

Minutes of the South Carolina Board of Accountancy
Thursday, January 28, 2003, at 9:00 A.M. in Meeting Room 108
Synergy Office Park, Kingstree Building, 110 Centerview Drive
Columbia, South Carolina

H. McRoy Skipper, Chairman, called the meeting of the South Carolina Board of Accountancy to order at 9:00 a.m. with a quorum present. Other Board members present: Debra A. Turner Vice-Chairman, Charles L. Talbert, III, Secretary, K. Brodie Brigman, Jr., Joseph S. Cone, Robert T. Foster, J. Louis Grant, and Jamison W. Hinds.

Based on advanced notice, the absence of Malcolm Robinson was excused.

Staff members participating during the meeting included: Doris E. Cubitt, Administrator, Larry Hall, Investigator, Sharon Dantzler, Deputy General Counsel, LLR-Office of General Counsel, David L. Morrison, Prosecuting Attorney, Shirley Robinson, Advice Counsel, and Margery McWhorter, Administrative Assistant. Also in attendance were Kathy Anderson, Executive Director of SCACPA, John Camp, President of SCACPA, Marie Queen, Executive Director of SCSA, Lona Chronister, President of SCSA, and representatives of SCSA.

The Chairman announced the meeting was being held in accordance with section 30-4-80 of the South Carolina Freedom on 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 the Chairman then led all present in the Pledge of Allegiance.

The Chairman welcomed new Board member Jamison W. Hinds who was appointed December 27, 2002, with his term expiring June 30, 2006.

The Chairman also greeted Adrienne R. Youmans newly appointed Director of LLR.

1. On motion by Charles Talbert, seconded by Brodie Brigman, and unanimously passed, an agenda was adopted for the meeting.
2. On motion by Louis Grant, seconded by Brodie Brigman, and unanimously passed, the minutes of the meeting held on Wednesday, December 4, and Thursday, December 5, 2002, were approved.
3. The Chairman opened the floor to members of the South Carolina Society of Accountants to make comments concerning the proposed changes to the law. Stevenson Griggs, Accounting Practitioner, acted as spokesman for the Society and read the three inclusions that were proposed in the SCSA letter to the Charles Talbert, dated January 16, 2003. A copy of the letter is attached to these minutes
4. Executive Session:
On motion by Debra Turner, seconded by Brodie Brigman, and unanimously passed, the Board went into executive session to receive legal advice. Upon coming out of executive

Item #4. Executive Session: continued

session on motion by Louis Grant, seconded by Charles Talbert, and unanimously passed, the Chairman announced that no vote had been taken.

5. Complaint/Investigative Activity:

- A. On motion by Debra Turner, seconded by Charles Talbert, and unanimously passed, the following cases are to be added to the log: Nos. 57-864, 57-869, 57-870, 57-871, and 57-873.
- B. On motion by Debra Turner, seconded by Brodie Brigman, and unanimously passed, the following case was dismissed: No. 57-844.
- C. Doris Cubitt reported that the review of the audits under the Quality Review have been scheduled for May 14 and 15, 2003, and Robert Keisler will again head up this program.

6. For Information:

- A. There were no remarks from the Chairman.
- B. There were no Advisory Opinions
- C. There was no legislative update.
- D. The Administrator's Report was received as information and contained the following:
 - a. By consensus the Board instructed the staff to send CPE reminder notices on February 15, 2003, to all licensees who have not filed their CPE reports. A copy of the reminder is attached to these minutes.
 - b. NASBA is requesting nominations for the NASBA Board of Examiners and they would also like to maintain a list of those who are willing to serve. It was recommended that this notice be put in the newsletter.
 - c. Board members were reminded that the Statement of Economic Interests is to be filed by April 15, 2003.
 - d. The financial report was received as information.

Action Items:

- 7. Old business. There was no old business.

8. New Business:

- A. Qualifications for Licensure Committee. Doris Cubitt reported Malcolm Robinson had stopped by the office prior to the Board meeting to review the files and reported that he had performed a review of a random sampling of the credentials of applicants for certificates and found no exceptions. On motion by Brodie Brigman, seconded by Robert Foster, and unanimously passed, the CPA and Accounting Practitioner Certificates issued December 6, 2002, through January 28, 2003, were approved. (Attachments #1)
- B. Robert Foster, CPE/Renewal Committee:
On motion by Robert Foster, seconded by Joseph Cone, and unanimously passed, John E. Brown, upon his request and submission of the information required under the Order of Reinstatement, dated May 14, 2002, is fully reinstated and the probationary status is removed. Copies are attached to these minutes. Mr. Brown appeared before the Board to answer any questions and also to express his thanks.
- C. Louis Grant, Experience Committee:
On motion by Louis Grant, seconded by Debra Turner, and unanimously passed, the transfer of credit application of Michael Ratcliff was approved. Mr. Ratcliff passed the exam in Georgia while a South Carolina resident. He sat in Georgia as a Georgia resident for the initial exam and continued to go back to Georgia to sit as he had relatives there. He has the education requirements to sit as a South Carolina applicant, was not circumventing our requirements and was not aware of the prohibition in South Carolina regulations.
- D. Charles Talbert – Regulation/Legislative Review Committee, the report will given at the end of this meeting.
- E. Brodie Brigman, Computerized Examination Committee:
The computerized examination will be given in April, 2004. A letter is to be sent to those candidates who are currently sitting for the examination informing them of the changes with the computerized exam. He also discussed the security for the transmission of the examination.
- F. Debra Turner, Position Response Committee: No report
- G. Joseph Cone, Exam Committee, November 2002 examination:
 - a. Joseph Cone reported that he had reviewed the examination procedures and security procedures and found them to be in order.

Item #8.G. Joseph Cone, Exam Committee, November 2002 examination: continued

- b. Doris Cubitt reported there were two incidents reported on the unusual similarities reported for this examination. Additional investigation by CPAES indicated there was no reason for concern and added that the explanation was that the candidates had passed with high grades and therefore had similar answers.
- c. On motion by Joseph Cone, seconded by Debra Turner, and unanimously passed, the AICPA grades for the November 2002 CPA examination were approved.
- d. On motion by Debra Turner, seconded by Louis Grant, and unanimously passed, the Board accepted a preliminary review of the grading results by the CPA Examination Review Board for the November 2002 examination.

H. Other Committee Reports:

On motion by Debra Turner, seconded by Louis Grant, and unanimously passed, the request of Elizabeth Soutter Vaughan was denied. Ms. Vaughn sat for the examination in May, 2002, passing two parts with the two remaining parts not meeting the requirement of an average of 50 on the remaining parts. Since she had not made less than 50 on past exams, she was requesting that she be given credit for the two passed parts and the requirement of an average of 50 on the remaining parts be waived.

I. Report on Composition of IRC:

Doris Cubitt reported that after talking with the chairman of SCORE an application for a public member to work with the IRC was submitted. After reviewing the resume, by consensus, the Board requested the Administrator to again contact SCORE and ask for additional applicants with a stronger background in business. Austin Sheen, IRC for the Board will then interview the applicants and make a recommendation to the Board.

- J. The Annual Renewal Certificate for the period July 1, 2003, through June 30, 2004, and an attachment were approved on motion by Debra Turner, seconded by Louis Grant, and unanimously passed. A copy is attached to these minutes.
- K. After consideration of House Bill 3252, on motion by Charles Talbert, seconded by Brodie Brigman, and unanimously passed, the Board said they would support concept of the bill if the General Assembly would fund the procedures and pay the costs. Sharon Dantzler is to draft a letter of response for the Board.

- 9. There was no public comment.

10. Charles Talbert, Chairman of the Regulation/Legislative Review Committee, thanked the committee for all the time and input into the proposed law. He reported that the prior version of the proposed law had been sent to AICPA and NASBA for comments, those comments had been taken into consideration and the present version includes some of those requests. The five major changes in the law would involve peer review, 40-2-255, education, 40-2-35, language to allow for computer based examination, 49-2-35, substantially equivalency 40-240 and going from a two tier licensing to a one tier, Section 2. The Board allowed representatives from SCSA to present their opinions on the proposed changes concerning the issue of two tier licensing.

After considering and discussing the proposed changes and the information presented, the Board voted to accept the proposed law as written. by a majority vote. The chairman asked that Charles Talbert and a representative of the SCSA arrange a meeting to see if a consensus could be reached with both sides concerning the issue of two tier licensing.

11. The next meeting dates are as follows:

For the year 2003: Tuesday, April 29 and Wednesday, April 30; May - no meeting; Tuesday, June 24; Wednesday, July 23; Tuesday, August 26; Tuesday, September 23; Wednesday, October 22; November - no meeting; Wednesday, December 3.

For the year 2004: Tuesday, January 27; February no meeting; March, no meeting; Thursday, April 22; May – no meeting; Tuesday, June 22; Tuesday, July 27; Tuesday, August 24; Tuesday, September 21; Wednesday, October 27; November – no meeting; Tuesday, December 7.

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

12. The meeting was adjourned at 2:30 p.m. by consensus.

Respectfully submitted,

Doris Cubitt, Administrator