

MINUTES
SC Department of Labor, Licensing & Regulation
Board of Accountancy
Board Meeting
9 A.M., Thursday, April 25, 2013
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

Donald H. Burkett, CPA, Board Chair, was present and called the board meeting of the South Carolina Board of Accountancy to order on April 25, 2013, at 9:04 a.m., with a quorum present. Other Board members present were: Mark Crocker, CPA, Vice Chair, Gary Forte, Secretary/Treasurer, Tanya Greenlee, CPA, David Nichols, Accounting Practitioner, and Walter Kannaday, III, CPA.

Ms Ellen K. Adkins, CPA, and Ms Christi P. Cox, Esq, newly appointed board members, for whom it was their first meeting, were also present.

LLR staff members participating in the meeting included: Doris Cubitt, Administrator, Michael R. Teague, Administrative Assistant, Amy Holleman, Administrative Assistant, Sara McCartha, Advice Counsel, Andrew Rogers, Assistant General Counsel, Office of General Counsel, and Sharon Wolfe, Chief Investigator, Office of Investigations and Enforcement.

2. Adoption of agenda.

MOTION

Mr Kannaday made a motion to accept the agenda as written. Mr Forte seconded the motion, which carried unanimously.

3. Approval of January 31, 2013, Meeting Minutes.

MOTION

Mr Nichols made a motion to accept the minutes as written. Mr Crocker seconded the motion, which carried unanimously.

4. Jim Holloway

Peer Review Program

Mr Holloway provided the Board with a background of the Peer Review Program. CPA firms reviewing other CPA firms' attest engagements. The South Carolina Association of CPAs (SCACPA) is managing the state mandated Peer Review Program for the Board, as it was already providing the services to the members of their organization. Glenna Ossier, Peer Review Coordinator for SCACPA, provided a statistical report for the board members.

Positive Enforcement Program

Annually, board staff sends out requests to city governments, county governments, town governments, utilities, school districts, Disabilities and Special Needs Boards, as well as colleges and universities to send in copies of their most recent audit. Staff also asks the Contractors Board to forward contractors audits. Every May staff invites CPA volunteers, who have several years of audit experience, to come in and conduct a management review on the audits. Many are fine; however, there are some with minor errors warranting a letter to the originating auditor and or entity, and there are some that are substandard. Mr Holloway looks over those that are substandard, and, if warranted, will submit a complaint to the Office of Investigation and Enforcement. The CPA volunteers also receive CPE for their work.

5. Complaint & Investigative Activity

Ms Wolfe briefed the Board regarding the case load and IRC Report. (See attached)

MOTION

Ms Greenlee made a motion that the Board accept the case load report as information and approve the dismissals. Mr Nichols seconded the motion, which carried unanimously.

6. General Counsel Activity

Mr Rogers briefed the Board regarding the Office of General Counsel's case load (See attached).

7. Administrator's Report

Ms Cubitt discussed the following items:

- Financial report is provided. If there are any questions, please ask.
- The Granicus system that recorded and streamed the board meetings live has been discontinued.
- Cease & Desist notices for those individuals and firms that did not renew will be mailed out in the next several weeks.

8. New Business

A. Consideration of Jessica Glenney's experience in order to receive her CPA license

One of Ms Glenney's direct supervisors was located in Texas while Ms Glenney was working in the Greenville office of Ashburn Hill Corporation. They communicated via email and phone calls on a daily basis.

MOTION

Mr Crocker made a motion to go into executive session to receive legal advice. Mr Kannaday seconded the motion, which carried unanimously.

MOTION

Mr Kannaday made a motion to come out of executive session. Ms Adkins seconded the motion, which carried unanimously.

MOTION

Ms Cox made a motion to approve Ms Glenney's experience as satisfying the requirements under the statute. Mr Kannaday seconded the motion, which carried unanimously.

B. Approval of CPA Exam grades

MOTION

Mr Nichols made a motion to approve the 2013 1st Quarter CPA Exam grades. Mr Kannaday seconded the motion, which carried unanimously.

C. Consideration of M. W. "Bucky" Glover of North Carolina, Janice L. Gray of Oklahoma, and Donny H. Burkett of South Carolina as At Large Members for NASBAs Board of Directors.

MOTION

Mr Kannaday made a motion to nominate Donny Burkett as the Boards choice for the At Large position for NASBAs Board of Directors. Mr Forte seconded the motion, which carried unanimously.

D. Governor Haley's Executive Order to review Statute, Regulations, Policies and Procedures to identify possible over-regulation.

Ms McCartha explained to the Board that the Governor's Regulatory Review Task Force is asking all boards and commissions to review all statutes, regulations, rules and policies, to identify burdens on South Carolina's businesses. Each agency should consider factors to include, but not limited to, their necessity, complexity, efficiency, effectiveness, redundancy, public complaints and comments, short and long term effects, impacts on all affected persons, both intended and unintended negative consequences.

Ms McCartha asked Ms Cubitt what were the common complaints from licensees. Ms Cubitt said that the CPA Exam candidates complain about the length of time it takes to get approval to sit for the exam. From the time the candidate submits their application to CPA Exam Services (CPAES), a division of the National Association of State Boards of Accountancy (NASBA), and the time a Notice to Schedule is issued normally takes anywhere from four to six weeks. The candidates feel the time should be shorter; however, once the candidates submit their applications along with their educational transcripts, CPAES forwards the transcripts to the Accountancy staff to review but with the current staffing the turnaround time cannot be done any quicker. The Continuing Education requirement of completing 40 hours annually changed limiting the amount of hours that can be obtained through self-study to only 20 hours is another complaint by licensees. Licensees also provide positive comments though emails and customer surveys about staff and the assistance they receive. Many are from licensees coming from other states and are surprised to be able to contact a live person rather than an automated system.

Ms McCartha asked Ms Cubitt what types of complaints are received from the public. Ms Cubitt said complaints range from licensees failure to return records, substandard work and, sometimes, poor business practices which the board does not regulate. Also she receives complaints of criminal activity.

Ms McCarthy asked Ms Cubitt one final question: what slows down the internal process of serving licensees. Ms Cubitt said the internal processes are not the problem, staffing is the main concern, with not enough staff to get everything done.

Ms McCarthy stated that she went through the Accountancy statutes and regulations and discussed this topic with Ms Cubitt and colleagues at the NASBA Legal Counsel Conference. Since the Board adopted mobility it streamlined the licensing process for CPAs licensed in other jurisdictions, so she will not submit recommendations for changes.

Mr Burkett asked the other Board members if they had any comments or questions. He noted the additional Boards that Ms Cubitt has assigned to her take valuable time and attention away from the Accountancy Board. Ms McCarthy said that she would include that into her report.

- E. Consideration of Administrator attending the Peer Review Oversight Committee.
Ms Cubitt said NASBA's Peer Review Oversight Committee (PROC) is having a Summit Session in Nashville on July 10th. NASBA supports Accountancy Boards having some oversight over the Peer Review process and provides assistance in developing oversight committees and their structure. Chuck Talbert (previous Board Chair) has been approached by Ms Cubitt and agreed to head up the South Carolina Peer Review Oversight Committee. Ms Cubitt is asking the Board to reimburse him for his expenses. Ms Cubitt also mentioned she is on the committee and asked Ms Adkins if she would like to volunteer to be on the committee as well.

MOTION

Mr Forte made a motion to approve travel for Ms Cubitt, Ms Adkins and Mr Talbert to attend the PROC meeting on July 10th. Mr Crocker seconded the motion, which carried unanimously.

- F. Consideration of the Military Service Occupation, Education, and Credentialing Act.
Ms Cubitt said there is a part of the bill that the Board may have some concern over substituting education with military experience. She indicated that the language of the bill could include the term "may" which would leave the Board an option to accept it or not.
- G. Consideration of Dow Lohnes Price Tax Consulting, LLC name change to CBIZ MHM, LLC
Ms Cubitt said that the Board's position of non-traditional names can be used; however, she will approve traditional names but brings non-traditional names to the Board to approve.

MOTION

Mr Nichols made a motion to approve the name change to CBIZ MHM. Mr Crocker seconded the motion, which carried unanimously.

- H. Consideration of having an event to celebrate the Centennial of the Accountancy Board on 3/23/2015
Ms Cubitt said several state boards celebrate milestones such as this and after reviewing a survey, she did some research and found the South Carolina Board was established on March 23, 1915.

MOTION

Mr Crocker made a motion to establish a committee to recognize the hundred year anniversary. Mr Kannaday seconded the motion, which carried unanimously.

Ms Pate, Executive Director of the South Carolina Association of CPAs (SCACPA), added that it is also their 100th anniversary. Possibly collaborate together.

Mr Burkett asked for volunteers to be on the committee. Mr Crocker, Mr Forte, and Ms Greenlee volunteered to be on the committee. Ms McCartha also suggested contacting the State Archives to see if they have information regarding the Board.

- I. Consideration to approve travel for Administrator to attend NASBA's Executive Directors Committee Meeting, Board travel to NASBA's Eastern Regional Meeting, and Board travel to NASBA's Annual Meeting.

Ms Cubitt explained that she is on NASBA's Executive Directors Committee which is meeting during the Western Regional Meeting. She would fly out on Friday, June 7, 2013, attend the meeting on Saturday morning, and return back to Columbia that Saturday afternoon. The Eastern Regional Meeting is being held from Thursday, June 27, 2013, through Saturday, June 29, 2013. Our newly appointed board members, Walter Kannaday, Ellen Adkins, and Christi Cox need to fly out on Tuesday, June 25, 2013, to attend the New Board Member Orientation on Wednesday, June 26, 2013. Since they are newly appointed, NASBA, upon request, can grant them a scholarship, and the Board will only need to pick up the tab for incidentals. Also, NASBA's Annual Meeting is scheduled for October 27, 2013, through October 30, 2013. Traditionally LLR pays for the Administrator and two board members to attend meetings.

MOTION

Mr Nichols made a motion to approve travel for Ms Cubitt and two board members (to be determined) to attend NASBA's Eastern Regional Meeting. Ms Greenlee seconded the motion, which carried unanimously.

MOTION

Mr Kannaday made a motion to approve travel for Ms Cubitt to attend NASBA's Executive Directors Committee Meeting. Mr Forte seconded the motion, which carried unanimously.

MOTION

Mr Nichols made a motion to approve travel for Ms Cubitt and two board members (to be determined) to attend NASBA's Annual Meeting. Mr Kannaday seconded the motion, which carried unanimously.

- J. Consideration of Exposure Draft for a restructured Codification of the American Institute of CPAs (AICPA) Code of Professional Conduct.

Ms Cubitt said AICPA is changing the structure of the Code of Professional Conduct so it is more user friendly and easier to research. It has been published for comment and the deadline is late June.

- K. Review of House Bill 3459

MOTION

Mr Crocker made a motion to go into executive session to receive legal advice. Mr Forte seconded the motion, which carried unanimously.

MOTION

Mr Kannaday made a motion to come out of executive session. Ms Adkins seconded the motion, which carried unanimously.

Mr Burkett stated no votes were taken during the executive session.

Mr Burkett announced the need to fill committee assignments. Ms Cubitt will be emailing a list of committees. He asked Board Members take the time to review it, choose which ones they would like to serve on, and email Ms Cubitt back with their choices. If no choices are stated assignments will be made.

9. Public Comments

Ms Erin Pate (SCACPA) reminded the board members about the upcoming CPA Oath Ceremony scheduled for Wednesday, May 1, 2013. SCACPA and the Board co-sponsor to ceremonies each year one in May and one in November. Mr Burkett added the Board's thanks to SCACPA for pulling it together.

10. Adjournment

MOTION

There being no further business to be discussed at this time, Mr Nichols made a motion the meeting be adjourned. Mr Forte seconded the motion, which carried unanimously.

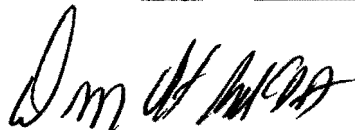
The April 25, 2013, meeting of the SC Board of Accountancy adjourned at 11:15 a.m.

Respectfully submitted,



Doris E Cubitt, CPA
Administrator

Approved at the August 19, 2013, Board Meeting.



Donald H. Burkett, CPA, Chair