

BOARD MEETING MINUTES
S. C. Department of Labor, Licensing, & Regulation
Board of Accountancy
Tuesday, April 30, 2024 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

Chris Huggins, CPA, Chair, was present and called the meeting of the South Carolina Board of Accountancy to order on April 30, 2024, at 10:08 a.m., with a quorum present. Other Board members present were: Ken Whitener, CPA, Vice Chair, Jayne Maas, CPA, Chip Summers, CPA, Kelly Epting, CPA, Lora Prevatte, 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, Ely Grote, Advice Counsel, Todd Bond and Wattie Wharton from the Office of Investigations and Enforcement, Jamie Keller, CPA, Investigator, and Erin Baldwin from the Office of Disciplinary Counsel. Chris Jenkins from SCACPA was also present.

2. Consent Agenda
Motion

Ken Whitener made a motion to approve the consent agenda and minutes for January 23, 2024 and March 20, 2024, as well as the absences of Jada McAbee, Jan Pierce, and Deltrease Hart-Anderson. Bob Wood seconded the motion, which carried unanimously.

3. Chair's Remarks (Chris Huggins)

Chair Chris Huggins welcomed the Board members and thanked everyone taking the time to attend.

4. Legislative Update

May 9th is the end of the current legislative session and S.1049 is not expected to be scheduled for a hearing before the end of this session but it will be pre-filed for next session.

5. Office of Investigation & Enforcement
A. Number of Open Complaints

Wattie Wharton briefed the Board on the OIE report. Forty complaints have been received between January 1, 2024 and April 9, 2024. There are seven active investigations. Four cases are pending further investigation by another agency and seven cases are pending IRC.

B. IRC Report

Wattie Wharton presented the March 21, 2024 IRC report. Three cases are being recommended for dismissal and fourteen cases are being recommended for formal complaint.

Motion

Jayne Maas made a motion to approve the IRC report. Kelly Epting 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 seven cases.

Motion

Bob Wood made a motion to approve the extensions until the next Board meeting as requested. Jayne Maas seconded the motion, which carried unanimously.

Cases approved for extension are 2021-20, 2021-31, 2022-17, 2022-31, 2022-39, 2022-40, and 2022-48.

6. Office of Disciplinary Counsel Report

Erin Baldwin presented the ODC report for information. There are twenty-two open cases, with four cases pending hearing or agreement.

7. Application Hearings

A. Shamika Walls

Shamika Walls came before the board to request approval of her application for initial CPA licensure. The application could not be approved at staff level as the check box for "direct knowledge" of the applicant's work was selected on the experience verification form. The Board has requested to hear any applications in which this option has been selected.

Motions

Charles Brooks made a motion to go into executive session to receive legal advice in this matter. Chip Summers seconded the motion, which carried unanimously.

Charles Brooks made a motion to come out of executive session. Chip Summers seconded the motion, which carried unanimously. No votes were taken during executive session.

The Board members asked additional questions of the applicant and verifying CPA as this is the first time 'direct knowledge' has been used to prove experience. Some questions included whether the verifying CPA

was familiar with the applicant's job title during the experience and whether her actual duties matched the job description, the nature and amount of contact the CPA had with the applicant, whether the CPA had ever assigned tasks to the applicant or reviewed her work for accuracy and completeness, and whether the CPA was familiar with the applicant's direct supervisor during the time of her experience or had consulted with them in the process of signing the experience form.

Motions

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

Ken Whitener made a motion to come out of executive session. Chip Summers seconded the motion, which carried unanimously. No votes were taken during executive session.

Bob Wood made a motion to approve the application for initial licensure. Ken Whitener seconded the motion, which carried unanimously.

B. Nancy Benet

Nancy Benet came before the board to request approval of her application for reinstatement of CPA licensure. The application could not be approved at staff level as the check box for "direct knowledge" of the applicant's work was selected on the experience verification form. The Board has previously requested to hear any applications in which this has been selected. Board members asked whether the applicant had relationships with other CPA's or CPA firms in addition to the verifying CPA and whether the applicant had experience with attest work during the time she was licensed.

Motions

Charles Brooks made a motion to go into executive session to receive legal advice in this matter. Lora Prevatte seconded the motion, which carried unanimously.

Charles Brooks made a motion to come out of executive session. Ken Whitener seconded the motion, which carried unanimously. No votes were taken during executive session.

Chip Summers made a motion to approve the application for reinstatement of CPA licensure. Ken Whitener seconded the motion, which carried unanimously.

8. Disciplinary Hearings
A. 2021-5-Tracee Gray Anderson

Motions

Charles Brooks made a motion to go into executive session to receive legal advice in this matter. Lora Prevatte seconded the motion, which carried unanimously.

Charles Brooks made a motion to come out of executive session. Ken Whitener seconded the motion, which carried unanimously. No votes were taken during executive session.

Lora Prevatte made a motion to dismiss the case due to insufficient evidence that requests specifically for the relevant documentation were made prior to the attorney's letter. Ken Whitener seconded the motion, which carried unanimously.

B. 2021-36-Robert Riordan

Motion

Bob Wood made a motion to approve the consent agreement. Chip Summers seconded the motion, which carried unanimously.

9. Administrator's Report (Susanna Sharpe)

- The most recent newsletter was included in the Board package
- Ms Sharpe mentioned that the registration emails for the NASBA CPE Audit Service have gone out to all licensees and staff hopes to send them out again this summer to increase enrollment. Webinars on how to use the service are scheduled to take place the first week of May.
- The licensee update and financial were included in the Board package
- The new licensee Oath Ceremony will be held in Greenville on May 16th and Board members are encouraged to attend.
- The Board's response to the NASBA PLTF exposure draft was included in the Board package. The comments included in the response are from the March 20, 2024 special called meeting.

10. New Business

A. 2022 CPE Report Submission Compliance Update

Board Administrator Susanna Sharpe requested the Board give staff guidance on how to handle licensees who are found to be non-compliant with CPE requirements for 2022. The guidance for the 2021 cases was that if the licensee produced documentation to show compliance for 2021, the case would be recommended for dismissal with letter of caution. For those who could not show compliance, they were to be brought before the Board for a full hearing. For efficiency, staff is requesting the Board allow ODC to use the disciplinary parameters to draft consent agreements for those found to be non-compliant.

Motion

Bob Wood made a motion to authorize ODC to use the disciplinary parameters to draft consent agreements for licensees who after investigation are found to be non-compliant with annual CPE requirements instead of bringing them to a full hearing. Ken Whitener seconded the motion, which carried unanimously.

B. Discussion of S. 1049

Proposed legislation was introduced during the 2024 Legislative Session but is not expected to pass this year. The legislation includes changes to many sections, including the education and experience requirements for licensure, the length of time allowed to pass the exam, and substantial equivalency. Board members shared their thoughts, including the concern that unaccredited programs or experience being considered as education hours for licensure may put the Board in a difficult position trying to evaluate such things and could make decisions appear arbitrary. Maintaining substantial equivalency is also a priority for the Board. SCACPA CEO Chris Jenkins spoke and noted that this legislation was not intended to pass this session and was introduced in order to gather feedback from the legislature. They intend to get legislation passed by May 2025 so that the time allowed for passing the exam will be extended to be uniform with other states. He noted that the SCACPA Board does not feel it should prescribe licensure requirements but that it aims to draft the statutes in a way that gives the Board the ability to adapt in the future.

11. Public Comment

Chris thanked the Board for the opportunity to discuss the proposed legislation and he will take their comments back to the task force. He also invited Board members to attend the upcoming Oath Ceremony and thanked staff for getting the invitation sent out to new licensees and highlighting it in the newsletter.

12. Adjournment

With no further business to discuss, Charles Brooks made a motion to adjourn the meeting at 1:39pm on April 30, 2024. Lora Prevatte seconded the motion, which carried unanimously.