

MINUTES

SC Department of Labor, Licensing, & Regulation
Board of Accountancy

Board Meeting

August 21, 2018

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

Todd Dailey, CPA, Chair, was present and called the meeting of the South Carolina Board of Accountancy to order on August 21, 2018, at 10:07am, with a quorum present. Other Board members present were: Charles Alvis, CPA, Vice Chair, Gale Bell, Accounting Practitioner, Mark Crocker, CPA, Brian Johnson, CPA by conference call, Tanya Greenlee, CPA, Ellen Adkins, CPA, Michael Putich, CPA, and Ron Hollins, Public Member. LLR staff members participating in the meeting included: Doris Cubitt, CPA, Administrator, Susanna Sharpe, CPA, Assistant Administrator, Chelsea Buchanan, Program Coordinator, Johnnie Rose, Program Assistant, Mary League, Advice Counsel, Courtney Crosby, CPA, Investigator, Sharon Wolfe with the Office of Investigations and Enforcement, and Donnell Jennings and Ashley Thompson, Prosecuting Attorneys with the Office of Disciplinary Counsel. SCACPA CEO Chris Jenkins and Board Member Ken Newhouse, CPA, were present until after their presentation.

2. Consideration of Excuses for Absences of Board Members

Motion

Tanya Greenlee made a motion to excuse Bob Wood, Public Member, and David Nichols, Accounting Practitioner. Ron Hollins will arrive late. Gale Bell seconded the motion, which carried unanimously.

3. Adoption of Agenda

Motion

Ellen Adkins made a motion to approve the agenda. Gale Bell seconded the motion, which carried unanimously.

4. Approval of June 26th 2018 Meeting Minutes

Motion

Ellen Adkins made a motion to approve the minutes of the June 26, 2018 meeting as presented. Tanya Greenlee seconded the motion, which carried unanimously.

5. Office of Investigation Report

Sharon Wolfe briefed the Board on the OIE report. She reported that there are currently 18 active cases. 16 have been closed and 24 received as of August 9, 2018.

Motion

Tanya Greenlee made a motion to approve the IRC report. Ellen Adkins seconded the motion, which carried unanimously.

6. Office of Disciplinary Counsel Report

Donnell Jennings presented a report for information. There are currently 19 open cases, 16 cases pending action, 3 pending hearings, and 2 have been closed since June 19.

7. Application Hearings

A. Consideration of Robert Johnson's Application

Motion

Ellen Adkins made a motion to go into closed session to comply with federal and state confidentiality laws due to the nature of the issue at hand. Tanya Greenlee seconded the motion, which carried unanimously.

Mr. Johnson has applied to take the CPA exam as a South Carolina candidate. His application could not be approved at staff level due to criminal information he self-reported on his application.

Motion

Michael Putich made a motion to go into executive session for legal advice. Ellen Adkins seconded the motion, which carried unanimously.

Motion

Ellen Adkins made a motion to come out of executive session. Charles Alvis seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

Motion

Michael Putich made a motion that the application to take the CPA exam be approved. Charles Alvis seconded the motion, which carried unanimously. Ron Hollins did not participate in the hearing or vote, as he had not yet arrived.

The Board came out of closed session at this time.

B. Consideration of Mary Margaret Morris's License Application

Mrs. Morris has applied for licensure by reciprocity from her home state of Illinois. She first moved to South Carolina in 2015 and has been splitting time between the two states but has had a few South Carolina clients she did work for. She has also submitted an application for firm registration, which has been included with her license application.

Motion

Charles Alvis made a motion to go into executive session for legal advice. Michael Putich seconded the motion, which carried unanimously.

Motion

Charles Alvis made a motion to come out of executive session. Michael Putich seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

Motion

Charles Alvis made a motion to approve Ms. Morris's application for licensure as well as firm registration, pending payment of back fees for each: \$240 in annual fees for her individual license and \$150 in annual fees for the firm. Gale Bell seconded the motion, which carried unanimously. Ron Hollins did not participate in the hearing or vote, as he had not yet arrived.

C. Consideration of Grant Sittig's License Application

Grant Sittig has submitted an application for an original license by exam. He passed the CPA exam as a South Carolina candidate but also has a JD and practices in Florida as a tax attorney. His application could not be approved at staff level due to his year of experience including an undetermined number of hours focused on legal work.

Motion

Ellen Adkins made a motion to go into executive session for legal advice. Gale Bell seconded the motion, which carried unanimously.

Motion

Charles Alvis made a motion to come out of executive session. Gale Bell seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

Motion

Tanya Grenlee made a motion that Mr. Sittig's application for licensure be approved as even after deducting the estimated percentage of hours on legal work, would equate to 2,000 hours of CPA work given the amount of time that had passed since the date of Mr. Sittig's certificate of experience. Charles Alvis seconded the motion, which carried unanimously. Ron Hollins did not participate in the vote, as he had not yet arrived.

8. Presentation by NASBA Center for the Public Trust

Alfonzo Alexander, President of NASBA's Center for the Public Trust, presented a short demonstration of an ethics course that had been created for another state Board. He showed the process of completing the online course and also talked about options for live in-person courses. Staff will be working with NASBA to provide the content to be used.

9. Presentation by SCACPA

SCACPA Board member Ken Newhouse gave a presentation to explain their concerns about the Board's changes to the language of statute 40-2-

35(D). Mr. Newhouse explained that some of the concerns were with students' ability to determine whether credits would be accepted by the Board and the role of the accreditation bodies in ensuring that their credit is of acceptable quality. Board members expressed concerns about accepting alternative methods and the pitfalls of reliance on only the accreditation bodies given the variation in standards between each one. The Board thanked the representatives from SCACPA for their input. No votes were taken on the matter.

10. Memorandum of Agreement

Case 2013-23

Motion

Ron Hollins made a motion to go into executive session for legal advice. Charles Alvis seconded the motion, which carried unanimously.

Motion

Charles Alvis made a motion to come out of executive session. Gale Bell seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

Motion

Ron Hollins made a motion to accept the Memorandum of Agreement as written, extend probation for an additional two years during which the licensee will remain in compliance, pay investigative costs associated with the case, and to dismiss the violations with prejudice. Michael Putich seconded the motion, which carried unanimously. Ellen Adkins recused herself from the matter and did not participate in the hearing or vote.

Memorandum of Agreement

Case 2014-30

Motion

Gale Bell made a motion to go into executive session for legal advice. Ron Hollins seconded the motion, which carried unanimously.

Motion

Charles Alvis made a motion to come out of executive session. Gale Bell seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

Motion

Ron Hollins made a motion to accept the Memorandum of Agreement, finding no violation of section 40-1-110 and dismissing the charge with prejudice. There was violation of the two charges related to ethics standards but no sanctions will be imposed except payment of investigative costs. Charles Alvis seconded the motion, which carried unanimously. Brian Johnson did not participate in the hearing or vote as he had left the conference call.

11. Old Business

A. Fall Oath Ceremony

The Board discussed plans for the fall Oath Ceremony.

Motion

Ron Hollins made a motion that staff will search for an available venue to host the ceremony but if no arrangements can be made by a set date, then plans would be made to coordinate the ceremony with SCACPA. Gale Bell seconded the motion, which carried unanimously.

B. Regulation/Legislative Committee Update

An updated version of the proposed regulations was presented as a final draft unless Board members had any additional input. Ellen Adkins mentioned a few details that could be added. The committee will meet again to make those changes to be approved by the Board and then submitted for the upcoming session.

C. NASBA Annual Meeting

Susanna Sharpe, Todd Dailey, and Charles Alvis will be attending the upcoming NASBA annual meeting at the end of October.

12. New Business

A. Approval of 3rd Quarter CPA Exam Grades

Motion

Michael Putich made a motion to approve the grades for the 3rd Quarter window administration of the CPA exam. Gale Bell seconded the motion, which carried unanimously.

At this time Doris Cubitt informed the Board that this meeting will be her last meeting as Administrator. She has made the decision to retire after 17 years with the agency and the Board of Accountancy. She thanked the Board members for their service and support during the time she has served as Administrator and expressed how difficult her decision has been. Her official retirement date will be October 3, 2018. Board members responded with comments of gratitude for her leadership of the Board for so many years and sadness that this time has come. Until the position is officially filled by the agency, Susanna Sharpe, who has been training with Mrs. Cubitt as the Assistant Administrator, will fulfill her responsibilities.

13. Public Comment

No Public Comments

14. Adjournment

Motion

With no further business to be discussed at this time, Tanya Greenlee made a motion to adjourn the meeting. Charles Alvis seconded the motion, which carried unanimously.

The August 21, 2018 meeting of the SC Board of Accountancy adjourned at 630p.m.