

**MINUTES**  
**South Carolina Board of Accountancy**  
**Board Meeting**  
**S. C. Department of Labor, Licensing & Regulation**  
**Tuesday, June 23, 2009, at 9am – Room 108**  
**SYNERGY OFFICE PARK, KINGSTREE BUILDING**  
**110 CENTERVIEW DRIVE, COLUMBIA, S. C. 29210**

**1. Call to Order**

Donald H. Burkett, CPA, Chair, called the board meeting of the South Carolina Board of Accountancy to order on June 23, 2009, at 9:13 a.m., with a quorum present. Other Board members present were Mark T. Hobbs, CPA, Bobby R Creech, Jr., CPA, Anthony Callander, CPA, Malane Pike, Esq., Wendell Lunsford, Accounting Practitioner, and Gary F. Forte, CIMC.

Staff members participating in the meeting included: Doris Cubitt, Administrator, Michael R. Teague, Administrative Assistant, and Amy Holleman, Administrative Specialist. LLR employees attending the meeting included: Sharon Dantzler, Deputy General Counsel, Sandra Dickert, Administrative Assistant, and Angie Scott, Administrative Assistant.

Guests in attendance were Erin Hardwick and Glenna Minor from the SC Association of CPA's (SCACPA), and Gale Bell, representing the SC Society of Accountants.

Mr. Burkett announced this meeting was being held in accordance with the Freedom of Information Act by notice mailed to The State Newspaper; Associated Press; WIS-TV and all other interested persons, organizations or news media. In addition, the notice was posted on the bulletin board at the main entrance of the Kingstree Building.

**Pledge of Allegiance**

All present recited the Pledge of Allegiance.

**Consideration of excuses for absences of Board Members**

Mr. Burkett noted John Camp was granted an excused absence from this meeting.

**Adoption of Agenda**

**MOTION**

Mr. Hobbs made a motion the Board adopt the agenda. Mr. Forte seconded the motion, which carried unanimously.

**Approval of Minutes of Meeting held on January 22, 2009**

**MOTION**

Mr. Hobbs made a motion the Board approve the minutes of the January 22, 2009 meeting. Mr. Creech seconded the motion, which carried unanimously.

**Connie Huffstetler, Manager, Customer Care Center Overview**

Connie Huffstetler briefed the Board regarding the Customer Care Center. She noted the customer care center is averaging 400 to 500 calls per day.

**Erin Hardwick, Executive Director, SC Association of CPA's, Report**

Ms. Hardwick thanked Mrs. Cubitt for speaking with the executive Board of the SC Association of CPAs.

Ms. Hardwick stated SCACPA manages peer review on behalf of the Board. In January 2009 SCACPA instituted a new fee for participation in the peer review program in order to balance the funds for the program and to at least break even. She further stated SCACPA has now moved through the process and had some resistance from the participants. She noted there are a handful of firms and participants which have not paid the fees. She said those firms and participants which have not paid may be dropped by the end of June 2009 in accordance with AICPA rules. She stated Facilitated State Board Access is a program which gives the Board members online access to peer review reports, letters and information regarding firm final Peer Review reports via a secure web site.

Ms. Glenna Minor stated as of the first meeting in January 2009 now have ten firms of twelve and that two firms have opted out of the program. She said the program was phased in with AICPA and it is now in the second phase. She also stated there are several individuals licensed in South Carolina from other states on the web site. Firms licensed in other states can inform her which states they want to have the information posted to. This information has been provided to Mrs. Cubitt and Mr. Michael Teague. The bulk of the reviews will be completed on June 30 and December 31.

Ms. Minor stated all letters, including the committee letter, report from the peer reviewer, letter of comments, and a finding for further comments (FFC) on file until the next peer review, which is scheduled to be held in three years. She noted a firm can have an accelerated review.

Ms. Pike is concerned with letters mailed to firms which have not responded. She is concerned that one year is not a sufficient retention time. Ms. Minor does not know if there is a retention policy. She noted oversight is scheduled for November or December. Mr. Hobbs stated the Board would be interested in the oversight results.

Ms. Dantzer does not think their retention will have an effect on the board's case log.

### **David Christian, III, Manager, Office of Licensure & Compliance Overview**

David Christian, III, Assistant Deputy Director, of the Office of Licensure and Compliance, briefed the Board on the duties of that office. He noted the Board's initial licensure is not within his office at this time and projected the initial licensure would be within that area in April 2010. He stated the agency has a new licensure management system.

Mr. Christian introduced the managers within that area who briefed the members on their duties.

Mr. Christian noted OLC is working toward a paperless environment. He questioned the Board if the pocket card is useful and if the pocket card is needed. The Board believes the pocket cards are useful.

Mr. Creech asked Mr. Christian if the Board would approve any change in licensure procedures. Mr. Christian does not know of anything that will be changing. He noted any protocol established by the Board's statute will remain in place. The Board noted it had no input in moving to the now biennial renewal.

Mr. Christian noted OLC has reduced the turn around period on licensing issues and streamlined the licensure process.

Ms. Cubitt stated OLC is doing renewals only for the Board of Accountancy and noted that most of the licensees have been renewing their license online. She further stated staff is still doing initial licensure. She noted OLC has taken over initial licensure for other Boards, which has made a difference. She said OLC has absorbed staff from other areas into that area.

### **Complaint & Investigative Activity**

- A. Consideration of Consent Agreement and other special matters
  - 1. Robert W Ciskowski, AFI #1034
  - 2. Hayes Tax & Accounting Services, AFI #2526
  - 3. James R. Miller Jr., CPA, AFI #2538
  - 4. J Scott Powell, CPA, AFI #2393
  - 5. G A SMITH, PA, AFI #1949
  - 6. Billy E Whaley, CPA, PA, AFI #1837

#### **MOTION**

Mr. Hobbs made a motion the Board approve the consent agreements involving the six cases. Ms. Pike seconded the motion, which carried unanimously.

- B. Number of Open Complaints

Ms. Cubitt answered questions from the members regarding the number of open complaints.

- C. Approval of case dismissal report (Investigators)

The Board discussed the case dismissal report.

#### **MOTION**

Mr. Hobbs made a motion the Board approve the case dismissal report as follows. Mr. Callander seconded the motion, which carried unanimously.

2006-7	2006-8	2008-11	2008-14	2008-17
2008-20	2008-22	2008-29	2009-3	

### **Information Update**

- A. Chairman's remarks

Mr. Burkett stated he wants to get a number of people involved with NASBA as a lot of information is received from the organization. He noted two members currently serve on committees.

Mr. Forte stated he saw the need for a central point for information from the 50 states and Puerto Rico.

Mr. Hobbs also spoke on the NASBA meeting. He is currently serving on the communications committee. He noted the communications committee discussed inventory of skills and he presented the members with a skills inventory questionnaire. He asked that each member complete the questionnaire prior to leaving today's meeting. He stated the committee is attempting to develop a database of all 50 states to solicit input. He also presented the members with a peer review codes and asked that the members complete the document in regard to (competency codes) their practice. He stated that any member who did not want him to share with NASBA to let him know. He presented the members with an ethics survey and asked that the members complete that form as well. He stated NASBA is attempting to improve their web site and database.

Mr. Burkett welcomed Mr. Bob Baldwin who will be a new member at the next meeting.

Mr. Baldwin gave a brief professional background.

B. Advisory opinions (Sharon Dantzler – Office of General Counsel)  
No advisory opinions were given during this meeting.

C. Legislative update (Sharon Dantzler – Office of General Counsel)  
Ms. Dantzler stated the legislature has inserted a budget proviso that states no board member may be reimbursed for any meetings held outside of Lexington or Richland counties.

D. Administrator's Report (Doris Cubitt)  
1. Information Update  
Ms. Cubitt is glad the members brought back information from the NASBA meeting.

Ms. Cubitt asked the members if the hearing dates would continue to be held on separate dates or if the Board wanted to begin holding hearings the same day as the Board meetings. Mr. Burkett asked that the hearings be held on the Board meeting dates and the other Board members agreed. Ms. Cubitt stated if a hearing looks as though it would be involved, it would be held on a separate date. She states staff would email the members if a request comes in for a hearing in between meetings.

Ms. Cubitt stated at the last meeting the Board had requested staff research the CPA Exam Application processing time. She further stated in the CPA Exam Application process, staff completes the transcript review, which is the hardest and most time consuming. Staff notifies the CPAES by e-mail, and CPAES enters the individual into the Gateway system and they are to mail a notice to schedule to the individual. She said staff has been averaging 17 days, from December to May, and CPAES has been averaging 22 days with a combined total of 45 days. She stated one issue which can make the process longer involves asking for additional transcripts from individuals. She noted the average turn around for CPAES was 34 days and the longest was 133 days. She said when a candidate contacts staff regarding the notice to schedule, staff contacts CPAES to check on the notice. She toured CPAES after attending a NASBA committee meeting in Memphis, Tennessee. She would like to see the CPAES time shortened. She stated staff's shortest turn around time has been 11 days. She noted the coordinator which handles South Carolina also handles two other states.

Ms. Cubitt presented the members with a copy of the pocket license card, which is now being issued, for the members' review. Mr. Creech does not understand why Mr. Christian is signing the cards and does not understand why the chair's signature is not contained on the cards with Ms. Cubitt's signature. Ms. Cubitt stated in the past her signature is the only signature on the pocket cards. She noted the Board members sign the certificates.

#### **MOTION**

Mr. Creech made a motion the pocket cards be reflective of Ms. Cubitt's signature only. Mr. Hobbs seconded the motion, which carried unanimously.

#### **MOTION**

Mr. Creech made a motion the certificate of license for this profession, the Board of Accountancy, the CPA and AP remain in stage as had throughout the years and the only signatures are those of the chair and secretary. Mr. Hobbs seconded the motion, which carried unanimously.

#### **Old Business**

There was no old business to be discussed.

## **Executive Session**

### **MOTION**

Mr. Hobbs made a motion to enter closed session. Mr. Creech seconded the motion, which carried unanimously.

## **Return to Public Session**

### **MOTION**

Mr. Hobbs made a motion the Board return to public session. Mr. Creech seconded the motion, which carried unanimously.

Mr. Burkett noted for the record that no official action was taken during executive session.

## **New Business**

### **Regulation/Legislative Committee – Donald Burkett**

This committee had no report.

### **Peer Review Committee – Mark Hobbs**

Mr. Hobbs stated the Board heard the report from SCACPA earlier in the meeting and he believes they are doing a fine job. He pointed out that there was a break out session concerning peer review during the NASBA meeting. He noted approximately 12 states have adopted an oversight policy such as South Carolina. He also noted South Carolina was one of the top programs reviewed during the session.

### **Report of Education/Experience Committee – Bobby Creech**

This committee had no report.

### **Report of CPE Committee – Bobby Creech**

This committee had no report.

### **Report of Examination/CBT Committee – Anthony Callander**

#### **MOTION**

Mr. Callander made a motion the Board approve the grades. Mr. Lunsford seconded the motion, which carried unanimously.

Discussion ensued in regard to pushing the exam to an international level. It was noted during the discussion some of the states are against moving the exam to the international level.

### **Other Professional Issues Committee – Wendell Lunsford**

This committee had no report.

### **Report of Qualification for Licensure Committee – Anthony Callander**

Mr. Callander discussed the reinstatement letter from Barry T. Davis. He further stated Mr. Davis' brother has been ill and he asked if the fee could be waived on failing to renew licensure.

Ms. Pike questioned what section of the statute gives the Board the authority to waive the fee.

Ms. Dantzer stated the Board has the authority to sanction and to determine the violations according to the statute. She further stated the ALC has been consistent that the Board cannot exceed statutory fees and sanction; however, the Board can reduce, waive, or choose not to enforce the statutory sanctions for a good cause. She does not know whether or not the ALC prefers to protect their own discretion in these situations is up for grabs. She noted it has been done this way for 15 years. She

said the ALC has been extremely flexible in these matters and that other Boards have waived penalties without proper statutory authority.

**MOTION**

Mr. Hobbs made a motion the Board waive the \$500 fee as requested by Mr. Barry Davis. Mr. Forte seconded the motion.

**MOTION**

Mr. Hobbs amended the motion to table Mr. Barry Davis's request until he provides sufficient documentation regarding the illness to satisfy the administrator and for the Board's review during the next meeting. Mr. Forte seconded the motion, which carried unanimously.

**Report of Character and Fitness Committee – John Camp**

This committee had no report.

**Election of Officers**

Mr. Creech presented the Board with the following proposed slate officers. Mr. Creech as chair, Mr. Hobbs as vice chair, and Mr. Callander as secretary.

**MOTION**

Mr. Creech made a motion to the Board elect Mr. Creech as chair, Mr. Hobbs as vice chair, and Mr. Callander as secretary. Mr. Hobbs seconded the motion, which carried unanimously.

**MOTION**

Mr. Hobbs made a motion the Board affirm Austin Sheheen as the IRC chair. Mr. Creech seconded the motion, which carried unanimously.

Mr. Burkett thanked Mrs. Cubitt and staff for their hard work during his tenure as chair.

**Public Comments**

No public comments were made during this meeting.

**Adjournment**

**MOTION**

Mr. Hobbs made a motion the meeting be adjourned. Mr. Creech seconded the motion, which carried unanimously.

The June 23, 2009 meeting of the SC Board of Accountancy adjourned at 11:10 a.m.

Respectfully submitted,



Randall Bryant, Assistant Deputy Director

Approved at the August 27, 2009 Board Meeting.



---

Bobby Creech, CPA, Chair



---

Anthony Callander, CPA, Secretary