

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY**  
**MINUTES**  
**March 25, 2016**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on March 25, 2016, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

David L. Miller, Chair  
Angela L. Pannell, Vice Chair  
Mark P. Peach, Secretary  
Willie B. Sims, Jr.  
Jim E. Burkes  
Rick Elam

Board Staff Present

Ransom C. Jones, Executive Director  
Andy Wright, Board Investigator  
Lane McNeal, Administrative Assistant

Legal Counsel Present

Onetta Whitley, Deputy Attorney General  
Bridgette Wiggins, Hearing Officer Attorney General

Others Present

Josh Norris – MSCPAs Representative  
Karen Moody – MSCPAs President/CEO  
Patrick Wallace, Brooks Court Reporting

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**I. General**

1. The Board opened the meeting with an invocation from Willie Sims.
2. The Board members discussed the Governor's appointment to the Board for the 2<sup>nd</sup> Congressional District.
3. A motion to approve the minutes from the January 29, 2016 meeting was made by Angela Pannell and seconded by Mark Peach. The motion was unanimously approved by the Board.
4. The Board members signed the CPA certificates of licensure from the January 2016 meeting.

**I. General (Continued)**

5. The Board set next and tentative meeting/activity dates for 2016:

April 22	10:00 a.m. Board Meeting
April 23	New CPA Ceremony
June 3	8:30 a.m. Board Meeting
June 7-9	NASBA Eastern Regional – Asheville, NC
June 22-24	NASBA Western Regional – Denver, CO
June 23-26	MSCPA Annual Meeting – Destin, FL
August 12	8:30 a.m. Board Meeting
September 16	8:30 a.m. Board Meeting
Oct. 30 – Nov. 2	NASBA Annual Meeting – Austin, TX
November 18	10:00 a.m. Board Meeting
November 19	New CPA Ceremony
December 9	8:30 a.m. Board Meeting
  
6. The Board reviewed the *Statement of Economic Interest Manual* due to the Mississippi Ethics Commission on May 1, 2016.
  
7. The Board heard a report from the Executive Director and the Investigator on the NASBA Executive Director/Legal Counsel Conference which they attended March 14-18, 2016.

**II. National Regulatory Concerns**

1. The Board reviewed the NASBA *State Board Report*, February 2016.
  
2. The Board reviewed the NASBA *State Board Report*, March 2016.
  
3. The Board discussed a February 29, 2016 transmittal letter, from John F. Dailey, Jr., CPA, Chair, NASBA Compliance Assurance Committee, to state boards and respective Peer Review Oversight Committees, and the related monitoring report of the Committee covering the period November 1, 2014 to October 31, 2015.
  
4. The Board discussed an AICPA Peer Review discussion paper that was sent to state CPA society leaders entitled *Proposed Evolution of Peer Review Administration*. The proposal has a deadline of August 1, 2016, for feedback.

**III. Administration**

1. The Board reviewed the Balance Sheets, for Funds 3845 and 3850, as of February 29, 2016.
2. The Board reviewed the FY2016 Budget to Actual Comparison – Fund 3845, for the Eight Month Period ended February 29, 2016.
3. The Board reviewed the Statement of Revenues and Expenditures, Fund 3845, for the Eight Month Period ended February 29, 2016.
4. The Board discussed the effect on the FY2017 budget of HB 1421, which if passed, would raise boards’ per diem rate from \$40 to \$150 per day.
5. The Board discussed the status of the Online MSBPA IT Projects.
6. The Board approved an additional per diem day for member Angela Pannell for her work on March 14, 2016, as a member of the NASBA Education Committee.

**IV. CPA Examination, Licensing & Firms**

1. The Board members unanimously ratified the Window 1, January – March 2016 CPA examination scores for 164 candidates, 198 examination sections. Sixteen candidates completed all four examination sections.
2. The Board members unanimously accepted the listing of 109 candidate applications for the computerized examination (33 initial, 76 reexam) received since the January meeting with the exception of candidate 13999.
3. The Board members approved one refund request for candidate 13985. The Board considered four special considerations from initial exam applicants. The Board approved candidates 13998, 13992 and 13996 and requested candidate 13999 to appear for a show cause hearing.
4. The Board members present unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

**Applications for Original CPA License**

File	Name	Number	Action
11992	John Christopher Auerswald	7219	Yes
12854	Shelita Sherie Hall	7220	Yes
13610	Gail Bankston Hester	7221	Yes

**IV. CPA Examination, Licensing & Firms (Continued)****Applications for Original CPA License (continued)**

File	Name	Number	Action
13397	Steven W. Hinson, Jr.	7222	Yes
12727	Stephen Robert Kimmel	7223	Yes
13640	Jamie Charles McFadden	7224	Yes
13556	Clarissa Sha Mitchell	7225	Yes
13643	Agustina Pesci	7226	Yes
12903	Gwenzetta Rochelle Pollard	7227	Yes
13129	Erika Patrice Woodard	7228	Yes

**Applications for Reciprocal CPA License**

File	Name	Number	Action
13942	Mary E. Jones	R7229	Yes
13989	Alan Jonathan Stancill	R7230	Yes
13940	Arthur Clark Taylor	R7231	Yes

**Applications for Reinstatement of CPA License**

File	Name	Number	Action
13161	Rebecca P. Hammond	R3568	Yes
12438	Thomas Wayne Owens	R3416	Yes
07568	Monique Schmit	4148	Yes
13074	Tara B. Stigall	6259	Yes

**Applications for CPA Firm Permit to Practice**

Name	City, State	Number	Action
Karen Brown, CPA	Clinton, MS	7210	Yes
Bruntlett & Associates, PLLC	Taylorville, MS	7211	Yes
Frazier & Deeter, L.L.C.	Atlanta, GA	7212	Yes
Anne Habeeb, CPA	Clinton, MS	7213	Yes
Marcum, LLP	Oxford, MS	7233	Yes
Frances McNair, CPA	Starkville, MS	7214	Yes
Kimberly Price CPA, PLLC	Clinton, MS	7215	Yes
Amanda Sharp CPA, PLLC	Oxford, MS	7216	Yes
TWRP & Associates, P.C.	Loganville, GA	7232	Yes
Lorena D. Williams, CPA	Gulfport, MS	7217	Yes
WithumSmith+Brown, PC	Princeton, NJ	7218	Yes

**IV. CPA Examination, Licensing & Firms (Continued)****Amendments to Registered Firms**

Number	Name	City, State	Change
F0873	Cork Hill & Company, LLC	Birmingham, AL	Name change from Cork Hill & Mills, LLC
F1423	RSM	Birmingham, AL	Name change from Sellers, Richardson, Holman & West LLP
7141	PKF O'Connor Davies, LLP	Harrison, NY	Name change from O'Connor Davies, LLP
F1469	MA Turner & Associates	Jackson, MS	Name change from Turner & Associates
F0285	Watkins Ward & Stafford, PLLC	West Point, MS	Name change from Dungan CPA Co.

**Application for Reinstatement of a CPA Firm Permit to Practice**

Number	Name	City, State	Action
F1221	Barfield Murphy Shank & Smith, LLC	Birmingham, AL	Yes
F0819	Baugh & Company PA	Hattiesburg, MS	Yes
F0179	Mark A. Brantley, CPA	Georgetown, MS	Yes
F1483	Henry Moore CPA LLC	Madison, MS	Yes

5. The Board reviewed a listing of voluntary cancellations made by CPAs and CPA Firms requested during the 2016 Registration period:

<u>CPA Name</u>	<u>Number</u>
Jeffrey D. Aldridge	5631
Sheila D. Borroni	2962
Louis Conerly	0680 (retired)
James M. Fisher	R3443
David H. Goodin	R2806
Robert Holman	1774 (Remand CPE)
Charles M. Ison	R2886 (retired)
Gail H. Jenifer	R3607
Charles R. Kirkpatrick	5320
Carol L. Mitchell	R2576
Elizabeth F. Nance	R3256
Nathan A. Reason	6342
Fred G. Tavoleti	3928
Sopin Tunhikorn	4799
Pamela L. Wood	R2452

**IV. CPA Examination, Licensing & Firms (Continued)**

5. Cancellations (continued)

<u>Firm Name</u>	<u>Firm Number</u>
Deborah Borgman, CPA	F1540
Renee M. Carlton, CPA	F0209
Drake Watters & Associates, PLLC	F1314
Steven McDevitt, CPA, PLLC	7108
Grant Thornton, LLP	F1465
Grant Thornton, LLP	F1213
Grant Thornton, LLP	F1299
JD Shirley LLC	F1056

**Applications for Retired CPA Licenses**

<u>Number</u>	<u>Name</u>	<u>Action</u>
1633	Hugh J. Boone	Yes
3014	James W. Gunkel	Yes
2936	Anne Ross	Yes
3892	June R. Simmons	Yes
1266	Linda P. Smith	Yes
R2854	G. Charles Tackett	Yes

6. The Board noted the memo on Board guidance for refunds of late fees.
7. The Board reviewed and denied six requests for refund of the registration late fee.
8. The Board discussed possible key note speakers for the April 2016 New CPA Ceremony.
9. The Board noted an AICPA letter dated March 1, 2016 providing information on the new fee structure for the CPA Exam.
10. The Board noted a NASBA email notice dated March 14, 2016, regarding the next version of the CPA examination.

**V. Continuing Professional Education**

1. The Board members present unanimously authorized the following actions on CPE sponsor programs applications submitted for approval.

Sponsor/Title	Dates	Hours	Action
Association of Government Accountants 1. Professional Standards in Finance & Program Management	3/16/2016	1	Yes
Department of Revenue 1. Auditor Training Sem.-Corporate Tax	1/11-13/16	14.25	Yes:
2. Cybersecurity and Password	1/4/16	1	
3. EXCEL	1/5/16	1	
4. Activities & Expense Reports	1/5/16	.75	
5. MARS Fundamentals	1/5/16	4	
6. Overview if the Audit Process	1/5/16	2	
7. EXCEL 1 Refresher	1/19/16	4	
8. Working Papers	1/20/16	2	
9. Audit Research & Setup	1/20/16	1	
10. Audit Methods-Invoice	1/20/16	2.5	
11. Audit Methods-Cash Analysis	1/20/16	2.25	
12. Audit Methods-Comparison	1/21/16	3.75	
13. Interest & Penalty Calculation	1/25/16	2.5	
14. Preliminary Interview	1/25/16	2	
15. Exempt Sales-Apps & Analysis	1/26/16	1	
16. Sales Tax Credit Apps	1/27/16	1.5	
17. Grocery Store Procedures	1/27/16	6	
18. Audit Process & Approach-1	1/28/16	3	
19. Audit Process & Approach-2	1/28/16	1.5	
20. Evaluation Tips & Prod Calc	1/28/16	1.25	
21. Seminar Questions & Clarif	1/29/16	1	
22. MARS-Audit Research	1/29/16	5.5	
23. Audit Plans Scheduling	2/18/16	1.5	
24. Auditor Comments	2/18/16	2.5	
25. Estimates & Verification	2/18/16	2	
26. Account & Entity Analysis	2/22/16	2	
27. Markups & Buy-Downs	2/22/16	4	
28. Audit Methods- Source & App	2/23/16	2.25	
29. SLS Practice Set-Small Grocery	2/24/16	6.25	
30. SLS Practice Set-Small Grocery	2/25/16	4	
31. IIT Practice Set-Small Grocery	2/25/16	2	
32. Ethics inc FTI Confidentiality	2/17/16	2 Gen Ethics	
33. Sales Tax Law	1/6/16	7	
34. Industry Issues-Medical	1/25/16	1.5	
35. Exempt Sales Law	1/26/16	2	
36. Use Tax Law Synopsis	1/26/16	5	
37. SEATA	1/27/16	.5	
38. Statute of Limitations	1/28/16	2.25	
39. Agency History	2/17/16	1	
40. Sales Tax Law Review	2/17/16	2	
41. TMS MARS Overview	2/27/16	1	

## V. Continuing Professional Education

### 1. CPE Sponsors (continued)

Sponsor/Title	Dates	Hours	Action
Department of Revenue (continued)			
42. Industry Issues–Restaurant	2/18/16	2	Yes
43. Industry Tax Law-Individual	2/19/16	5.5	Yes
44. City Diversion	2/23/16	1.75	Yes
45. Special Tax Levies	2/23/16	2.25	Yes
46. Industry Issues: Motels	2/24/16	1.75	Yes
Department of Labor/Loyola University			
1. 2016 Annual Longshore Conference	3/10-11/16	11.5	Yes
Hilliard Lyons			
1. Social Security – When Should You Start Retirement Benefits?	5/26/16	1	Yes
J. Michael Inzina			
1. Ethics for Mississippi CPAs	Various	4 Ethics (3 General 1 Rules)	Yes
May & Company			
1. Annual Pre-Tax Meeting	1/16/16	3	Yes
Midsouth Institutes of Accountancy			
1. Ethics Update – Topics A (including MS Rules & Regs)	Various	4 Ethics (3 General 1 Rules)	Yes
Spring 2016 Seminars for Accountants:	5/6/16	8 (4 Ethics:3 General and 1 Rules; and 4 hours Tax)	Yes
	5/20/16	8	Yes
MSCPA, Young CPA Network			
1. 2016 Annual Mississippi Young CPA Conference	4/29/16	8	Yes
Patterson School of Accountancy			
1. Accountancy Weekend	4/22/16	8 (2 General Ethics and 6 other)	Yes
Petroleum Accountants Society of MS			
1. What Does HSE do Anyway?	2/24/16	1	Yes
The University of Alabama			
1. 40 <sup>th</sup> Annual American Institute on Federal Taxation	6/22-24/16	20	Yes
Trustmark National Bank			
1. You Made It! How to Protect It and Transfer it to Your Heirs	Various	4	Yes
Watkins Ward and Stafford			
1. WWS Tax Training	1/25/16	4	Yes

2. The Executive Director discussed the new NASBA CPE Audit and Tracking Service which will be available for testing by Boards in the summer of 2016. The Board discussed the new system and asked for more information .

**VI. RULES AND REGULATIONS**

1. The Committee Chair, Mark Peach, discussed the status of proposed changes to the MSBPA Accountancy Statutes.
2. The Board members discussed an email dated March 14, 2016 from Angela Pannell regarding CPE information in documents she presented.
3. Angela Pannell discussed the spreadsheet which showed CPE requirements by state. She noted that 21 states require 80 CPE hours over a 2 year compliance period, and that 18 states require 120 CPE hours over a 3 year compliance period. The Board tabled taking immediate action. The Board then directed the Committee to work on recommendations to be brought to a future Board meeting for possible changes to CPE Rules. The Board noted that they will keep MSCPA representatives informed and seek input about possible CPE rules changes.
4. Angela Pannell discussed a PDF document copied from the NASBA website which showed CPE Fields of Study organized into 23 subject matter areas. There was discussion about changing CPE rules regarding fields of study. This discussion was also tabled and the Committee was asked to also work on recommendations to be brought to a future Board meeting for possible changes to CPE Rules related to fields of study and subject matter areas. The Board again noted that they will keep MSCPA representatives informed and seek input about any possible CPE rules changes.

**VII. Regulatory Matters**

The Board heard a report from Investigator Andy Wright and approved the regulatory activities from January 29, 2016 to March 25, 2016:

Activity	Number
Cases Opened	13
Cases Closed ①	4
Cases referred to Members ②	2
Total Cases Open- End of Period	22

**① Cases Closed:**

**Case 2014.12** was opened February 12, 2014 based on Board staff’s discovery that a firm was operating under a non-registered name. After several letters to and from the firm’s owner, and consultation with legal counsel, it was deemed acceptable for the firm to keep a non-conforming name registered with the Mississippi Secretary of State with a d/b/a (or “Fictitious Business Name”) used that matched the Board registered name for operation purposes. After verifying “Fictitious Business Name” registration with the Mississippi Secretary of State, the case was closed without discipline.

**Case 2016.04** was opened February 2, 2016 based on Board staff notation that the firm had resigned from the peer review program, but stated it was still performing compilations on the 2016 firm permit renewal. Based on response from firm including an engagement report, it appeared that the firm had not performed any work requiring peer review in the previous two years. Firm owner confirmed that she made a mistake on the answers on the firm permit renewal, thinking that it applied to previous 3 years, not 1 year. Case was closed without discipline.

**Case 2016.10** was opened February 11, 2016 based on receipt of a written complaint that a former Mississippi licensee was holding out as a CPA in Virginia. The Investigator spoke to Virginia Board of Accountancy staff investigating the same complaint received by their office. Assistance was offered to the Virginia Board staff, if needed. Our actions were communicated to Complainant and the case was closed due to lack of jurisdiction.

**Case 2016.11** was opened February 18, 2016 based on receipt of a telephone complaint about a tax return preparer. After researching the information provided about the preparer, it was determined that he was neither a CPA nor CPA firm, nor was he holding out as such. Informed the Complainant that we had no legal authority over non-licensees and case was closed.

**② Cases Referred to Members: Cases 2016.03 & 2016.14** were assigned to Jim Burkes.

**VII. Regulatory Matters (Continued)**

Andy Wright then discussed the active cases as presented on the *Open Case Log*.

The Board then discussed the issue of firm succession on the death of a sole-stockholder similar to death of a CPA sole proprietor. The Board attorney advised that it was reasonable to use Board *Rule 3.1.15. (b), Death of a Sole Proprietor* as a basis to handle corporate firm succession on the death of a CPA sole stockholder. The Board discussed the possibility of the Rules Committee tweaking the rules to address the matter.

**VIII. Trial Board**

1. The Board discussed the status of the Appeal of the Order of Revocation in Case 2015.06, filed August 18, 2015, by Respondent's lawyer in the Circuit Court of Hinds County, MS, with regard to CPA License #5356, and Firm Permit #F1207. The Board attorney filed Motion to Dismiss the Appeal on September 14, 2015. The Board attorney said she has checked with the Judge's office several times but he has not yet ruled on her Motion to Dismiss.
2. At 9:30 a.m., the Trial Board continued in the matter of pending cases concerning Respondent Kayla Paul-Lindsey, CPA license number 5356, dba Kayla Paul-Lindsey, CPA Firm P.C., firm permit number F1207. Board Member Jim Burkes was recused in the matter as he was the Investigating Board Member.

In Cases 2016.03 and 2016.14, the Respondent and her Firm were charged with one violation of Board Rules related to an alleged debarment from practice before the U.S. Department of Housing and Urban Development. Additionally, Respondent was charged with one violation of failing to comply with a previous Board Order in Case 2014.21 which required completion of peer reviews by December 31, 2014. Lastly, Respondent was charged with one violation of failure to pay a civil penalty and cost recovery fees as required by a previous Board Order in Case 2015.117, related to CPE non-compliance.

Respondent did not attend the hearing. The Board heard testimony on the cases from Andy Wright, CPA Investigator. The Board Attorney entered case documents into evidence which the Hearing Officer had marked as exhibits. Mr. Wright answered several questions from Board Members about the cases. It was noted that Mississippi Accountancy Code Section 73-33-11(1) allows the Board to impose a civil penalty of up to \$5,000 for each violation of Board Rules. Additionally, it was noted that Section 73-33-11(5) allows the Board to impose fees on the person charged to recover the Board's cost of the investigation and the trial board hearing.

After the Board Attorney finished her presentation and summary of the three alleged Rules violations and upon motion by Board Member Angela Pannell with second from Board Member Willie Sims, the Board unanimously voted to close the meeting for the limited purpose of considering whether or not they had a proper subject matter to go into Executive Session.

**VIII. Trial Board (continued)**

In the closed meeting the Board determined that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of Trial Board orders that could be appealed.

Accordingly, the Board reopened the closed meeting and upon motion by Board Member Willie Sims with second from Board Member Angela Pannell, voted to go into Executive Session for the purpose set forth above. Having announced this stated purpose the Board then entered into Executive Session for this specific purpose.

Within the Executive Session, the Board took the following actions: The Board members, having determined that the evidence presented during the Trial Board Hearing was clear and convincing, found the Respondent guilty as charged of the three Rules violations. Board Member Willie Sims then made the following motion: Revoke Respondent's license and firm permit; impose a civil penalty (fine) of \$5,000.00 for each of the three violations for a total civil penalty of \$15,000.00; impose cost recovery fees for all costs and attorney fees for the hearing. Board Member Angela Pannell seconded the motion. The Board Members present voted unanimously in favor of the motion.

Then Board Member Mark Peach made a motion to come out of Executive Session and to resume the open meeting. The motion was seconded by Board Member Willie Sims and was approved by a unanimous vote of the Members present.

The Board came out of Executive Session and resumed the open meeting by announcing the actions and votes it had taken in Executive Session.

Upon conclusion of Trial Board business, the Board adjourned as Trial Board.

APPROVED:

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Chair

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Board Member

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Vice Chair

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Board Member

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Secretary

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Board Member

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Board Member