

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

Board Meeting

THURSDAY, April 28, 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 April 28, 2016 at 10:00 a.m., with a quorum present. Other Board members present were: Ellen K. Adkins, CPA, Gale Bell, Accounting Practitioner, Mark Crocker, CPA, David Nichols, Accounting Practitioner, Todd Dailey, CPA, Bob Wood, Public Member and Ronald Hollins, Public Member, came in late. Also present were Doris Cubitt, CPA, Board Administrator, Erin Baldwin, Defense Counsel, Prentiss Shealey, Defense Counsel, Mary League, Advice Counsel, Dwayne Eanes, CPA, Investigator, Bridgette Goff, Program Coordinator and Kathy Burgess, Administrative Assistant.

2. Tanya Greenlee introduced the new Board Members, Todd Dailey and Bob Wood.

3. Director, Richele Taylor spoke to the Board regarding changes and the possibility of a succession plan by adding an assistant to the Administrator, Doris Cubitt.

4. Consideration of Excuses for Absences of Board Members

No absent Board Members.

5. Adoption of Agenda

MOTION

Ellen Adkins made a motion to adopt the agenda as presented. Mark Crocker seconded the motion. After no further discussion, the motion carried unanimously.

6. Approval of Meeting Minutes

MOTION

Ellen Adkins moved to approve the minutes as presented. Gale Bell seconded the motion. After no further discussion, the motion carried unanimously.

7. Office of Investigation & Enforcement Report

Investigator, Sharon Wolfe explained the investigation process to the new board members. Ms. Wolf presented the OIE Report and stated she ran the numbers from January through April 26th. Ms. Wolf stated there were a total of 34 complaints, 12 pending Board Actions, 12 are currently active, and 14 are closed. She also stated that sometimes the numbers are different because they may have a carryover case from the year before.

The IRC report was presented for review.

MOTION

David Nichols made a motion to approve the cases from the IRC. Mark Crocker seconded the motion. After no further discussion, the motion carried unanimously.

8. Office of Disciplinary Counsel Report

Erin Baldwin from the Office of Disciplinary Counsel (ODC) introduced Prentiss Shealey, who will be the new ODC Attorney for the Accountancy Board going forward. Ms. Shealey introduced herself briefly to the Board and staff.

Erin Baldwin explained the process of the Office of Disciplinary Counsel for the new Board members.

Erin Baldwin presented the ODC Report: Erin explained that the Office of Discipline Counsel currently has a total of 19 cases for the board. Erin stated that number does not include the cases that Ms. Wolfe presented and the Board approved from the IRC.

In the matter of case number 2013-25, Ms. Baldwin presented the Consent Agreement signed by Mr. Walter Martinson for approval by the Board.

MOTION

David Nichols made a motion to go into executive session for legal advice. Ronald Hollins seconded the motion. Motion carried.

MOTION

Ellen Adkins made a motion to come out of executive session and David Nichols seconded the motion. Motion carried.

MOTION

David Nichols made a motion to approve the Consent Agreement. Ellen Adkins seconded the motion. After no further discussion, the motion carried unanimously.

9. Advice Counsel Review and Legal Update

MOTION

Mark Crocker made a motion to go into executive session to discuss updates for the Board and David Nichols seconded the motion. Motion carries.

MOTION

Ellen Adkins made a motion to come out of executive session and David Nichols seconded the motion. Motion carried.

10. Chair Report

- Tanya Greenlee mentioned the Oath Ceremony to be held on May 4th and she encouraged Board members to attend. Also, she mentioned we need to honor Donny Burkett for his service to the Board.

- Tanya spoke about the NASBA Conference in June. Members are encouraged to attend. She explained that we usually send two Board members and new Board members may go via scholarship.

11. Administrator's Report

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

- The financial report was presented for information purposes.
- New Board members are eligible to go to the conference on a scholarship and it covers hotel, transportation and most meals. Travel documents are to be completed after the meeting for the agency to reimburse cost. The Agency pays for the Administrator and two Board members to attend.
- The 109th annual meeting is to be held October 30th through November 3rd.
- Hearings are normally scheduled during Board meetings. If there are several cases or a long case, a day will be added.
- A plan to hire the new Assistant Administrator will most likely be after the Fiscal year when the new budget is done after July 1st.
- Board members are encouraged to attend the Oath Ceremony and asked that they encourage people in their firms and from other firms to attend.
- New furniture has been ordered for the conference room.
- Chris Jenkins with SCACPA is on the agenda to speak about Peer Review. The AICPA is making changes with Peer Review and will have special requirements.
- Mary League was asked to explain the LLR Recusal Policy. Mary explained the meaning of recusal and why you would need to recuse yourself and what to do when a situation presented itself for recusal.
- New members need to file a report with the Ethics Board. An economic interest form needs to be filed every year with Ethics Board. March 30th is the deadline and there is a fine if it is late.

12. Old Business

CGMA: Responses from Ken Bishop, Alabama, Texas and DC:

Doris commented that CGMA was a topic that was talked about at the executive directors meeting and it stands for Chartered Global Management Accountant. It is a designation that the AICPA has developed. According to the AICPA you could use that designation to be nonvoting members of the AICPA. It could be confusing to the public if they are a CPA and CGMA and the public probably would not know the difference between the two. After a long discussion, it was decided to gather more information and place the topic on the next agenda for further discussion.

A discussion was held regarding the guidelines for assessing fines and sanctions. It was decided to form a committee and the members will be Ellen Adkins, Bob Wood, Prentiss Shealey and Doris Cubitt.

13. New Business

Changes in Education – Doris explained changes regarding how some colleges are awarding college credits. These schools are offering nontraditional sources of credits, such as life experience credits, competency based exam credits, prior learning experiences, seminars and other programs to obtain college credits. Colorado State University Global Campus and Strayer University were mentioned as schools that award credits for courses using these nontraditional methods.

Doris mentioned another concern regarding education changes is with Straighter Line, which is a non-accredited school. Straighter Line is partnering with other schools that are accredited and transferring credits to those accredited schools.

Doris also stated that previously the Board made a policy that we do not accept transcripts from Western Governors University because they do not give semester hours and they award competency based units without having to earn them in the traditional methods. Our laws specifically require semester hours taught at the junior level or above. The Board of Accountancy (BOA) will accept traditional classroom courses and online courses that are for a set semester, led by an instructor, has required coursework and exams. For many years the BOA has had a policy that we do not accept duplicate courses. Also, we do not accept courses from UCLA Division of Extension continuing education program because the school does not issue degrees.

Doris asked the Board questions regarding these changes. How does the Board feel about these changes? Do we need a policy regarding the changes? Do we need statute changes? Are we going to accept the credits if they are nontraditional credits?

MOTION

Ronald Hollins made a motion to deny course credits that are obtained through nontraditional methods such as life experiences, competency exams and competency credits, with the exception of CLEP Exams, and also reaffirmed a previous Board decision to not accept duplicate courses. Nontraditional college credits will not be accepted, effective immediately. Ellen seconded the motion. With no further discussion, the Motion carried unanimously.

Exam Candidate Ekman, Colorado State University –Global Campus

MOTION

David Nichols made a motion to approve the application with verification from the school that confirms the courses were achieved through traditional classroom or online settings. Ellen Adkins seconded the motion. With no further discussion, the Motion carried unanimously.

Exam Candidate Jenkins

MOTION

Ellen made a motion to approve her application. Gale Bell seconded the motion. Motion carried.

Exam Candidate Ince

MOTIONS

Ronald Hollins made a motion that non-accredited University credits will not be accepted and Ms. Ince will need to obtain the hours taken at Straighter Line from an accredited University in order to be eligible to license in South Carolina. Gale Bell seconded the motion. Motion carried.

Ellen Adkins made a motion that the Board will not accept credits from non-accredited Universities transferred to an accredited University. The motion was seconded by Mark Crocker. With no further discussion, the motion carried.

Exam Candidate Lenner (extension of 18 month window)

MOTION

Gale Bell made a motion to allow Mr. Lenner to have the extended time until the end of July 31, 2016. Ronald Hollins seconded the motion. There were two oppositions. Motion carried.

Approval of 2015 4th quarter CPA and 2016 1st quarter exam grades

MOTION

Ronald Hollins made a motion to accept the exam grades for both quarters. The motion was seconded by Mark Crocker. Motion carried unanimously.

CPA Exam Statistics/practice analysis final report
For information purposes only. No motion needed.

Updated CPA Exam April 2017

Summary: The updated exam will be launching in April of 2017. Testing time will go from 14 hours to 16. There will be a greater focus on testing higher-order cognitive skills. It will remain structured in four sections. One fifteen minute break will be added for each section and will not count against testing time. Each quarter of testing will be extended by 10 days. Candidates may pass a combination of the current and next version of the exam.

For information purposes only. No motion needed.

Changes in fees to updated CPA Exam

Fees will increase because of the changes to the Exam. Updated fees will be provided to us prior to the release of the updated exam.

For information purposes only. No motion needed.

SCACPA 2014 Annual Report on Oversight

Chris Jenkins spoke on behalf of SCACPA. The Oversight Program is a three year project. 511 SC firms are enrolled in the program. Of those, 421 are AICPA member firms and 90 are not. Chris proceeded with the report and answered questions from the Board members.

For more information purposes. No motion needed.

14. Public Comment (No Votes May Be Taken)

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

15. Adjournment

MOTION

Gale Bell moved to adjourn at 1:53 pm, seconded by Ellen Adkins, after no further discussion motion carried unanimously.

Respectfully submitted,
Doris E Cubitt, CPA
Administrator

Approved at the June 23, 2016, Board Meeting.

Tanya Greenlee

Tanya Greenlee, CPA, Chair