

MINUTES

SC Department of Labor, Licensing & Regulation
Board of Accountancy

Board Meeting

8 A.M., Thursday, December 6, 2012
SYNERGY OFFICE PARK
KINGSTREE BUILDING, ROOM 108
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. A transcript of this meeting providing more detail will be available on the Board's website: www.llronline.com/pol/accountancy

1. Call to Order

Donald H. Burkett, CPA, Board Chair, called the board meeting of the South Carolina Board of Accountancy to order on December 6, 2012, at 8:03 a.m., with a quorum present. Other Board members present were: Mark Crocker, CPA, Vice Chair, Gary Forte, Secretary/Treasurer, David Nichols, Accounting Practitioner, Walter Kannaday, III, CPA, and Kristian Cross, Esq.

MOTION

Mr Nichols made a motion that the Board excuse the following Board Members, Mr Wendell Lunsford and Ms Tanya Greenlee from today's Board Meeting. Mr Forte seconded the motion which carried unanimously.

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

2. Approval of October 23, 2012, Meeting Minutes.

MOTION

Mr Forte made a motion to accept the minutes as written. Mr Crocker seconded the motion. Mr Nichols noted that Mr Lunsford was excused from the meeting and also appeared on the list of board members present. Mr Lunsford's name is to be stricken from those who were present. The amended minutes were approved unanimously.

3. Complaint & Investigative Activity

Ms Wolfe briefed the Board regarding the case load and IRC Report. (See attached)

MOTION

Mr Nichols made a motion that the Board accept the case load and IRC reports as information. Mr Crocker seconded the motion, which carried unanimously.

4. **General Counsel Activity**

Mr Rogers briefed the Board regarding their case load (attached). He also told the Board that the upcoming hearings are rather complicated and that they will likely take a couple of days to present. Mr Rogers asked the Board whether they wanted to have the hearings in conjunction with the January 31, 2013, board meeting. It was the consensus of the Board to move forward with January meeting and expand it to January 30, 31, and February 1.

5. **Consideration of Consent Agreement**

A. Glenn T. Thornburg, CPA 8575, Holding Out prior to License being issued.

Ms Cubitt said Mr Thornburg moved to South Carolina and was a CPA in another state. He established his business in South Carolina and did not obtain a reciprocal CPA license in order to practice.

MOTION

Ms Cross made a motion that the Board to accept the Consent Agreement as written. Mr Kannaday seconded the motion, which carried unanimously.

B. Theresa F Parker, CPA, AFI 2176, Did not renew firm registration by January 31, 2011, and continued to practice.

MOTION

Mr Crocker made a motion that the Board to accept the Consent Agreement as written. Mr Kannaday seconded the motion, which carried unanimously.

6. **Administrator's Report**

Ms Cubitt discussed the following items:

- Financial report is provided. If there are any questions, please ask.
- Renewals started in mid-November and continues through January 31, 2013.
- The printing and mailing of the renewals were outsourced to another agency. After they were mailed, a formatting error in the carryover hours for CPE was discovered which affected around 900 licensees. If a licensee had 15.5 carryover hours it read 155 carryover hours. Correction notices were created and mailed the next day. Sent an email blast and posted a notice on our website.
- Handed out a brief overview (attached) of the number of registered firms and how many are subjected to the Peer Review program. The overview indicates more information will be provided at the January meeting; however, with renewals and CPE, additional information will be provided at the April meeting.

7. **New Business**

A. Consideration of Professional Education Services (PES) self-study ethics course

Ms Cubitt gave a brief summary regarding the course PES submitted to fulfill the two hour South Carolina statute and regulation ethics requirement. Mr Burkett asked whether this

should be tabled till the January meeting, giving Ms Cubitt enough time to review the course material.

MOTION

Mr Nichols made a motion to approve the PES course pending Ms Cubitt's final review. Mr Crocker seconded the motion, which carried unanimously.

- B. Consideration of approaching SC Bar regarding random Agreed Upon Procedures for SC attorney trust accounts.

Ms Cubitt said she received an email suggesting the proposal. North Carolina implemented Agreed Upon Procedures for attorney trust accounts as it is an area that is always a problem. Mr Kannaday stated that there are a lot of CE courses that focus on this subject; however, it is an elective for the attorney. If there would be a mandate for attorneys to comply it would alleviate many future problems down the road. Mr Crocker suggested having SC Association of CPAs (SCACPA) approach the SC Bar with the Board's endorsement. Ms McCartha added that this issue is very timely for the legal profession. Mr Burkett asked for Ms Cubitt to get with Bob Brooks, the Executive Director of the North Carolina Board, to see what they did, then get with Erin with SCACPA to see how we can pull this together.

- C. Consideration to support NASBA Vice Chair nominee.

Mr Burkett indicated that the Board has received two requests to support nominees for the position; Walter Davenport and Ken Odom. It is the consensus of the Board to stay neutral and not pick one over the other.

- D. Consideration to support the Board Administrator and Board Attorneys to attend NASBA's Executive Directors Conference and Legal Counsel Conference, March 2013.

Ms Cubitt said she is a member of the Executive Director's Committee, the committee that sponsors the conference. She added the conference is pertinent to the activities she encounters on a day-to-day basis. Concurrently with the Executive Director's Conference NASBA also sponsors the Legal Counsel's Conference. Last year, the Board approved Ms McCartha and Mr Rogers to attend. The conference allows the attorneys to network with other Board attorneys from around the US and keep abreast of timely issues. Mr Rogers added, attending the conference last year was a great resource, since both he and Ms McCartha were new to the Board. It allowed them to gather information and other insight about the profession that they may have received otherwise.

MOTION

Mr Nichols made a motion to approve Ms Cubitt's travel to the Executive Director's Conference. Mr Kannaday seconded the motion, which carried unanimously.

MOTION

Mr Kannaday made a motion to approve Ms McCartha's and Mr Roger's travel to attend the Legal Counsel Conference. Ms Cross seconded the motion, which carried unanimously.

- E. Completion of NASBA's Board of Directors Focus Questions for November.
See attached.

F. Approval of 2014 meeting dates.
The consensus of the Board agreed with the proposed dates (attached).

G. Clarification of which college/university courses are eligible for CPE credit.

Ms Cubitt explained to the Board that, in the past, the only college or university courses eligible for CPE credit were accounting courses. What is the decision of the current Board?

The consensus of the Board agrees that the courses should be accounting or business courses as it relates to the individual's business.

8. **Patrick McDermott, CPA, presented to the Board a briefing regarding Chartered Global Management Accountants (CGMAs)**

9. **Public Comments**
No public comments

10. **Adjournment**

MOTION

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

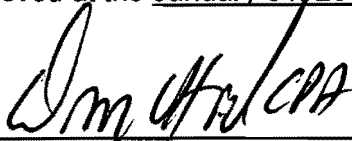
The December 6, 2012, meeting of the SC Board of Accountancy adjourned at 10:15 a.m.

Respectfully submitted,



Doris E Cubitt, CPA
Administrator

Approved at the January 31, 2013, Board Meeting.



Donald H. Burkett, CPA, Chair