

Minutes of the South Carolina Board of Accountancy
Wednesday, October 22, 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., Donald H. Burkett, Joseph S. Cone, Robert T. Forster, Jamison W. Hinds and Malcolm N. Robinson..

All Board Members were present.

Staff members participating during the meeting included: Doris E. Cubitt, Administrator, Sharon Dantzler, Deputy General Counsel, LLR-Office of General Counsel, Larry Hall, Investigator, and Margery McWhorter, Administrative Assistant.

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 Malcolm Robinson led all present in the Pledge of Allegiance to the Flag of Our Country.

1. On motion by Charles Talbert, seconded by Donald Burkett, and unanimously passed, an agenda was adopted for the meeting.
2. The Chairman welcomed Donald H. Burkett, CPA, as a new board member. His term expires on June 30, 2006. The chairman congratulated Charles Talbert on his reappointment to a second term which will expire on June 30, 2006.
3. Louis Grant has completed serving his term on the board. On motion by Debra Turner, seconded by Brodie Brigman, and unanimously passed, approved a resolution and plaque to be presented to Louis Grant at the annual SCACPA meeting. Copies are attached to these minutes.
4. The Board accepted with regret the resignation of Malcolm Robinson with regret and on motion by Robert Foster, seconded by Charles Talbert, and unanimously passed, approved a resolution and plaque which was presented to Malcolm Robinson at the meeting. Copies are attached to these minutes.
5. On motion by Joseph Cone, seconded by Charles Talbert, and unanimously passed, the minutes of the meeting held on Tuesday, August 26, 2003, were approved.
6. Executive Session:
On motion by Jamison Hinds, seconded by Debra Turner, and unanimously passed, the Board went into executive session to receive legal advice. Upon coming out of executive session on motion by Charles Talbert, seconded by Robert Foster, and unanimously passed, the Chairman announced that no vote had been taken.

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7. Complaint/Investigative Activity:
 - A. There were no consent orders for approval.
 - B. The list of new complaints was presented and received as information by the Board. On motion by Brodie Brigman, seconded by Robert Foster, and unanimously passed, the following cases were approved for dismissal: Nos. 57-1108, 57-1083, 57-1109, 57-1084, and 57-1106.
 - C. Audit Quality Review – Doris Cubitt reported for Robert Keisler that the letters are ready to be sent out to the auditors and the entities.
8. Information Update:
 - A. The Chairman stated there was a need for an Investigative Committee to determine the best way to review and investigate cases in detail before they are presented to the Board either by a consent order or when someone appears before the Board. The Chairman appointed Austin Sheheen, IRC Chairman, Jamison Hinds and Donald Burkett, to develop guidelines for use by the investigative committee. They are to bring their report back to the full Board at the January meeting. .
 - 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:
 1. David Costello, CPAES Examination Services, would like to be on the agenda for the December meeting. By consensus, the Board asked the Administrator to extend the invitation to Mr. Costello.
 2. The financial report was received as information.

Action Items:

9. Old business. There was no old business.
10. New Business:
 - A. Jamison Hinds, Qualifications for Licensure Committee, 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 Charles Talbert, and unanimously passed, the CPA and Accounting Practitioner Certificates issued August 27, 2003, through August October 22, 2003, were approved. (Attachments #1 and 1A.)

Item No 10. New Business: continued

1. Consideration of request of David L. Parks, Jr., for reinstatement of CPA Certificate. No. 02902. After a presentation by John Hilliard, III, Attorney at Law, who represented Mr. Parks, and several others speaking on behalf of Mr. Parks, Mr. Parks also addressed the Board.. On motion by Joseph Cone, seconded by Donald Burkett, and unanimously passed, the following was adopted: The licensee shall be reinstated to practice at such time as he can present evidence that
 - a. he has paid all renewal fees that would have been required had the certificate of registration not been revoked, and
 - b. he has filed a continuing education report showing completion of such continuing professional education as would have been required had the certificate of registration not been revoked, and
 - c. he has completed 40 hours of additional continuing education in accounting and auditing, and
 - d. he has satisfactorily completed at least 8 credit hours of professional education in ethics courses acceptable to the Board and provided by the AICPA.
2. Upon reinstatement, respondent's license will be immediately placed upon probation for a period of five (5) years upon the condition that respondent faithfully complies with the following terms and conditions, which shall continue in effect until further Order of the Board.
 - a. respondent shall continue in good standing with a recognized twelve-step program and shall assure that his sponsor in that program or some officer of that program submit quarterly reports to the Board, attesting to his continued sobriety.
 - b. respondent shall promptly advise this Board in writing of any changes in address, activities, employment or professional status, or probationary status. Correspondence and copies of reports and notices mentioned herein shall be directed S. C. Board of Accountancy, P O Box 11329, Columbia, SC 29211-1329.
 - c. if respondent engages in attest or compilation services, or both, as a component of his practice as a Certified Public Accountant, he shall provide evidence at the time of the renewal in 2004 and 2005 of satisfactory completion of peer review of a quality equivalent to that provided by the South Carolina Association of Certified Public Accountants.
3. It is further understood and agreed that if respondent fails to abide by any of the aforementioned terms and conditions, then respondent's license may be immediately temporarily suspended until further Order of the Board following hearing into the matter.

Item #10. New Business: A. 1. Consideration of reinstatement of CPA certificate: continued

4. Respondent may be required to furnish the Board with additional information as may be deemed necessary by the Board or its representatives to determine compliance with the terms of this order. In addition to such requests, the Board in its discretion may require respondent to submit further documentation regarding respondent's activities, and it is respondent's responsibility to fully comply with all such requests in a timely fashion.
5. Upon completion of the period of probation mentioned above, the respondent may appear before the Board and petition the Board to reinstate fully his certificate of registration. At that time, the Board may grant or deny the respondent's petition, or impose such conditions as the Board may deem appropriate, all in the discretion of the Board.

A copy of the order is attached to these minutes.

- B. CPE/Renewal Committee. No report.
- C. Experience/Education Committee: No report.
- D. Regulation/Legislative Review Committee: Charles Talbert reported that a representative of the Senate LCI Committee has met with the Board staff and that a few housekeeping changes needed to be made which were indicated on the handout to the board members. He also stated that the proposed bill does not adequately state the education requirements to sit for the CPA examination. Brodie Brigman recommended that the board also follow the recommendation of the Legislative Audit Council to sunset the Accounting Practitioners. A copy of the Amendments to SO687 is attached to these minutes. On motion by Brodie Brigman, seconded by Donald Burkett, and passed by majority, the Amendments were approved and are to be sent to the LCI Committee.
- E. Computerized Examination Committee: Sharon Dantzler reported that the contract between CPAES and the SC Board of Accountancy had been reviewed and she recommended a change in the timing of the cancellation clause and that the review of the transcripts by the Board for compensation be further defined. By consensus the board approved the amendments. Sharon Dantzler will contact CPAES and have a corrected contract to present to the board by the next meeting.
- F. Position Response Committee. Debra Turner reported she has responded to several focus questions from NASBA.
- G. November 2003 CPA Examination Committee. Joseph Cone reported as follows:

Item #10. New Business. G. November 2003 CPA Examination Committee: continued

1. The SLED check on a random selection of candidates showed no new information with one exception. An arrest was listed that the candidate had not reported. Before the grades will be released from the November exam, that candidate will be required to give written detail of the circumstances and an explanation as to why the arrest was not listed.
2. On motion by Joseph Cone, seconded by Debra Turner, and unanimously passed the following accommodations for candidates with disabilities were approved:
 - a. Candidate will have 1 additional hour of time for each section and will have an enlarged booklet with 18-point type size. Candidate will be seated in a separate testing area.
 - b. Candidate will have 1.5 hours of additional test time for each section, will be seated in a separate testing area and will have a reader available.
 - c. Candidate will have 1.5 hours of additional testing time for each section and be seated in a separate testing area.
3. Joseph Cone reported he had conducted a review of the examination applications using statistical sampling and found them to be in order. The Board approved the examination applications on motion by Charles Talbert, seconded by Donald Burkett, and unanimously passed.
4. Joseph Cone will be at the examination test site both days of the examination..

H. With changes in the Board structure, the Chairman appointed the following committees:

CPE/Renewal - Robert Foster
Experience – Donald Burkett
IRC/Complaint – Austin Sheheen
Qualification for Licensure – Jamison Hinds
Regulation/Legislative – Charles Talbert, Brodie Brigman, and Joseph Cone
Position Response – Debra Turner
Computerized Exam – Brodie Brigman
November 2003 CPA Examination – Joseph Cone
Finance – Debra Turner, Charles Talbert and Donald Burkett

- I. Kathy Anderson, Executive Director of SCACPAs stated at its fall meeting, the AICPA council adopted a resolution to expand the membership of the Auditing Standards Board (ASB). She asked if the board would consider the recommendation of Anne Ross, SC CPA No. 915, for appointment to this restructured ASB. On motion by Donald Burkett, seconded by Brodie Brigman, and unanimously passed, the board instructed the Administrator to write the letter of recommendation to Mr. David Costello, CEO NASBA.

11. There was no public comment.

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12. Doug Herrington conducted a training session for the board members in how to use the software on their laptops.

13. The next meeting dates are as follows:

For the year 2003: November - no meeting; Wednesday, December 3.

For the year 2004: Thursday, January 29 (Room 111); February - no meeting; March - no meeting; Thursday, April 22 (Room 108); May – no meeting; Thursday, June 24 (Room 111); July - no meeting; Thursday, August 26 (Room 111); September – no meeting; Thursday, October 28 (Room 108); November – no meeting; Thursday, December 9 (Room 111).

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

14. The meeting adjourned at 3:30 by consensus.

Respectfully submitted,

Doris Cubitt, Administrator