

MINUTES

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

Board Meeting

Thursday, August 24, 2017
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, Chair, was present and called the meeting of the South Carolina Board of Accountancy to order on August 24, 2017, at 10:00am, with a quorum present. Other Board members present were: Ellen Adkins, CPA, Vice Chair, Gale Bell, Accounting Practitioner, Todd Dailey, CPA, Charles Alvis, CPA, David Nichols, Accounting Practitioner, Brian Johnson, CPA, Mark Crocker, CPA, Michael Putich, CPA, Ron Hollins, Public Member, and Bob Wood, 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, Courtney Wise, Administrative Assistant, Mary League, Advice Counsel, and Donnell Jennings and Erin Baldwin, Prosecuting Attorneys with the Office of Disciplinary Counsel.

2. Consideration of Excuses for Absences of Board Members

Motion

There were no absent Board members.

3. Adoption of Agenda

Motion

Bob Wood made a motion to adopt the agenda. Mark Crocker seconded the motion, which carried unanimously.

4. Approval of Meeting Minutes

Motion

Gale Bell made a motion to approve the minutes of the June 22, 2017 meeting as presented. Charles Alvis seconded the motion, which carried unanimously.

5. Election of Officers

Motion

David Nichols made a motion to elect Ellen Adkins Chair of the Board, Todd Dailey Vice Chair, and Charles Alvis Secretary. Michael Putich seconded the motion, which carried unanimously.

6. SCACPA Update on Proposed Legislation and Peer Review

Chris Jenkins, CEO of SCACPA gave a brief presentation regarding proposed legislation SCACPA will be putting forth this year. He also discussed the changes to the peer review program. Paul Pierson, Senior Director of Peer Review and Professional Standards for the Illinois Society also called in to answer Board member questions.

7. Office of Investigation Report

Sharon Wolfe briefed the Board on the OIE report. She reported that 21 new complaints have been received as of June 15th. There are 15 cases currently active, and 10 have been closed.

Motion

David Nichols made a motion to accept the IRC report. Charles Alvis seconded the motion, which carried unanimously.

8. Office of Disciplinary Counsel Report

Donnell Jennings presented a report for information. There are currently 32 open cases, 10 pending consent agreements or memorandum of agreements, and he expects to have one or two full evidentiary hearings ready to be heard next year.

9. Consideration of Consent Agreements

A. Case No. 2016-34

Motion

Charles Alvis made a motion to accept the consent agreement. Tanya Greenlee seconded the motion, which carried unanimously. Todd Dailey recused himself due to a prior working relationship with the respondent.

B. Case No. 2016-45

Motion

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

C. Case No. 2016-9

Motion

Mark Crocker made a motion to approve the consent agreement. Ron Hollins seconded the motion, which carried unanimously.

D. Case No. 2016-15

Motion

Mark Crocker made a motion to accept the consent agreement. Michael Putich seconded the motion, which carried unanimously.

10. Chair's Remarks

Ellen Adkins welcomed the Board members and the new staff members, Program Assistant Johnnie Rose, and Assistant Administrator Susanna Sharpe. She also distributed suggested assignments of Board members to the various subcommittees for approval.

Motion

Michael Putich made a motion to approve the committee assignments. Charles Alvis seconded the motion, which carried unanimously.

11. Administrator's Report

Doris Cubitt spoke to the Board about the following topics:

- she asked the members to be thinking of a candidate for an alternate member to the IRC committee
- she presented the financial reports for June and July
- presented the travel budget she created and submitted to the agency director

12. Application Hearings

A. Consideration of Brian Moore's Application for CPA Licensure

Motion

Michael Putich 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. Tanya Greenlee 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 to approve Brian David Moore's application for CPA licensure. Gale Bell seconded the motion.

B. Consideration of Hayes Williams LLC Firm Registration

Motion

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

Motion

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

Motion

Bob Wood made a motion to approve the firm registration application for Hayes Williams LLC, pending payment of \$150, which is the total amount

that would have been paid for registration and renewal of the firm for the length of time the firm has been opened. Mark Crocker seconded the motion. It was noted that no penalty was assessed in this case due to the voluntary service nature of the work being performed.

13. Old Business

A. Discussion of the Exposure Draft Regarding Use of Titles

The Board discussed the exposure draft produced by the AICPA to suggest inclusion of the CGMA designation in the Uniform Accountancy Act language. Members expressed concerns that use of the designation may be confusing to the public if a non-CPA individual working in a public accounting firm were to use the CGMA designation. The Board reviewed responses to the exposure draft that had been issued by other states and discussed whether to issue a response of their own.

Motion

Charles Alvis made a motion to approve Ellen Adkins to write a response to the exposure draft to be submitted on the Board's behalf to the AICPA. Gale Bell seconded the motion, which carried unanimously.

B. Discussion of CPA Exam Credit Extension

The Board discussed the effects the changes to the CPA exam and subsequent delay in releasing second quarter scores would have on candidates with sections expiring in the second and third quarters.

Motion

Charles Alvis made a motion to allow candidates with a section expiring in the second quarter exam window an extension until the end of the fourth quarter exam window and to review candidates with sections expiring in the third quarter on a case-by-case basis. Gale Bell seconded the motion, which carried unanimously.

C. Discussion of Changes in Peer Review Program

The Board discussed changes made to the peer review program and how that will affect the ability to create a Peer Review Oversight Committee for the state.

Motion

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

Motion

Tanya Greenlee made a motion to come out of executive session. Ron Hollins seconded the motion, which carried unanimously.

It is noted that no official actions were taken by the Board during executive session.

14. New Business
Second quarter exam scores did not arrive in time to be reviewed or voted on.

A. Discussion of NASBA Annual Meeting Attendance

Motion

Tanya Greenlee made a motion to approve Doris Cubitt, Administrator, Susanna Sharpe, Assistant Administrator, and two interested Board members to attend the annual NASBA meeting in New York in October. Charles Alvis seconded the motion, which carried unanimously.

B. Retired Status Discussion

The Board discussed the inclusion of a "Retired" status similar to the language in the Uniform Accountancy Act. The members requested that staff prepare a description of each status we currently have.

C. Discussion of CPE Standards

The Board directed the Education Committee to take a look at the continuing education requirements of other states around the country and how South Carolina compares.

D. Discussion of Board Member Liability

The Board discussed the liability of Board members in the event of a lawsuit related to their actions or decisions. They requested that advice counsel, Mary League, prepare a presentation for them about the protections of the Insurance Reserve Fund.

E. Discussion of University Accounting Program Approval Requests

Administrator Doris Cubitt presented one example of a request that has been received from a higher education institution, requesting that the Board grant a blanket acceptance of their Accounting program. The Board declined to review or vote on the request or future similar requests.

F. Regulatory Review of Regulations Pursuant to Executive Order

Pursuant to the Executive Order, the Board reviewed each current regulation and identified regulations that the Board felt needed to be amended.

13. Public Comment
No Public Comments

14. Adjournment

Motion

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

The August 24, 2017 meeting of the SC Board of Accountancy adjourned at 5:12 pm.

Respectfully submitted,
Doris E Cubitt, CPA
Administrator