

BOARD MEETING MINUTES

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

Thursday, June 10, 2021 9:00 a.m.
Web/Teleconference

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

Michael Putich, CPA, Chair, was present and called the meeting of the South Carolina Board of Accountancy to order on June 10, 2021, at 9:07 a.m., with a quorum present. Other Board members present were: Jada McAbee, CPA, Chris Huggins, CPA, Chip Summers, CPA, David Nichols, Accounting Practitioner, Gale Bell, Accounting Practitioner, Walda Wildman, CPA, Charles Brooks, Public Member, and Bob Wood, Public Member. LLR staff members participating in the meeting included: Susanna Sharpe, CPA, Administrator, Chelsea Buchanan, Program Coordinator, Micah Hurtt, Program Assistant, Katherine Greer, Administrative Assistant, Mary League, Advice Counsel, Courtney Crosby, CPA, Investigator, Rodney Pigford and Christa Bell from the Office of Investigations and Enforcement, Katie Phillips from the Office of Communication and Governmental Affairs, and Erin Baldwin from the Office of Disciplinary Counsel.

2. Consideration of Excuses for Absences of Board Members

Motion

David Nichols made a motion to excuse the absence of Ken Whitener. Bob Wood seconded the motion, which carried unanimously.

3. Adoption of Agenda

Motion

David Nichols made a motion to approve the agenda. Walda Wildman seconded the motion, which carried unanimously.

4. Legislative Update

Katie Phillips from LLR's Office of Communications and Governmental Affairs gave a brief legislative update. The regular session of the General Assembly has ended for the year and will resume on the second Tuesday of January, 2022. She mentioned there are a few matters that could be relevant to the Accountancy board, including a limitation on criminal convictions that may be approved, eligibility of DACA recipients, and new procedures for adding or changing regulations.

5. Approval of Meeting Minutes

Motion

Chris Huggins made a motion to approve the minutes from the April 27, 2021 meeting. Jada McAbee seconded the motion, which carried unanimously.

6. Chair's Remarks

Chair Michael Putich spoke briefly about the possibility of the August meeting being in-person. Board members would be present in person while the public would be able to view the meeting virtually. Individuals wishing to make public comment should notify Board staff in advance to make appropriate arrangements.

7. Office of Investigation & Enforcement

A. Office of Investigation & Enforcement Report

Courtney Crosby briefed the Board on the OIE report. 17 complaints have been received since January 1, 2021, with 9 active 2021 investigations. One case has been closed since January 1, 2021. The average age of the 2021 cases is 77 days. No cases are over the 150 day threshold that require Board approval.

B. Investigative Review Committee (IRC Report)

Four cases were submitted for approval from the June 1, 2021 IRC Committee meeting. One case was recommended for dismissal and three for a letter of caution. Board members thanked staff for the helpful changes made to the report format.

Motion

David Nichols made a motion to approve the June 1st IRC report. Walda Wildman seconded the motion, which carried unanimously.

8. Office of Disciplinary Counsel Report

Erin Baldwin presented the report for information. There are nine open cases, with four on the agenda for today. One is expected to be heard as a formal complaint hearing. Seven cases have been closed since January 1, 2021.

9. Application Hearings

A. Mark Terdle and Terdle & Company PC

The applications for CPA licensure by reciprocity and in-state firm registration could not be approved at staff level because the applicant failed to indicate disciplinary action taken by his state licensing Board on the license application for South Carolina. The disciplinary matter from the state Board has already been resolved.

Motion

David Nichols made a motion to go into executive session to receive legal advice in this matter. Chris Huggins seconded the motion, which carried unanimously.

Motion

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

Motion

Charles Brooks made a motion to approve the application for reciprocal licensure as well as firm registration due to the matter being resolved in the other state. The Board also directed staff to add a new FAQ on the Board website that will clarify when an applicant should answer 'yes' to a fitness question on the application. Chris Huggins seconded the motion, which carried unanimously.

10. Request for Extension of Exam Credit

A. Claire Whitehurst

Ms. Whitehurst came before the Board to request an extension of her CPA exam scores after passing all parts.

Motion

Chris Huggins made a motion to go into executive session to receive legal advice in this matter. David Nichols seconded the motion, which carried unanimously.

Motion

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

Motion

Charles Brooks made a motion to approve the extension of CPA exam credit due to a verifiable hardship shown by the applicant. Chris Huggins seconded the motion, which carried unanimously.

11. Consent Agreements

A. 2019-2 & 2019-20

Motion

Walda Wildman made a motion to go into executive session to receive legal advice in this matter. David Nichols seconded the motion, which carried unanimously.

Motion

David Nichols made a motion to come out of executive session. Chris Huggins seconded the motion, which carried unanimously. No votes were taken during executive session.

Motion

Walda Wildman made a motion to reject the consent agreements and recommend the matters be scheduled for a hearing before the Board. Chris Huggins seconded the motion, which carried. Charles Brooks and

Chip Summers opposed the motion, stating they would vote to approve the consent agreements.

B. 2019-45

Motion

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

Motion

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

Motion

Walda Wildman made a motion to accept the consent agreement. David Nichols seconded the motion, which carried unanimously.

12. MOA

A. 2020-14

Motion

David Nichols made a motion to go into executive session to receive legal advice in this matter. Bob Wood seconded the motion, which carried unanimously.

Motion

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

More questions from the Board.

Motion

David Nichols made a motion to go into executive session to receive legal advice in this matter. Chris Huggins seconded the motion, which carried unanimously.

Motion

Gale Bell made a motion to come out of executive session. David Nichols seconded the motion, which carried unanimously. No votes were taken during executive session.

Motion

Walda Wildman made a motion to accept the MOA with the conditions that the respondent pay a penalty of \$2,250 plus \$161 for investigative costs, the respondent's license be on probation until the terms of the AICPA Settlement Agreement are complete, and provide the Board evidence of passing three successive peer reviews. Gale Bell seconded the motion, which carried unanimously.

13. New Business

A. SCACPA Update

David Knoble spoke on behalf of SCACPA to address a variety of topics. Discussion of updates to the SC Rules and Regulations course content will be on the August agenda. SCACPA also requests a place on the agenda for each upcoming meeting.

B. Discussion of Reports on Flow of Disciplinary Cases

The Board discussed the format of the OIE, IRC, and ODC reports and possible improvements. The members expressed satisfaction with the reports presented earlier in the meeting.

14. Administrator's Report

A. Licensee Update

As of June 9, 2021, there are 6172 active CPA's, 61 active AP's, 3 active PA's, 1309 active in-state firms, and 366 active out-of-state firms.

B. Financials

The Board financial reports were included in the Board materials.

C. Authority Delegated to the Board Administrator

Administrator Susanna Sharpe presented a sample list of the areas of authority the Board has granted to the Administrator in the past. A more detailed list is in process and will be presented at an upcoming meeting.

15. Election of Officers

Motions

Bob Wood made a motion to reappoint Michael Putich as Chair. Walda Wildman seconded the motion, which carried unanimously.

Walda Wildman made a motion to appoint Jada McAbee as Vice Chair. Michael Putich seconded the motion, which carried unanimously.

Michael Putich made a motion to appoint Chris Huggins as Secretary. Walda Wildman seconded the motion, which carried unanimously.

16. Public Comment

There were no public comments.

17. Adjournment

Motion

With no further business to be discussed at this time, Gale Bell made a motion to adjourn the meeting at 4:27 p.m. on June 10, 2021. David Nichols seconded the motion, which carried unanimously.