

South Carolina Board of Accountancy Update

by Donny Burkett, CPA
SCACPA member since 1976

The South Carolina Board of Accountancy is a body responsible for the administration of the South Carolina Accountancy Practice Act. As a board member for many years, it is my opinion that the board needs to be proactive and not just reactive. On June 9, Gov. Nikki Haley signed H.3459 into law, and the new law will help the board be proactive in its protection of the citizens of South Carolina.

One of the important changes in the statute is that the board's administrator must be a Certified Public Accountant (CPA) licensed in this state, and his/her primary responsibility must be to administer the Board of Accountancy. However, the agency director may assign additional duties as long as those duties do not unreasonably occupy the administrator's time so that he/she does not fulfill his/her duties and responsibilities to the board.

A CPA is a must in this role due to the complex rules, regulations, and ethical standard issues that face our board and profession.

Another reason that it is important to have a CPA in the role of board administrator is because we need someone who understands and can make recommendations to the board on various changes in our profession and our regulations. For example the changes in compilation standards, proposed SSARS preparation of financial statements, compilation engagements, and association with financial statements.

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In regards to CPE standards, we need an administrator who can help the board research new learning methods, proposed standards changes, and help the board determine how and if we can accept some of the new methods of learning, like the nano-learning, which is a 10 minute learning session.

A second important change in the statute is that the board must now have an inspector-investigator who is, and has been, a licensed CPA in this state for at least five years. Not only will this allow the board to conduct periodic inspections of licensees, including both individuals and firms, but it also provides for a person who can work investigative cases from beginning to end because he/she knows how to review accounting documents, knows the standards and can speak the CPAs' language.

I would like to thank SCACPA CEO Erin Pate, SCACPA's staff and members of the SCACPA Board for all of their help with this bill as well as the lobbying team, Copper Dome Strategies. I am grateful to work in a state where the Board of Accountancy and state society can effectively work together instead of only identifying barriers.

Other issues the Board of Accountancy will face in the future include peer review and changes in the Uniform Accountancy Act.

In peer review news, the United States Department of Labor released Employee Retirement Income Security Act (ERISA) audits to the National Association of State Boards of Accountancy (NASBA). There are approximately 4,900 firms included in these audits, and NASBA is in the process of determining how many of the firms did not include the ERISA audits in their peer reviews, which is a “must select” for peer review. The AICPA is taking the matter seriously and has entered into a collaborative effort with state society peer review administrations to investigate this matter.

Under the Uniform Accountancy Act, there is a new proposed definition of attest and firm mobility continues to be an issue. How do we balance state's rights with the uniformity among states? These are issues that require a CPA's knowledge of the profession.

Our board looks forward to working with SCACPA and the CPAs in our state on these and other issues. ■



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