**South Carolina General Assembly**

122nd Session, 2017-2018

**H. 3749**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Sandifer and Whitmire

Document Path: l:\council\bills\agm\19107wab17.docx

Introduced in the House on February 14, 2017

Currently residing in the House Committee on **Labor, Commerce and Industry**

Summary: CPA Licensure

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/14/2017 House Introduced and read first time ([House Journal‑page 47](file:///h:\hj\20170214.docx))

2/14/2017 House Referred to Committee on **Labor, Commerce and Industry** ([House Journal‑page 47](file:///h:\hj\20170214.docx))

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=3749&session=122&summary=B) at the website

**VERSIONS OF THIS BILL**

[2/14/2017](file:///p:\pprever\2017-18\3749_20170214.docx)

**A** **BILL**

TO AMEND SECTION 40‑2‑20, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS CONCERNING THE REGULATION OF CERTIFIED PUBLIC ACCOUNTS AND PUBLIC ACCOUNTANTS, SO AS TO REVISE THE DEFINITION OF THE TERM “COMPILATION”; TO AMEND SECTION 40‑2‑35, AS AMENDED, RELATING TO ACADEMIC AND EXAMINATION REQUIREMENTS FOR LICENSURE, SO AS TO MAKE ACCEPTANCE OF CERTAIN EVIDENCE OF ACADEMIC QUALIFICATIONS FOR LICENSURE OPTIONAL TO THE BOARD OF ACCOUNTANCY AND TO DELETE A REFERENCE TO THE IMPLEMENTATION OF A COMPUTER‑BASED VERSION OF AN EXAMINATION REQUIRED FOR LICENSURE; AND TO AMEND SECTION 40‑2‑340, RELATING TO DISCLAIMERS REQUIRED FOR LICENSEES TO ASSOCIATE THEIR NAMES OR THE NAMES OF THEIR FIRMS WITH COMPILED FINANCIAL STATEMENTS, SO AS TO REPLACE THE EXISTING STATUTORY DISCLAIMER LANGUAGE WITH THE REQUIREMENT THAT DISCLAIMERS COMPLY WITH THE MOST RECENT VERSION OF THE STATEMENT OF STANDARDS FOR ACCOUNTING AND REVIEW SERVICES ISSUED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 40‑2‑20(5) of the 1976 Code is amended to read:

“(5) ‘Compilation’ means ~~providing a service to be performed in accordance with Statements on Standards for Accounting and Review Services (SSARS) that presents in the form of financial statements, information representative of management (owners) without undertaking expression of any assurance on the statements~~ the objective of the accountant is to apply accounting and financial reporting expertise to assist management in the presentation of financial statements and reports in accordance with this section without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with the applicable financial reporting framework.”

SECTION 2. Section 40‑2‑35(D) and (F)(1) of the 1976 Code, as last amended by Act 51 of 2015, is further amended to read:

“(D) The board ~~shall~~ may accept a transcript from a college or university accredited by the Southern Association of Colleges and Schools or another regional accrediting association having the equivalent standards or an independent senior college in South Carolina certified by the State Department of Education for teacher training, and accounting and business programs accredited by the American Assembly of Collegiate Schools of Business (AACSB) or any other accrediting agency having equivalent standards. Official transcripts signed by the college or university registrar and bearing the college or university seal must be submitted to demonstrate education and degree requirements. Photocopies of transcripts must not be accepted.

(F)(1) ~~Upon the implementation of a computer‑based examination,~~ A candidate may take the required test sections individually and in any order. Credit for any test section passed is valid for eighteen months from the actual date the candidate took that test section, without having to attain a minimum score on any failed test section and without regard to whether the candidate has taken other test sections.

(a) A candidate must pass all four test sections of the Uniform CPA Examination within a rolling eighteen‑month period, which begins on the date that the first test section is passed. The board by regulation may provide additional time to an applicant on active military service. The board also may accommodate any hardship which results from the conditions of administration of the examination.

(b) A candidate cannot retake a failed test section in the same examination window. An examination window refers to a three‑month period in which candidates have an opportunity to take the CPA examination. If all four test sections of the Uniform CPA Examination are not passed within the rolling eighteen‑month period, credit for any test section passed outside the eighteen‑month period expires and that test section must be retaken.

(c) A candidate who applies for a license more than three years after the date upon which the candidate passed the last section of the Uniform CPA Examination must document one hundred twenty hours of acceptable continuing professional education in order to qualify, in addition to all other requirements imposed by this section.”

SECTION 3. Section 40‑2‑340 of the 1976 Code is amended to read:

“Section 40‑2‑340. An accounting practitioner or firm of accounting practitioners is permitted to associate his or the firm’s name with compiled financial statements as defined by Professional Standards for Accounting and Review Services, provided ~~the following disclaimer is used:~~

~~‘I (we) have compiled the accompanying balance sheet of XYZ Company as of December 31, XXXX, and the related statements of income, retained earning and cash flows for the year then ended, in accordance with statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of financial statements, information that is the representation of management (owners). I (we) have not audited or reviewed the accompanying financial statements and I am (we are) prohibited by law from expressing an opinion on them.’~~ a disclaimer is used that complies with the most recent version of the Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.”

SECTION 4. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑