

## MINUTES

SC Department of Labor, Licensing & Regulation  
Board of Accountancy

### Board Meeting

Thursday, November 14, 19, 2013  
SYNERGY OFFICE PARK  
KINGSTREE BUILDING, ROOM 204  
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

Donald H. Burkett, CPA, Board Chair, was present and called the meeting of the South Carolina Board of Accountancy to order on November 14, 2013, at 9:05 a.m., with a quorum present. Other Board members present were: Mark Crocker, CPA, Vice Chair, Gary Forte, Secretary, Ellen K. Adkins, CPA, Tanya Greenlee, CPA, and Walter Kannaday, III, CPA.

#### **Members not in attendance with prior notification**

David Nichols and Christi Cox

LLR staff members participating in the meeting included: Doris Cubitt, Administrator, Michael R. Teague, Administrative Assistant, Amy Holleman, Administrative Assistant, Sara McCartha, Esq, Advice Counsel, Andrew Rogers, Esq, Office General Counsel, and Sharon Wolfe, Chief Investigator, Office of Investigations and Enforcement.

#### 2. Adoption of agenda.

##### **MOTION**

Mr Kannaday made a motion to accept the agenda for as written. Mr Forte seconded the motion, which carried unanimously.

#### 3. **Greene and Company/Argo and Associates Motion to Reconsider Previous Order**

Mr Fred Crawford, Esq, of Richardson, Plowden and Robinson, P.A. representing Greene and Company/Argo and Associates, presented an argument to the Board that the Oral Order they issued on August 21, 2013, may be factually inaccurate and asked the Board to reconsider..

#### 4. **Financial Reporting Framework (FRM) for Small & Medium-sized Entities (SMEs)**

Mr Daniel Noll, CPA, the American Institute of CPAs Director of Accounting Standards, presented an overview to the Board of the need for FRM for SMEs since these type of entities may not necessarily fit into Generally Accepted Accounting Principles (GAAP) requirements.

5. **Licensees Petitioning Board to Waive or Forgive Fines associated with Reinstatement Consent Agreements**
  - A. Jack Wingate, CPA 309 – Mr Wingate said the reason for not renewing his license and completion of CPE was due to a stroke and rehabilitation.
  - B. Raymond Harris, CPA 2962 – Mr Harris notified board staff that he would accept the Consent Agreement.
6. **Legislative update from Erin Pate, Chief Executive Office of the South Carolina Association of CPA's**

Ms Pate highlighted South Carolina House Bill 3459 (Addendum 1), which was introduced during the 2013 session; however, it did not pass and will be reintroduced during the 2014 session.

**MOTION**

Mr Kannaday made a motion to go into Executive Session for Legal Advice. Mr Crocker seconded the motion, which carried unanimously.

**MOTION**

Mr Kannaday made a motion to come out of Executive Session. Mr Crocker seconded the motion, which carried unanimously.

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

7. **MOTION**

Ms Greenlee made a motion that's due to his (Mr Wingate – Item 5(A)) medical circumstances, we reject the Consent Agreement and reinstate his license. Ms Adkins seconded the motion, which carried unanimously.

8. **MOTION**

Ms Adkins made a motion to amend the verbal order applicable to Greene and Company to remove the phrase, "and any successor firms;" however, this is not reconsidering any changes or sanctions applicable to the respondent firm or the partners of the respondent firm. Mr Kannaday seconded the motion, the vote carried with one abstention, Mr Forte.

Mr Burkett added the Board agrees to the course of action Mr Argo outline in his October 4, 2013, letter (Addendum 2).

9. **Office of Investigation & Enforcement - Complaint & Investigative Activity**

- A. Ms Cubitt briefed the Board regarding the OIE Case Report. (Addendum 3)
- B. No Dismissal Report - Investigative Review Committee did not meet.

10. **General Counsel Activity**

Mr Rogers briefed the Board regarding the Office of General Counsel's case load (Addendum 4).

11. **Approval of August 19, 2013, Meeting Minutes**

**MOTION**

Mr Kannaday made a motion to accept the minutes as written. Ms Greenlee seconded the motion, which carried unanimously.

## 12. Consideration of Consent Agreements

### **MOTION**

Ms Greenlee made a motion to accept Thomas R. Kassekert's Consent Agreement as presented. Mr Crocker seconded the motion, which carried unanimously (Addendum 5).

### **MOTION**

Ms Greenlee made a motion to accept Carolyn A. Reilly's Consent Agreement as presented. Mr Forte seconded the motion, which carried unanimously (Addendum 6).

### **MOTION**

Ms Greenlee made a motion to accept William J. Zobel's Consent Agreement as presented. Mr Kannaday seconded the motion, which carried unanimously (Addendum 7).

## 13. Administrator's Report

Ms Cubitt discussed the following items:

- Financial reports are provided (Addendum 8)
- Provided board members with copy of an excerpt of the August 23, 2012, Board Minutes stating the policy regarding late CPE; no changes were made (Addendum 9).
- Provided board members with copy of reinstatement guidelines as information (Addendum 10)
- Provided an update from the National Association of State Boards of Accountancy Annual Meeting
- Asking to be able to issue Cease and Desist notice at the beginning of the complaint process rather than at the end of the process

### **MOTION/POLICY**

Ms Greenlee made a motion to staff to issue Cease and Desist notices at the beginning of the administrative process for unlicensed practice. Mr Crocker seconded the motion, which carried unanimously.

## 14. New Business

A. Consideration to approve 2014 travel

### **MOTION**

Ms Greenlee made a motion to allow Ms Cubitt and one staff member to attend NASBA's Executive Director's Conference from March 3<sup>rd</sup> through 5<sup>th</sup>. Mr Kannaday seconded the motion, which carried unanimously.

### **MOTION**

Mr Kannaday made a motion to allow Ms McCartha, Advice Counsel, Mr Rogers, Prosecuting Counsel, and Ms Goff, Investigator to attend NASBA's

Legal Counsel Conference from March 3<sup>rd</sup> through 5<sup>th</sup>. Ms Greenlee seconded the motion, which carried unanimously.

**MOTION**

Mr Kannaday made a motion to allow Ms Cubitt, Mr Burkett, Board Chair and two additional board members to attend NASBA's Eastern Regional conference from June 4<sup>th</sup> through 6<sup>th</sup>. Ms Greenlee seconded the motion, which carried unanimously.

**MOTION**

Mr Kannaday made a motion to allow Ms Cubitt, Mr Burkett, Board Chair and two additional board members to attend NASBA's Annual Conference from November 2<sup>nd</sup> through 5<sup>th</sup>. Ms Greenlee seconded the motion, which carried unanimously.

B. Consideration of Firm Mobility and Attest Definition white papers are for information only.

C. Consideration of Nichole Woodard's Dixon Hughes experience to license Recusal: Mr Crocker

Ms Woodard was employed by Accountemps, a temp service but reported directly to a CPA on a day-to-day basis.

**POLICY**

Allow experience by individuals who are employed by temp agencies experience provided they work directly under the direct supervision of an active licensed CPA

D. Consideration in updating Section 40-2-30(C)  
Current statute reads pre-SSARS 19 standards; language needs to change where it will be in compliance regardless of the updated standards.

E. Review of teaching experience requirements  
Current statute states (Section 40-2-35(F)(2)(a)), "teaching less than twelve semester hours per year" should read "teaching less than twelve semester hours per semester". Also, what does the Board consider to be full-time teaching; spring semester, fall semester and both summer sessions? 36 Semester hours?

**POLICY**

Full-time teaching would be considered teaching the spring semester (12 semester hours or quarter hour equivalent), one summer session (6 semester hours or quarter hour equivalent), and the fall semester (12 semester hours or quarter hour equivalent). A total of 30 semester hours (or quarter hour equivalent) will constitute 1 year of experience.

F. Consideration of language for Succession Planning for Firms  
Tabled until January 23, 2014, meeting.

G. Review of CPE Exemption for persons serving on active military duty.

Further information is needed to define active military duty as opposed to being deployed to a combat area; tabled until January 23, 2014, meeting.

#### H. Review of Potential Legislative Changes

- (1) Composition of the Board: have one of the two public members be designated as an attorney (Section 40-2-10).
- (2) Obtaining a CPA license in South Carolina: add requirement to have candidate turn in a FBI background check (Section 40-2-35 and Section 40-2-240).
- (3) Obtaining original CPA license: If the candidate waited three or more years since passing the CPA Exam to license, add the requirement to complete 120 hours of CPE to be current in the profession (Section 40-2-35).
- (4) Individual License and Firm Registration Renewals: have the active license period from February 1 through January 31, annually (Section 40-2-250(A) and Section 40-2-255(A)).
- (5) Firm Managers: have a detailed list of responsibilities added to Section 40-2-40(C)(3)
- (6) Register each office of firm; eliminate Section 40-2-40(E) reference to register each "**office of the**" firm also refer to Section 40-2-40(C)(3).
- (7) Limit or waive reinstatement fees (Section 40-2-250(E)) under special circumstances.
- (8) Update Peer Review language (Regulation 1-09) as it is out dated.

#### I. Approval of CPA Exam Grades

##### **MOTION**

Ms Greenlee made a motion to approve the 2013 3<sup>rd</sup> Quarter CPA Exam grades. Mr Kannaday seconded the motion, which carried unanimously.

#### J. Approval of 2015 Board Meeting dates

##### **MOTION**

Ms Greenlee made a motion to approve the 2015 Board Meeting dates. Mr Kannaday seconded the motion, which carried unanimously.

#### K. Election of officers

##### **MOTION**

Mr Kannaday made a motion to approve the same slate of officers for 2014; Mr Burkett, Chair, Mr Crocker as Vice Chair, and Mr Forte as Secretary. Ms Greenlee seconded the motion, which carried unanimously.

### 15. **Adjournment**

##### **MOTION**

There being no further business to be discussed at this time, Ms Greenlee made a motion the meeting be adjourned. Mr Kannaday seconded the motion, which carried unanimously.

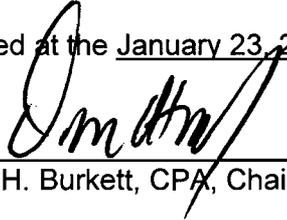
The November 14, 2013, meeting of the SC Board of Accountancy adjourned at 3:37 p.m.

Respectfully submitted,



Doris E Cubitt, CPA  
Administrator

Approved at the January 23, 2014, Board Meeting.



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Donald H. Burkett, CPA, Chair