

MINUTES

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

Board Meeting

Tuesday, October 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

Ellen Adkins, CPA, Chair, was present and called the meeting of the South Carolina Board of Accountancy to order on October 24, 2017, at 10:12am, with a quorum present. Other Board members present were: Tanya Greenlee, CPA, Gale Bell, Accounting Practitioner, Charles Alvis, CPA, David Nichols, Accounting Practitioner, Brian Johnson, 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, Mary League, Advice Counsel, Sharon Wolfe, Office of Investigations and Enforcement, and Donnell Jennings and Prentiss Shealy, Prosecuting Attorneys with the Office of Disciplinary Counsel.

2. Consideration of Excuses for Absences of Board Members

Motion

Charles Alvis made a motion to excuse Mark Crocker, CPA, and Todd Dailey, CPA. Gale Bell seconded the motion, which carried unanimously.

3. Adoption of Agenda

Motion

David Nichols made a motion to approve the agenda after moving Item 14A before Item 10, Chair's Remarks, and withdrawing Item 9A. Gale Bell seconded the motion, which carried unanimously.

4. Approval of Meeting Minutes

Motion

Gale Bell made a motion to approve the minutes of the August 24, 2017 meeting as presented. Michael Putich seconded the motion, which carried unanimously.

5. Office of Investigation Report

Sharon Wolfe briefed the Board on the OIE report. She reported that 29 new complaints have been received in 2017 as of October 24th. There are 17 cases currently active, and 20 have been closed as of October 11th.

Motion

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

6. Office of Disciplinary Counsel Report

Donnell Jennings presented a report for information. There are currently 28 open cases, 8 pending action, 1 pending expert review, and 10 pending consent agreements or memorandum of agreements.

7. Consideration of Consent Agreements

A. Case No. 2016-13

Motion

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

B. Case No. 2016-7

Motion

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

C. Case No. 2016-43

Motion

Charles Alvis made a motion to approve the consent agreement. David Nichols seconded the motion, which carried unanimously.

D. Case No. 2016-48

Motion

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

8. Application Hearings

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

Motion

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

Motion

Gale Bell 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

Bob Wood made a motion that the CPA license application of Kathryn Moore be denied until she can obtain 6 months of current experience

under the direct supervision of a licensed CPA. Gale Bell seconded the motion, which carried unanimously. Bob Wood noted that the license requirements are based on 3 critical elements-education, experience, and exam.

B. Consideration of Startup Financial LLC Firm Registration

Motion

David Nichols 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 firm registration application for Startup Financial, LLC. Michael Putich seconded the motion, which carried unanimously.

9. Consideration of Memorandum of Agreement

A. 2016-42

Motion

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

Motion

Michael Putich 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

Brian Johnson made a motion that the matter be dismissed but with a letter of caution. Tanya Greenlee seconded the motion, which carried unanimously.

10. Chair's Remarks

Ellen Adkins, Chair, announced she would wait to make any remarks until after the annual NASBA meeting.

11. Administrator's Report

Doris Cubitt briefed the Board on the following topics:

- the annual NASBA meeting will be the last week of October 2017
- in regards to records of a former CPA that the Board had seized and voted to hold in storage, Mrs. Cubitt asked the Board for guidance on whether to destroy those records after the initial 3 year period voted on by the Board had expired.

Motion

Charles Alvis made a motion to defer further discussion and a decision until Board staff collects further information about the retention policies of other states. Gale Bell seconded the motion, which carried unanimously.

-Board staff presented potential content for a quarterly newsletter subject to the Board's approval

Motion

Gale Bell made a motion to give Board staff permission to generate a quarterly newsletter. Charles Alvis seconded the motion, which carried unanimously.

-in reviewing the proposed newsletter, the Board noted the seal and Mrs. Cubitt explained that the seal could be changed to more closely resemble the seal of other states

Motion

Gale Bell made a motion to pursue changes to the Board seal and direct staff to produce a mock-up of potential designs. Charles Alvis seconded the motion, which carried unanimously.

12. Old Business

A. Use of Titles and State Responses

Administrator Doris Cubitt presented the response the Board sent to NASBA in response to the exposure draft concerning use of titles and summarized the nature of responses sent by other states.

B. Illinois Response and Clarification of Firm Review

Administrator Doris Cubitt presented the letter from the Illinois Society clarifying that they would offer peer review services to AP and PA firms in addition to CPA firms.

13. Disciplinary Hearings

Prentiss Shealy, Disciplinary Counsel, made a motion to dismiss cases 2014-24 and 2014-26, on the grounds that the State could not meet its burden of proof.

Motion

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

Motion

Tanya Greenlee 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.

Ellen Adkins, Chair, granted the motion to dismiss cases 2014-24 and 2014-26.

Cases 2014-25 and 2015-37 were heard simultaneously

Motion

Brian Johnson 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. Tanya Greenlee 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 that cases 2014-25 and 2015-37 be dismissed. Charles Alvis seconded the motion, which carried unanimously.

14. New Business

A. Second and Third Quarter CPA Exam Scores

Motion

Gale Bell made a motion to approve the CPA exam scores from the second and third quarters of 2017. Tanya Greenlee seconded the motion, which carried unanimously.

The discussion of the Mutual Reciprocity Agreement was deferred until the December 2017 meeting.

B. Reciprocity Requirements Discussion

The Board discussed the requirements for reciprocity license candidates who have been licensed and practicing as a CPA outside the state for at least 4 out of the 10 years prior to application. Due to conflict between the relevant statute and regulation, the Board felt it was necessary to examine the intent and implications of the reciprocity requirements and make changes to the education element. The Board considered that the date used in the mobility statute may be appropriate to apply to reciprocity candidates.

Discussion of Board seal changes was addressed during Administrator's remarks.

15. Public Comment

No Public Comments

16. Adjournment

Motion

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

The October 24, 2017 meeting of the SC Board of Accountancy adjourned at 7:33 pm.

Respectfully submitted,
Doris E Cubitt, CPA
Administrator