

Minutes of the South Carolina Board of Accountancy
Wednesday, October 18, 2006, at 10:00 AM in Room 108 (Board Meeting)
Synergy Office Park, Kingstree Building, 110 Centerview Drive
Columbia, South Carolina

Charles L. Talbert, III, CPA, Chairman, called the Board Meeting of the South Carolina Board of Accountancy to order on October 18, 2006, at 10:08 a.m., with a quorum present. Other Board members present were Donald H. Burkett, CPA, Vice-Chairman, Bobby R Creech, Jr., CPA, Mark T Hobbs, CPA, Jamison W. Hinds, Esq., H. McRoy Skipper, Jr, CPA, Wendell Lunsford, Accounting Practitioner, and Joyce Green, Public Member.

Staff members participating during the meeting included: Doris E. Cubitt, Administrator, and Michael Teague, Administrative Assistant.

The Chairman announced the meeting was being held in accordance with section 30-4-80 of the South Carolina Freedom of Information Act by notice mailed to The State Newspaper, Associated Press, WIS-TV and all other requesting persons, organizations, or news media. In addition, notice was posted on the bulletin board at the main entrance of the Kingstree Building.

A moment of silence was observed after which Charles Talbert led all present in the Pledge of Allegiance.

1. On motion by Jamison Hinds, seconded by Donald Burkett, and unanimously passed, an agenda was adopted for the meeting.
2. On motion by Jamison Hinds, seconded by Donald Burkett, and unanimously passed, the minutes of the meetings held on August 23 & 24 and September 20, 2006 were approved.
3. Complaint & Investigative Activity:

Mr Brett Sims was unavailable to present the complaint and dismissal reports to the Board.

(A) Consent agreements and other special matters:

Thomas Mark Christensen, CPA #1867 Case #2005-26. On motion by Jamison Hinds, seconded by Donald Burkett, and unanimously passed the consent order was approved as presented. A copy is attached to these minutes and will be made part of the public record.

(B) The list of new complaints was presented and received as information by the Board.

(C) The following cases were approved for dismissal on motion by Donald Burkett, seconded by Jamison Hinds, and unanimously passed: Case No's. 2006-5, 2006-14, 2006-15, 2006-17, 2006-21.

4. Information Update

- A. Chairman's remarks: Stress that the Board as a whole should attend as many National Meetings as possible.
- B. There were no advisory opinions.
- C. Legislative Update:

Regulations were filed and the publication date for the October Register is 10/27/06. The hearing date before the Administrative Law Court, if someone files an objection to them, will be December 18, 2006. Written comments must be at the Board office no later than 5:00pm, December 4, 2006.

If there are any additions to the regulations it is suggested to wait until March or April 2007 to publish Notice of Drafting.

- D. The Administrator's report was received as information and contained the following:
 - (1) NASBA meeting is in Atlanta from October 29 – November 1, Charles Talbert, Joyce Green and Mark Hobbs will be attending.
 - (2) Renewal Notices have been mailed to all licensees and registrants.
 - (3) Mark Hobbs has been providing Peer Review presentations across the state this past month; Columbia, Florence, North Charleston and Greenville.
 - (4) 2007 Eastern Regional Meeting will be in Williamsburg, VA, June 6 through 8, 2007. Executive Directors and Legal Conference will be in Las Vegas, NV, March 11 through 14, 2007.
 - (5) A contract has been negotiated with SC Association of CPA's (SCACPA) for providing and managing the mandatory Peer Review program. Erin Hardwick has developed a proposed contract and has provided Board members with a copy.
 - (6) We have sent out 1,036 Peer Review Inquiry letters and have received the following responses as of 10/13/06:

85	Need Peer Review
261	No A&A work
318	Received copy of Peer Review
2	Firms Closed
370	Outstanding Responses
38	Accounting Practitioners

324 Certified Public Accountants
8 Public Accountants

E. The Financial Report was received as information.

5. Executive Session:

On motion by Donald Burkett, seconded by Mark Hobbs, and unanimously passed, the Board went into executive session to discuss complaints. Upon coming out of executive session on motion by Jamison Hinds, seconded by Mark Hobbs, and unanimously passed, the Chairman announced that no vote had been taken

6. Old Business. There was no old business

7. New Business

Regulation/Legislative Committee

A. Peer Review Committee: Mark Hobbs

Charles Talbert publicly commended Mark Hobbs, Doris Cubitt and SCACPA for providing the Peer Review forums across the state.

Mark Hobbs indicated that about 160 to 200 licensees turned out for the four Peer Review Forums. There is talk about providing an additional forum in Columbia for individuals that might have missed the other dates.

Mark Hobbs has been asked to speak at a CPE session for the SC Society of Accountants on November 14, 2006 at the Columbia, Marriott concerning Peer Review.

Mark Hobbs also pointed out that the agreement drafted by SCACPA allows Accounting Practitioners and Public Accountants that are not eligible to join the association to receive the member rate. Those CPA's that are eligible to join the association and choose not to will be charged the non-member rates.

Firms that have indicated that they will not be participating in the Peer Review program because they are not doing any A&A work will be subjected to an audit.

On motion by Jamison Hinds, seconded by Wendell Lunsford, and unanimously passed, to table the discussion regarding the mechanics of auditing those firms that have indicated they do not perform any A&A work.

On motion by Jamison Hinds, seconded by Bobby Creech, and unanimously passed, to approve the basis of the contract where SCACPA provides and manages the mandatory Peer Review program.

Charles Talbert mentioned that there should be further dialog with Jim Holloway, our chairman for the Peer Review Oversight Committee, regarding the monitoring the actions of the RAB. The Board should not be second guessing the RAB, unless it appears that it is not doing the job it is set out to do.

B. Report of Education/Experience Committee: Bobby Creech

On motion by Bobby Creech, seconded by Mark Hobbs, and unanimously passed, to grant Kristin Diggett's 6 months experience waiver for reinstatement.

This is a one time approval.

C. Report of CPE Committee: Bobby Creech

D. Report of Examination/CBT Committee: H. McRoy Skipper

(1) On motion by Donald Burkett, seconded by Jamison Hinds, and unanimously passed (McRoy Skipper and Bobby Creech recused themselves), to decline Carol Beverly's request to extend credit of CPA sections passed due to computer failure at testing center.

(2) On motion by McRoy Skipper, seconded by Wendell Lunsford, and unanimously passed, to grant James Mathews' request to extend Notice To Schedule for remaining two CPA Exam sections to May 31, 2007.

E. Other Professional Issues Committee: H. McRoy Skipper

On motion by McRoy Skipper, seconded by Jamison Hinds, and unanimously passed, to allow the usage of "The Cohen Company" by Jennifer Cohen as a sole proprietor.

F. Report of Qualification for Licensure Committee: Jamison Hinds

(1) On motion by Jamison Hinds, seconded by Wendell Lunsford and unanimously passed, the exam grades for the July/August testing window were reviewed and accepted by the Board.

(2) On motion by Jamison Hinds, seconded by Donald Burkett, and unanimously passed a policy that Licensee Certificates

are entered into official record upon signature of the presiding Chairman and Secretary.

G. Report of Character and Fitness Committee: Jamison Hinds

A database will be implemented to track cases that have been reviewed by the Character & Fitness Committee

8. On motion by Jamison Hinds, seconded by Donald Burkett, and unanimously passed the following policy regarding guardianship of clients records when a licensee is incapacitated, disappears, or dies:

(A) Each licensee shall designate a partner, personal representative, or other responsible party to assume responsibility for client files in the case of incapacity or death of the licensee.

(B) Where the licensee is incapacitated, disappears, or dies, and no responsible party is known to exist, the Administrator of the Board may petition the Board for an order appointing another licensee or licensees to inventory the files and to take actions as appropriate to protect the interests of the clients. The order of appointment shall be public.

(C) The appointed licensee shall:

(1) Take custody of the licensee's files and trust or escrow accounts.

(2) Notify each client in a pending matter and, in the discretion of the appointed licensee, in any other matter, at the client's address shown in the file, by first class mail, of the client's right to obtain any papers, money or other property to which the client is entitled and the time and place at which the papers, money or other property may be obtained, calling attention to any urgency in obtaining the papers, money or other property;

(3) Publish, in a newspaper of general circulation in the county or counties in which the licensee resided or engaged in any substantial practice of accounting, once a week for three consecutive weeks, notice of the discontinuance or interruption of the accountant's practice. The notice shall include the name and address of the licensee whose practice has been discontinued or interrupted; the time, date and location where clients may pick up their files; and the name, address and telephone number of the appointed licensee. The notice shall also be mailed, by first class mail, to any errors and omissions insurer or other entity having reason to be informed of the discontinuance or interruption of the accounting practice;

(4) Release to each client the papers, money or other property to which the client is entitled. Before releasing the property, the appointed licensee shall obtain a receipt from the client for the property;

(5) With the consent of the client, file notices or petitions on behalf of the client in tax or probate matters where jurisdictional time limits are involved and other representation has not yet been obtained; and

(6) Perform any other acts directed in the order of appointment.

The administrator is to seek out assistance from the South Carolina Association of CPA's and the South Carolina Society of Accountants to establish a list of volunteers who would be willing and able to be

guardians of clients records until the client is able to pick up said records.

9. The Board discussed 40-2-110(9) and clarified their position that they wanted to caution firms that they could be disciplined for aiding in the unlicensed practice of accounting.

Example: A firm employs, in a professional capacity, a person whose CPA license has been revoked or suspended. Both the firm and principals in the firm are subject to discipline if, knowing that an individual's CPA license has been revoked or suspended, the firm employs such a person directly or indirectly to provide professional services.

On motion by McRoy Skipper, seconded by Jamison Hinds, and unanimously passed the proposed Newsletter.

10. On motion by McRoy Skipper, seconded by Donald Burkett, and unanimously passed, the meeting was adjourned at 12:05pm by the Chairman.
11. The next meeting dates are as follows:

For the year 2006: November – No Meeting; December 7, Room 108.

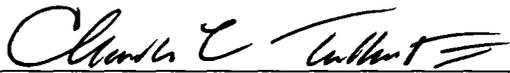
Members are to reserve the afternoon before each meeting in the event a hearing is scheduled.

Respectfully submitted,

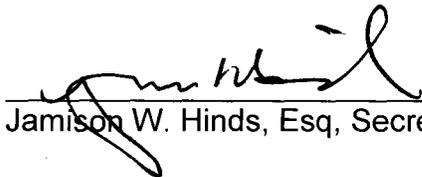


Doris Cubitt, Administrator

Approved at the December 7, 2006 Board Meeting.



Charles L. Talbert, III, CPA, Chairman



Jamison W. Hinds, Esq, Secretary