

MINUTES

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

Board Meeting

Thursday, December 14, 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 December 14, 2017, at 10:15am, with a quorum present. Board members present were: Todd Dailey, CPA, Vice Chair, Gale Bell, Accounting Practitioner, Charles Alvis, CPA, and Bob Wood, Public Member. Joining by conference call were Board members Tanya Greenlee, CPA, Brian Johnson, CPA, David Nichols, Accounting Practitioner, and Mark Crocker, CPA. 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, Prosecuting Attorney with the Office of Disciplinary Counsel.

2. Consideration of Excuses for Absences of Board Members

Motion

Charles Alvis made a motion to excuse Ron Hollins, public member, and Michael Putich, CPA. Gale Bell seconded the motion, which carried unanimously.

3. Adoption of Agenda

Motion

Gale Bell made a motion to approve the agenda. Charles Alvis seconded the motion, which carried unanimously.

4. Approval of Meeting Minutes

Motion

Tanya Greenlee made a motion to approve the minutes of the October 24, 2017 meeting as presented. Gale Bell seconded the motion, which carried unanimously.

5. Office of Investigation Report

Sharon Wolfe briefed the Board on the OIE report. She reported that 30 new complaints have been received in 2017 as of December 5th. There are 14 cases currently active, and 32 have been closed.

Motion

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

6. Office of Disciplinary Counsel Report

Donnell Jennings presented a report for information. There are currently 20 open cases, 8 pending consent agreements or memorandum of agreements, 1 pending expert review, and as of January 1st, 20 cases will have been closed.

7. Consideration of Consent Agreements

A. Case No. 2016-14

Motion

David Nichols made a motion to accept the consent agreement. Charles Alvis seconded the motion, which carried unanimously. Brian Johnson did not participate in the vote as he had not yet joined by conference call.

Case No. 2016-12 was tabled until a later meeting

B. Case No. 2016-17

Motion

Charles Alvis made a motion to approve the consent agreement with the addition of language regarding limiting scope of work. Gale Bell seconded the motion, which carried unanimously. Brian Johnson did not participate in the vote as he had not yet joined by conference call.

8. Application Hearings

A. Consideration of Wesley Hill's Firm Registration Application

Motion

Charles Alvis made a motion to go into closed hearing due to the nature of the hearing. Gale Bell seconded the motion, which carried unanimously.

Motion

Charles Alvis 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. Todd Dailey seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

Motion

Tanya Greenlee made a motion to approve the application for firm registration pending Mr. Hill's written statement of intention to remove the credential "JD" from the firm name. Gale Bell seconded the motion, which

carried unanimously. Bob Wood recused himself from the hearing and did not participate in the vote.

9. Chair's Remarks

Ellen Adkins, Chair, spoke briefly about the annual NASBA conference held in October, which she attended along with Administrator Doris Cubitt and Assistant Administrator Susanna Sharpe. She noted that the theme of the conference, "evolve," was a striking indicator of the shift already happening in the profession. She pointed out that changes in accounting curriculums and continuing education are inevitable and expressed hope that the Board could be proactive in handling these changes as some may require adjustments to the current statutes and regulations.

11. Administrator's Report

A. Mrs. Cubitt presented the financial report for information

B. Mrs. Cubitt presented the licensee update as well as other relevant news topics:

-Mrs. Cubitt also spoke about topics covered at the NASBA annual conference including concerns that were expressed by other state Board directors about the changes the AICPA has been undergoing.

-Mrs. Cubitt read each of the annual NASBA focus questions and the Board added input and affirmed their position on the various topics.

-Board members reflected on feedback from a previous instructor of one of the state specific ethics courses and wondered if the current approval process for each vendor is not what was originally intended. It was suggested that as other states have done, perhaps established course content needs to be updated and approved by the Board and Board Administrator each year, with only a small number of vendors authorized to use the final content in order to have more control over course content and prevent outdated material being taught.

-the proposed quarterly newsletter draft prepared by staff was presented for the Board's input. Board members were pleased with the draft and look forward to it being distributed.

-A succession planning "survival kit" prepared by AICPA and NASBA was presented for information as a question on the subject was added to the renewal application for 2018. Board members expressed enthusiasm for the document and suggested it be made available as a resource for licensees.

C. She outlined a suggested travel schedule for 2018, subject to agency approval: the Administrator, Assistant Administrator, Investigator, Advice Counsel, Prosecuting Attorney from the Office of Disciplinary Counsel, and Program Coordinator to attend the NASBA Executive Directors and legal conference in March 2018; Administrator, Assistant Administrator, and 2 interested Board members to attend the regional NASBA conference in June 2018; the Administrator, Assistant Administrator and 2 board members to attend the annual NASBA conference in October 2018,

and 2 board staff to attend NASBA University at each of the two yearly offerings.

Motion

Charles Alvis made a motion to approve the 2018 travel plans as presented. Gale Bell seconded the motion, which carried unanimously.

D. Mrs. Cubitt informed the Board of minor delays in exam score reporting that will happen in 2018 due to software adjustments to the computerized testing program.

E. A document prepared by Board staff to outline the position of the Board regarding the education requirements for reciprocity candidates, as it was discussed at the October 2017 meeting, was presented for confirmation of the Board's position.

Motion

Todd Dailey made a motion to declare that a computer glitch with the renewal notices has created exigent circumstances requiring an amendment to the agenda. Tanya Greenlee seconded the motion, which carried unanimously.

Motion

Charles Alvis made a motion to amend the agenda to add Item F, concerning the carryover error affecting renewal notices. Gale Bell seconded the motion, which carried unanimously.

F. Mrs. Cubitt explained to the Board that an error occurred in the preparation of renewal notices, which caused a portion of the notices to display incorrect carryover hours from 2016. She pointed out that only a portion of all licensees were affected and that Board staff has been working with the technology department to pinpoint those affected and has prepared a correction email to send to licensees that would display the correct carryover.

Motion

Charles Alvis made a motion to authorize Administrator Doris Cubitt to allow licensees who were affected by the carryover error such that their renewal notice displayed a carryover greater than their actual carryover and which resulted in the licensee being deficient of 40 hours for 2017 to use an extension period ending on March 1st to obtain the difference between the erroneous and correct carryover and submit their report for the year 2017. Gale Bell seconded the motion, which carried unanimously.

12. New Business
A. IRC Committee Recommendations

Doris Cubitt summarized the members of the current IRC committee, which is composed of the Board Administrator, Assistant Administrator, Investigator, Chief Investigator, Attorney from the Office of Disciplinary Counsel, and the professional member. She noted that many other Boards have more than one professional member to ensure participation in case of an absence or emergency. Anne Ross, who currently serves on the character and fitness committee and has expressed interest in joining the IRC committee, was suggested.

Motion

Gale Bell made a motion to nominate Ann Ross, CPA, to join the IRC committee while continuing her role on the character and fitness committee as appropriate until a replacement is found. Tanya Greenlee seconded the motion, which carried unanimously.

B. Mutual Recognition Agreement

Doris Cubitt presented a mutual reciprocity recognition agreement with Ireland to set out reciprocal requirements for Chartered Accountants who wish to obtain CPA licensure in the United States.

Motion

Charles Alvis made a motion to adopt the mutual recognition agreement with the Chartered Accountants of Ireland. Gale Bell seconded the motion, which carried unanimously.

Charles Alvis spoke briefly about changes on the horizon for the accounting curriculum at some institutions that may make it more difficult for students to earn the typical business courses that have historically been accepted by the Board. Due to the shift toward a more technology and math heavy focus, the education committee aims to be proactive in pinpointing such courses and curriculums and provide guidance to staff.

14. Public Comment

No Public Comments

15. 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 December 14, 2017 meeting of the SC Board of Accountancy adjourned at 12:30pm.

Respectfully submitted,
Doris E Cubitt, CPA
Administrator