconded the motion, which carried unanimously.

B. Adoption of Agenda

Motion

Chris Huggins made a motion to approve the agenda. Ken Whitener seconded the motion, which carried unanimously.

3. Chair's Remarks (Jada McAbee)

Jada McAbee welcomed the Board members and thanked everyone for their attendance. She spoke about her experience at the recent NASBA conference and noted the high regard other state Board Administrators and Board members, as well as NASBA and AICPA leadership has for SC Board Administrator Susanna Sharpe. She also mentioned conversations with other state Boards regarding their relationship with their state society and the different roles the Board and Society have. These conversations made her feel proud to have a good working relationship with SCACPA

and hopes that it continues. She also welcomed recently appointed Board member Jayne Maas, who was present for the meeting in an unofficial capacity while she completes the onboarding steps.

4. New Business

A. Presentation from the Office of the Chief Accountant, US Dept of Labor

Marcus Aron and Michael Auerbach from the US Department of Labor were present to discuss their work with audits received by the Department of Labor. Audits received by the Department that are found to be deficient are being referred to state Boards as the Department of Labor lacks authority to initiate discipline against a practitioner for inadequate work. In the past three or four years, the Department has sent four cases to the SC Board. They also noted that only the most egregious cases are referred to the Board.

5. Office of Investigation & Enforcement

A. Office of Investigation & Enforcement Report

James Kemfort briefed the Board on the OIE report. 53 complaints have been received from January 1, 2022-December 31, 2022. There are 13 active investigations. Fourteen cases are pending board action and two cases have been closed.

James Kemfort also introduced the new Investigator, Jamie Keller, who started on January 17, 2023.

B. IRC Report

The IRC committee met on December 2, 2022 and recommended seven cases for dismissal, two cases for a letter of caution, and two cases for formal complaint.

The IRC committee also met on January 4, 2023 and recommended two cases for dismissal, one case for a letter of caution, one case for cease and desist, and three cases for formal complaint.

Motion

Walda Wildman made a motion to accept the December 2022 IRC report. Ken Whitener seconded the motion, which carried unanimously.

Motion

Walda Wildman made a motion to accept the January 2023 IRC report. Chip Summers 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 six cases.

Motion

Walda Wildman made a motion to approve the extensions until the next Board meeting as requested. Ken Whitener seconded the motion. Charles Brooks opposed the motion. The motion carried seven to one.

Cases approved for extension are 2020-42, 2021-20, 2021-31, 2022-17, 2022-29, and 2022-31.

6. Office of Disciplinary Counsel Report

Erin Baldwin presented the ODC report for information. There are nine open cases, four cases pending hearing or agreement, and one case has been closed since the last report on October 4, 2022.

7. Administrator's Report (Susanna Sharpe)

-The licensee update was included in the Board package. Renewals are still open and about 75% of licenses have been renewed.

-The most recent financial reports were also included in the package.

-The proposed updated regulations are in the legislative process and the text of the proposed regulations is included in the Board materials.

-A CPE standards exposure draft is in the Board materials.

-The AICPA 8 point plan to address the CPA pipeline issues was included in the materials as well as NASBA's response to the AICPA plan and other related correspondences. Also included were responses from other state societies.

-NASBA's Colleen Conrad spoke briefly about the AICPA 8 point plan, which contained initiatives aimed at addressing CPA pipeline issues. NASBA feels that certain items like regulatory issues are being overemphasized while others such as salary and work-life balance are not being emphasized enough. She also mentioned that in response to some discussion going on regarding reducing the required hours for licensure from 150 to 120, NASBA has expressed concerns that should a state make that change, it will affect that state's substantial equivalency and cause those licensees' issues with practicing under mobility in other states. David Knoble also spoke briefly and mentioned that SCACPA is working with AICPA on what the society can do to further those initiatives in SC.

-The most recent Newsletter draft was included and will go out soon.

-Implementation of the NASBA CPE Audit service is in process and staff is working with NASBA staff to get started.

-The NASBA annual conference in October featured discussion on hot topics such as CPA evolution, the definition of principal place of business given remote work, and potential changes to the start date of the 18 month exam window. To change the start date from the date of testing to the date of score release will require a statute change in SC.

-Implementation of S812 is ongoing and includes things like continuous testing, changes to the education requirements for the exam and initial licensure, full firm mobility, and changes to the experience requirement.

8. Old Business

A. Approval of Attendees for NASBA Conferences

Motion

Walda Wildman made a motion to approve the Board Administrator, Program Coordinator, Advice Counsel, Investigator, and ODC Attorney to attend the NASBA ED and Legal conference in February 2023, and the Board Administrator and two Board members to attend the NASBA Regional conference in June 2023. Ken Whitener seconded the motion, which carried unanimously.

B. Report from Website Update Committee

Walda Wildman presented the committee report due to the absence of Committee Chair Jan Pierce. She noted that she and committee member Bob Wood worked together to draft updated FAQ's but since it requires approval from the full committee as well as the full Board, there is concern that outdated information would remain on the website for a significant time waiting on approvals. She suggested a more efficient way to accomplish updates to things such as FAQ's and forms could be to have staff draft changes with input from Board members as needed instead of through a committee.

Motion

Walda Wildman made a motion that the Board carve out the task of updating the current FAQs from the website committee and authorize staff to use the revisions drafted by Walda Wildman and Bob Wood to update and publish revised FAQ's. Bob Wood seconded the motion, which carried unanimously.

Motion

Bob Wood made a motion that going forward, updates to FAQ's and forms will be handled by Board staff with input from individual Board members as needed instead of by the committee. Jada McAbee seconded the motion, which carried unanimously.

9. Public Comment

David Dameron of SCACPA thanked the Board Chair for her earlier comments on the relationship between Boards and Societies and the Board's willingness to collaborate.

10. Adjournment

Motion

With no further business to be discussed at this time, Jada McAbee made a motion to adjourn the meeting at 12:08 p.m. on January 26, 2023. Charles Brooks seconded the motion, which carried unanimously.