

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
April 17, 2015

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on April 17, 2015, beginning at 10:00 a.m. The following record of that meeting was maintained.

Board Member Present

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

Board Staff Present

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

Legal Counsel Present

Gloria Green, Special Assistant Attorney General
Leyser Q. Hayes, Special Assistant Attorney General

Others Present

Josh Norris, Advisory Board MSCPA

I. General

1. The Board opened the meeting with an invocation from Willie Sims.
2. The Board members unanimously approved the minutes from the March 20, 2015 meeting.
3. The Board members signed the CPA certificates of licensure from the January and March 2015 meetings.

I. General (continued)

4. The Board set next and tentative meeting/activity dates for 2015:

April 18	CPA Ceremony
June 5	8:30 a.m. Board Meeting
June 17-19	NASBA Western Regional Meeting, Coronado, CA
June 24-26	NASBA Eastern Regional Meeting, Baltimore, MD
June 25-28	MSCPA Convention, Destin, FL
August 14	8:30 a.m. Board Meeting

5. The Board members noted a Reminder: Board members must complete the online form – *Statement of Economic Interest* at the Mississippi Ethics Commission website by May 1, 2015.

II. National Regulatory Concerns

1. The Board members noted the NASBA Nominating Committee notice dated April 7, 2015, seeking State Board Members and NASBA Associates interested in serving on NASBA’s Board of Directors.
2. The Board members noted the NASBA reminder about submitting the Committee Interest Form by April 29, 2015.
3. The Board reviewed the PCAOB News Release dated March 31, 2015, on Auditing Standards.
4. The Board noted the PCAOB news release dated April 1, 2015, regarding sanctions against five auditors.
5. The Board noted the Journal of Accountancy article dated April 1, 2015, on FASB proposal to delay revenue recognition standard.
6. The Board discussed the notice from FAF, FASB and GASB on the development of a strategic plan.
7. The Board reviewed the NASBA *State Board Report* for April 2015.
8. The Board members noted Andy Wright was a speaker at the 2015 NASBA Executive Director Conference.

III. Administration

1. The Board discussed revenue/expenditure history, projections and alternatives:

FY2013 Actual Revenue and Expenditures by month

FY2014 Actual Revenue and Expenditures by month

Cash Flow Monthly Projection FY2015, FY2016, and
FY 2017 - No Fee Increase

Cash Flow Monthly Projection FY2015, FY2016, and
FY 2017 - \$20 License Fee Increase

Cash Flow Monthly Projection FY2015, FY2016, and
FY 2017 - \$15 License Fee Increase

- The Board then voted to increase the Annual and Initial Registration CPA license fee from \$100 to \$110. Additionally, the Board voted to charge a firm permit fee of \$110 on all out-of-state CPA firms with no physical office in Mississippi. There would be no firm permit fee for firms having at least one office located in Mississippi.
2. The Board reviewed Summary Trial Balances as of April 6, 2015, Fund 3845 and 3850.
 3. The Board reviewed the FY2015 Revenues and Expenditures – Fund 3845 Nine Month and Sixth Day Period ended April 6, 2015.
 4. The Board reviewed the FY2015 Budget to Actual Comparison – Fund 3845 Nine Month and Seven day period ended April 7, 2015.
 5. The Board discussed the status of SB 2837 which gives the Board escalation authority spend an additional \$66,000 to cover part of the costs of the Board’s new licensing and reporting system (LARS).
 6. The Board discussed the status Board’s FY2016 appropriation, SB 2881, which was passed by the Legislature and sent to the Governor.
 7. The Board discussed MSBPA IT project status: Updates on ITS LARS Licensing Database Progress. The Board discussed timeline for development, testing and implementing the MSBPA (ITS) LARS Licensing Database System.

III. Administration (continued)

8. The Board discussed the status and the items included in the new office lease. The Board will stay in the same space at a lower rate saving \$4,340 over the 3 year lease term which runs from June 2015 through May 2018.

IV. CPA Examination, Licensing & Firms

1. The Board members unanimously ratified the revised Window 1 - January - February 2015 CPA examination scores for 156 candidates, 183 examination sections. Twelve candidates completed all four examination sections.
2. The Board reviewed a special considerations for initial examination:
Approved request to extend NTS date for candidate #13536.
3. The Board members present unanimously accepted the listing of 59 candidate applications for the computerized examination (7 initial, 52 reexam) received since the March meeting.
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
13636	William Tyler Berch	7073	Yes
13712	David N. Byrd	7074	Yes
13576	Meagan Nicole Forshee	7075	Yes
13586	Sheri Alison Kelly	7076	Yes
13483	Hanyi Ma	7077	Yes

Applications for Reciprocal CPA License

File	Name	Number	Action
13817	Leanne Tipton Cross	7078	Yes

IV. CPA Examination, Licensing & Firms (continued)**Applications for Reinstatement of CPA License**

File	Name	Number	Action
08481	Jim R. Williams	4963	Yes

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Porter CPA LLC	Pembroke Pines, FL	7071	Yes
Steven J. Ursic, CPA	Oxford, MS	7072	Yes

Amendments to Registered Firms

Number	Name	City, State	Change
F0889	Wilkins Miller, LLC	Mobile, AL	Change from Wilkins Miller Hieronymus, LLC

Application for Reinstatement of a CPA Firm Permit to Practice

Number	Name	City, State	Action
F1494	Roberta Davidson, PLLC	Gulfport, MS	Yes
F0536	Montgomery & Bivins, CPAs	Jackson, MS	Yes
F1555	Michael L. Thompson, CPA PLLC	Brandon, MS	Yes

- The Board discussed the CPA Examination review website (Crush the CPA Exam) advertisement dated April 7, 2015: Get College Credits Studying for the CPA Exam. No action was taken.

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
Alexander Van Loon Sloan Levens & Favre, PLLC 1. 17 th Annual A&A Update	5/15/15	8	Yes
MSCPA 1. Cases in Corporate Ethics: For Mississippi CPAs	6/15/15	4 Ethics (3 Gen, 1 Rules)	Yes
Surgent McCoy CPE, LLC (QAS) 1. Mississippi Ethics for CPAs	Self Study Online	4 Ethics (3 Gen, 1 Rules)	Yes

VI. Rules and Regulations

1. The Board discussed the timeline included in the agenda for proposed changes to Accountancy Statutes, Rules and Regulations.
2. The Board discussed tentative meeting times for MSBPA and Society Legislation Committee.
3. The Board noted a list of Society Legislation Committee Members.
4. A discussion was then held on possibly changing the 150 hour requirement for qualifying to sit for the CPA Exam. The Board passed a motion to begin the process of drafting appropriate language to allow exam candidates to take the exam with less than 150 hours of earned college credit that is required by current law in Mississippi.

The Board authorized Board staff and Committee Chair Peach to draft proposed changes to laws and rules before the June 5, 2015, Board meeting. All Board members and staff were encouraged to send in comments to the Executive Director who would forward them to Chair Peach. It was suggested that the Committee forward all proposed law and rules changes to the Board members prior to the June meeting.

VII. Regulatory Matters

1. The Board heard a report from Investigator Andy Wright and approved the regulatory activities from January 30, 2015, to April 17, 2015:

Activity	Number
Cases Opened	1
Cases Closed ①	4
Cases Referred to Members	3
Total Cases open – End of Period	17

① Cases Closed

Case 2014.48 was opened September 2, 2014, based on firm permit renewal acknowledging performance of compilations and non-enrollment in peer review program. Firm responded that this was a mistake on the permit renewal, that they perform no work requiring peer review. Board staff confirmed via answers on 2015 firm permit renewal and offering of services at firm’s web site that work requiring peer review is not being performed. Case was closed without discipline.

Case 2014.53-63 was opened October 2, 2014 based on CPA’s failure to submit a CPE report. By Consent Order dated December 12, 2014, the CPA agreed to obtain CPE penalty hours and to pay costs plus a penalty to close the case. Case was closed upon receipt of original signed Order and proof of CPE completion.

Case 2015.01 was opened on January 5, 2015 based on CPA’s acknowledgment on license renewal that they had pleaded guilty to embezzlement. After verification that a guilty plea was the equivalent of a conviction, the CPA consented to Board revocation of her license. After receiving signed Consent Order, payment of penalty, and return of CPA certificate, the case was closed.

VII. Regulatory Matters (continued)

- Case 2015.05** was opened March 6, 2015, based on receipt of CPA firm's most recent peer review with fail rating. The firm's response to the Board's request for it to list engagements for any Mississippi client's engagements requiring peer review was "NONE". The Board Investigator followed-up with a telephone conversation with the Louisiana firm owner who disclosed that he had not been issuing any financial statements for Mississippi based entities; only doing tax work. The case was closed without discipline.
2. The Board members reviewed an email dated April 2, 2015, and related documents from Leona Johnson, NASBA Compliance Assurance Committee (CAC) Liaison, regarding failed report guidance.

VIII. Trial Board

1. The Board reviewed and considered a Petition to Reconsider a 2011 Board Order against former licensee #2549. The Board found the petitioner's argument to have merit and voted to modify the previous order for Case 2011.12-03, to remove the civil penalty and cost recovery fees which totaled \$740.00, and to provide for the canceling of said license in good standing. Because this matter was part of a consolidated 2011 Board Order, this reconsideration and modification applies only to license #2549. The Investigating Board Member, Angela Pannell, was recused and did not participate in the vote.
2. The Board approved an Executed Consent Order related to Case # 2015.01 which involved a CPA who pleaded guilty to a Federal felony crime and is awaiting sentencing. Licensee #4786 agreed to the revocation of her license and has returned the wall certificate. She has also agreed to the total payment of \$750.00 in civil penalty and costs, to be remitted within 30 days of this order. The Investigating Board Member, Rick Elam, was recused and did not participate in the vote.

VIII. Trial Board (continued)

3. The Matter of CPA license #R3510, Firm #F1275, Cause No., 2014.35, was called up on the docket for an Administrative Trial Board hearing. The hearing originally was scheduled for 9:30 am, January 30, 2015. The hearing was continued twice (to the March 2015 meeting and then to April 2015 meeting). The hearing officer, Leyser Q. Hayes, Special Assistant Attorney General, and Board members were advised that the Respondent called and alleged that he missed his flight into Jackson, Mississippi, that he could not make the hearing and desired to participate by telephone. It was moved by Board Member Willie Sims, with a second by Board Member Jim Burkes that the Respondent be denied his request to participate by telephone, that the Board continue the case until the next regularly scheduled meeting and that there would not be any further continuances. The following Board members voted yes: David Clarke, Mark Peach, Jim Burkes, Angela Pannell, and Willie Sims. Board member Rick Elam voted no. The Investigating Board Member, David Miller, was recused from the proceedings and did not participate in the vote.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member