

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

**Board Meeting**

THURSDAY, OCTOBER 19, 2016, 10:00 A.M.  
SYNERGY OFFICE PARK, KINGSTREE BUILDING, ROOM 108  
110 CENTERVIEW DRIVE  
COLUMBIA, S.C. 29210

**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**

Tanya Greenlee, CPA, Board Chair was present and called the meeting of the South Carolina Board of Accountancy to order on October 19, 2016 at 10:00 a.m., with a quorum present. Other Board members present were: Ellen K. Adkins, CPA, Vice Chair, Charles Alvis, CPA, Gale Bell, Accounting Practitioner, Mark Crocker, CPA, David Nichols, Accounting Practitioner, Todd Dailey, CPA, Bob Wood, Public Member, Ronald Hollins, Public Member, and Brian Johnson, CPA. Also present were Doris Cubitt, CPA, Board Administrator, Prentiss Shealey, Prosecuting Attorney with the Office of Disciplinary Counsel, Mary League, Advice Counsel, Dwayne Eanes, CPA, Board Investigator, Kathy Burgess, Administrative Assistant and Chelsea Buchanan, Administrative Assistant.

**2. CONSIDERATION OF EXCUSES FOR ABSENCES OF BOARD MEMBERS**

**MOTION**

Charles Alvis made a motion to excuse Michael Putich, CPA. Seconded by Ellen Adkins. Motion carried unanimously.

**3. ADOPTION OF AGENDA**

**MOTION**

David Nichols made a motion to approve the Agenda. Gale Bell seconded the motion. The motion carried unanimously.

**4. APPROVAL OF MEETING MINUTES**

**MOTION**

David Nichols made a motion to approve the minutes. Charles Alvis seconded the motion. The motion carried unanimously.

**5. OFFICE OF INVESTIGATION REPORT**

Investigator, Dwayne Eanes presented the OIE Report, in the absence of Chief Investigator Sharon Wolfe. Mr. Eanes stated that since the first of the year, a total of 33 cases have been received and an additional 18 that are currently with legal, totaling 51. There are currently 44 that are open and 7 that are not open.

The IRC report was presented for review.

**MOTION**

Charles Alvis made a motion to approve the cases from the IRC. David Nichols seconded the motion. The motion carried unanimously.

#### **6. OFFICE OF DISCIPLINARY COUNSEL REPORT**

Prentiss Shealey from the Office of Disciplinary Counsel (ODC) presented the ODC Report: ODC currently has 36 open cases on 25 respondents, 14 cases are pending Consent Agreements (CA's), 8 are pending Memorandum of Agreements (MOA's), 1 pending Board action, 13 pending Board hearings, 13 cases have been closed, and there are none on appeal at this time.

#### **7. REPRESENTATIVE FROM WESTERN GOVERNOR'S UNIVERSITY**

A representative from Western Governor's University appeared to discuss CPA education requirements and explain how their program performs and how credits are given to the students.

#### **8. APPLICATION HEARING**

##### **A. JON GUFFY**

##### **MOTION**

Bob Wood made a motion to go into executive session at 10:42 a.m. for legal advice. Ellen Adkins seconded the motion. The motion carried unanimously.

##### **MOTION**

David Nichols made a motion to come out of executive session at 11:16 a.m. Ellen Adkins seconded the motion. The motion carried unanimously. It was noted no votes were taken during Executive Session.

##### **MOTION**

Ellen Adkins made a motion to grant reciprocal license on the following conditions: One thousand dollar fine to be paid within six months, eight hours of Ethics with two hours SC specific and provide documentation within six months. The license will be placed on probation for two years. David Nichols seconded the motion. With some discussion, the motion carried unanimously.

#### **9. ODC HEARING- CASE NUMBER 2013-10**

It was noted this hearing is a closed hearing and is not open to the public.

##### **MOTION**

Ellen Adkins made a motion to go into Executive Session for legal advice. Charles Alvis seconded the motion. The motion carried unanimously.

##### **MOTION**

Charles Alvis made a motion to come out of Executive Session. Gale Bell seconded the motion. The motion carried unanimously. It was noted no votes were taken during Executive Session.

Prentiss Shealey with the Office of Disciplinary Counsel, attorney representing the State, presented the Memorandum of Agreement to the Board (MOA). The Respondent was sworn in and given the chance to explain his case and answer questions from the Board.

**MOTION**

Ellen Adkins made a motion to go into Executive Session for legal advice. Gale Bell seconded the motion. The motion carried unanimously.

**MOTION**

Ellen Adkins made a motion to come out of Executive Session. Ron Hollins seconded the motion. The motion carried unanimously. It was noted no votes were taken during Executive Session.

**MOTION**

Charles Alvis made a motion to accept the MOA with no public reprimand and a Five Hundred Dollar Fine to be paid within sixty days. Todd Dailey seconded the Motion. Motion carried unanimously.

**10. CHAIR REPORT**

Board Chair, Tanya Greenlee, presented the following comments to the Board:

- Board members need to volunteer for committees.
- Board members need to send Bio's to Doris for the newsletter.

**11. ADMINISTRATOR'S REPORT**

Board Administrator, Doris Cubitt, made these points to the Board:

- The financial report was presented for information purposes.
- The Assistant Administrator position has been posted. It will be a continuous post until someone is hired to fill the position.
- Doris asked Charles to give the Board an update regarding the Education Committee meeting. She stated they did not have a formal report, but they have met and have scheduled another meeting. Charles stated they are in the process of getting representation from higher education in South Carolina. The Committee will be meeting again November 28<sup>th</sup> and he will update the Board accordingly.
- There are concerns with accreditation and accrediting bodies. The U.S. Department of Education terminated recognition of the Accrediting Council for Independent Colleges and Schools (ACICS).
- DeVry University reached an agreement with the U.S. Department of Education regarding its limited action settlement.
- NASBA has three meetings a year that Doris attends and the spring meeting is the most informational for her as the Administrator. At this particular meeting, a round table discussion is held with only the Executive Directors for each state and from the discussion, there are usually one or two hot topics taken to NASBA's upper management, in a letter, with questions and concerns regarding those topics. NASBA will respond to those questions and concerns. On October 10<sup>th</sup>, a letter went out from NASBA to James Corley, Executive Director that covered the promotion of the chartered global management accountant designation for non CPA's. Many states had concerns about a title that violates section 14G of the UAA. NASBA's response is that they do know that many states have the exact or similar language in their statutes and believe that promoting the designation will put these Boards in an untenable position of either having to devote limited board resources to enforce their statutes or ignore violations in their states. The matter is still not resolved and NASBA was able to get the AICPA to agree to strict the limitations of the use of the CGMA

designation and to require that CGMA's obey state laws including as it pertains to the use of the designation.

- November 10<sup>th</sup> Board meeting cancelled.

**MOTION**

Ron made a motion to cancel the November 10<sup>th</sup> Board Meeting. Charles Alvis seconded the motion. Motion carried unanimously.

- Doris asked the Board Members to nominate a member to represent the Board to the Legislature.

**MOTION**

Mark Taylor made a motion to nominate Tanya Greenlee to be the Board's representative to the Legislature. Ron Hollins seconded the Motion. Motion carried unanimously.

**12. OLD BUSINESS**

None to discuss at this time.

**13. NEW BUSINESS**

**Renewal Notice**

A renewal notice will be sent as well as an email blast as a reminder to all licensees to renew their licenses. Updates will be included in the renewal notice letter. The renewal forms will include a question to ask if the licensee has read the updates to ensure they are aware of new information. The user ID will be sent in the notice, however, the password will not be included due to protecting the licensee's private information. The licensee will need to reset their password when they login to renew their license. The renewal forms have been updated from last year and Doris asked the Board to give their feedback on the updated forms. Doris asked the Board to have any changes/updates sent to her by the 26<sup>th</sup> of October.

**National Peer review**

Sue Coffey sent an email out regarding the peer review administration evolution. In her email, she stated they are taking in comments and will be making changes. They will be sending out a revised document the first of January. She also states in the email, if you have comment to present, please send them by Feb 28<sup>th</sup>. They hope to have a final plan in May, 2017. The AICPA has made the decision to allow firms having no AICPA partners to enroll in the regular AICPA program. SCAPA will no longer do peer review. Peer review is now done by Illinois. AICPA will be requiring anyone who gets a system review to pay an annual fee depending on the size of the firm and they will still have to pay for the peer review each time. There are frequently asked questions available to review. The AICPA came out with a six point plan to improve audits. It discusses practice monitoring and checking things in real time. They are developing practice aides based on specific industries and they are available on the AICPA website for free. They are also working an initiative where the AICPA will collaborate with NASBA and will allow the AICPA Ethics Team and the Department of Labor to share their investigative files with the state Boards.

**Approval of the Exam Grades**

**MOTION**

David Nichols made a motion to approve the exam grades for the second quarter. Charles Alvis seconded the motion. The motion carried unanimously.

Delay in Exam Score Release for the updated Exam

There is going to be a delay in the release of exam scores due to new exam launching in April, 2017. The 2nd quarter of 2017 is expected to have a ten week delay after the close of the window. Currently it is an average of 20 days after the close of the window. We may have an issue with scores expiring. What most states are doing to handle this is to review them on a case by case basis. The Board can extend the window if they are affected by the delay and approve them on a case by case basis. Topic for January meeting.

Ethics CPE

Questions related to the approval process:

Doris asked the Board if a course has already been approved by the Board previously and minor changes and updates are made to the course, would it have to come back before the Board or can she approve the course based on her review? If the courses have been approved by the Board in the past and have been sold to a different provider, could the Administrator have the authority to approve the course as long as the course content is the same?

**MOTION**

Bob Wood made a motion that if a course has been approved previously by the Board and the course manager makes minor changes the Administrator can approve those changes without coming back to the Board. Mark Crocker seconded the Motion. Motion carried unanimously.

**MOTION**

Ron Hollins made a motion that a course that has already been approved, but provided by a different provider be accepted as approved subject to Doris's review. Bob Wood seconded the motion. Motion carried unanimously.

One author has written all three of the following courses and sold to different providers:

Professional Education Services  
CPE Depot  
CPE Think

**MOTION**

David Nichols made a motion to approve the courses, pending the Administrator's review. Gale Bell seconded the motion. Motion carried.

Robert Keisler is an instructor to teach a course that has already been approved. Motion has already been made to handle this item.

Chris Jenkins, from SCACPA, spoke to the Board regarding the peer review transition to Illinois. He answered questions from the Board Members.

**14. PUBLIC COMMENT (NO VOTES MAY BE TAKEN)**

As no members of the public were present, no public comments were taken.

**15. ADJOURNMENT**

**MOTION**

Ron moved to adjourn at 1:42 pm, seconded by Gale Bell. After no further discussion, the motion carried unanimously.

Respectfully submitted,  
Doris E Cubitt, CPA  
Administrator

Approved at the January 24, 2017 Board Meeting.