

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
December 18, 2012**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on December 18, 2012, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

Shelly B. Ford, Chair
Willie B. Sims, Jr., Vice Chair
Jim E. Burkes, Secretary
David E. Clarke
David L. Miller
Angela L. Pannell

Board Members Absent

Rick Elam

Board Staff Present

Susan M. Harris, Executive Director
Ransom C. Jones, Investigator

Legal Counsel Present

Onetta Whitley, Deputy Attorney General
Gloria Green, Special Assistant Attorney General

Others Present

Danny Williams, CPA
Bill Felder, CPA

I. General

1. The Board opened the meeting with an invocation from Willie Sims.
2. The Board members present unanimously approved the minutes from the November 16, 2012, meeting.
3. The Board members present signed the CPA certificates of licensure from the November 16, 2012, meeting.

I. General (Continued)

4. The Board reviewed the tentative meeting dates and activities for 2013. The Board members present unanimously canceled the February meeting and changed the April and May meeting dates.

January 18	Meeting	June 20-23	MSCPA Annual
March 22	Meeting	July 19	Meeting
April 26	Meeting	August 23	Meeting
April 27	Ceremony	September 20	Meeting
May 24	Meeting	October 27-30	NASBA Annual
June 5-7	NASBA W. Regional	November 15	Meeting
June 26-28	NASBA E. Regional	November 16	Ceremony
		December 13	Meeting

5. The Board members present unanimously approved attendance for upcoming National Association of State Board of Accountancy (NASBA) conferences: 31st Annual Conference for Executive Directors & State Board Staff March 3 - 6, 2013, and the 18th Annual Conference for State Board Legal Counsel March 3 - 5, 2013, in Tucson.

II. National Regulatory Concerns

1. The Board reviewed and discussed topics from the November 2012 NASBA *State Board Report*.
2. The Board members present discussed and unanimously approved the draft responses to the NASBA Focus questions due January 3, 2013.
3. The Board members present reviewed the December 2012, AICPA publication *Ethically Speaking*.
4. The Board noted and discussed the following recent Public Accounting Oversight Board (PCAOB) releases:
 - *PCAOB Publishes Staff Audit Practice Alert on Maintaining and Applying Professional Skepticism in Audits*, and
 - *PCAOB Issues Report on Inspection Observations Related to Audits of Internal Control over Financial Reporting*.

III. Administration

1. The Board members present reviewed the SAAS Summary Trial Balances as of November 30, 2012, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the five months ended November 30, 2012.
2. The Board heard a report from Executive Director Susan Harris concerning the status of the IT project.

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of 30 candidate applications for the computerized examination (6 initial, 24 reexam) received since the November meeting.

The Board also reviewed and discussed a special candidate situation related to good moral character - initial applicant number 13378. Based on its careful evaluation of criminal misdemeanor convictions and all other requirements being met, the Board members present unanimously approved this applicant to sit for the examination as a Mississippi candidate.

2. 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

<u>File</u> <u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
13062	Peyton Cole Cavin	6262	Yes
13372	Frederick A. DeBardeleben, V	6263	Yes
12551	Jacob Peter Fisher, IV	6264	Yes
13250	Emily Sabol McHan	6265	Yes
13252	Marila L. Wall	6266	Yes
13058	Jessica Jones Woods	6267	Yes

IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for Reciprocal CPA Licenses

<u>File</u> <u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
13380	Leah A. Holland	R3611	Yes

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Norman Douglas Armstrong, CPA Hattiesburg, MS	F1576	Yes
Fiondella, Milone & LaSaracina LLP Glastonbury, CT	F1577	Yes
R. T. Mallard, CPA Firm McComb, MS	F1578	Yes
Matthew, Cutrer & Lindsey, PA Yazoo City, MS	F1579	Yes
Bonnie Marie Hughes Smith, CPA Jackson, MS	F1580	Yes
T. Wayne Owens & Associates, PC Lawrenceville, GA	F1581	Yes
Thomas Jerry Senter, CPA Fulton, MS	F1582	Yes
The Carleton Group, PLLC Union, MS	F1583	Yes

Application for Reinstatement of a CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Hazel D. Whiting, LLC Madison, MS	F1164	Yes

IV. CPA Examination, Licensing and Firms (Continued)

3. The Board members present unanimously approved a request from Roger Hodge, CPA 0664, for waiver of the 2012 CPE compliance requirements based on affidavit of current retirement and intention to apply for CPA (retired) for 2013.
4. The Board discussed information related to CPA Examination: NASBA Candidate Concerns 12Q3.
5. The Board members heard a report from Executive Director Susan Harris concerning an applicant with all foreign education credits. The Board members present unanimously voted to have the staff send this candidate's transcripts to the NASBA International Evaluation Services to have the education independently evaluated.

V. Continuing Professional Education

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

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
A.	Bisk Education, Inc. (QAS) 1. Ethics Standards for Mississippi CPAs	Online Self Study	4 Ethics (3 general 1 rules)	Yes
B.	Mississippi Association of Public Accountants 1. MS Taxpayer Access Point	11/8/12	1	Yes
C.	Nail McKinney Professional Association 1. Audit Standards Clarity and Convergence Project	12/17/12	4	Yes
D.	Office of the State Auditor 1. FY 2012 Audit Methodology Update - Agency Division of OSA 2. Essential Auditing Skills 3. ProSystems fx Management Training	9/13/12 11/7-8/12 9/12/12 9/18/12 10/11/12	4 16 4	Yes Yes Yes

VI. Rules and Regulations

1. The Board members present reviewed and discussed the one letter received concerning rules amendments, but took no action.
2. The Board members present unanimously approved the adoption of Rule Amendments as noticed in November 2012. The effective date of the amended Rules and Regulations is thirty days after filing with the Secretary of State or January 18, 2012. The amendments include:
 - Renumbering in accordance with new Secretary of State Requirements,
 - Chapter 2 - Clarification related to retired status and reinstatement requirements,
 - Chapter 3 - CPA firms - emphasis on required peer review,
 - Chapter 4 - CPE requirements - added wording related to webinars and internet programs,
 - Chapter 5 - Peer Review requirements - added wording to clarify confusion related to timing of peer reviews and notification to Board, and
 - Chapter 6 - Contingent fee Rule - amended.

VII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities from November 16, 2012, to December 18, 2012:

<u>Activity</u>	<u>Number</u>
Cases Opened	0
Cases Closed	4
Cases referred to Members	0
Total Cases Open	20

VII. Regulatory Matters (Continued)

2. The Investigator reviewed and discussed the closed cases, as follows:

Cases 2012.13-1, 2012.13-30, 2012.13-69, and 2012.13-93 - opened August 28, 2012. The four respondents did not send in their 2012 CPE reporting forms and did not respond to a Board Notice of Hearing and Complaint which was sent by certified mail to their address of record. An Administrative Trial Board Hearing was held on November 16, 2012 and the respondents; licenses were revoked.

3. The Investigator reviewed the open case log by general description and reported on the investigative activities.

VIII. Trial Board

1. The Board members present unanimously voted to convene as the Trial Board for the purpose of considering matters related to disciplinary cases. Shelly Ford, Trial Board President, was the presiding officer. Onetta Whitley, Deputy Attorney General was the presenting attorney. Gloria Green, Special Assistant Attorney General, was the hearing officer.
2. The Board continued as Trial Board for the purpose of hearing Complaint 2012.02 related to CPA license number 4616, as continued from November 16, 2012. The Board heard a report from Deputy Attorney General Onetta Whitley that the respondent, T. J. Walker had responded and desired to settle the matter informally. An informal conference was held which produced a stipulation and consent order agreeable to both parties.

The Board members present reviewed the stipulation and consent order which included the following:

The Respondent shall not practice public accounting as defined by Title 73, Chapter 33 of the Mississippi Code of 1972, as amended, and as defined in the Board's Rules and Regulations. This restriction includes not performing or offering to perform any financial statement engagements such as audits, reviews, compilations, agreed upon procedures, forecasts, projections, other special reports or any accounting and auditing services. This restriction includes not holding-out or maintaining an office for a client or potential client for the practice of public accounting. This restriction includes not performing or offering to perform any

VIII. Trial Board (Continued)

2. (Continued) other services defined as the practice of public accounting or public accountancy including but not limited to preparation of tax returns or furnishing of advice on tax matters.

The Respondent shall cooperate in full with the Board, its attorneys, investigators, and other representatives and investigators of the United States of America and the State of Mississippi in the further investigation.

The Respondent shall, within thirty (30) calendar days of the date of this Stipulation and Consent Order, pay part of the costs associated with the Board's investigation and proceedings conducted in this matter in the amount of One Thousand Dollars and Zero Cents (\$1,000.00). Additionally, the Respondent shall, within thirty (30) calendar days of the date of this Stipulation and Consent Order, also pay a civil penalty in the amount of One Thousand Five Hundred Dollars and Zero Cents (\$1,500.00).

The Respondent shall cooperate with the Board, its attorneys, investigators, and other representatives in the investigation and monitoring of Respondent's practice and compliance with the provisions of this Stipulation and Consent Order. It is the Respondent's responsibility to demonstrate compliance with each and every provision of this Stipulation and Consent Order. The Respondent may be required to furnish the Board with such additional information as may be deemed necessary by the Board or its representatives. In addition to such request, the Board, in its discretion, may require the Respondent to submit further documentation regarding the Respondent's practice, and it is the Respondent's responsibility to fully comply with all such requests in a timely fashion. In this regard, any such documentation shall be deemed received by the Board when the Board's date stamp is affixed to Respondent's written notice or documentation.

After its review and considering all factors the Board members present approved execution of the stipulation and consent order. Votes were - For: Shelly Ford, Willie Sims, David Clarke, David Miller, Angela Pannell; Against: None; Absent: Rick Elam; and Recused: Jim Burkes.

3. The Board continued as Trial Board reviewing a listing of two complaints related to noncompliance with the 2012 CPE requirements wherein the Investigative Committee has now received return correspondence. The Board took the actions listed in the following paragraphs. Angela Pannell was recused as the Investigative Officer.
-

Upon motion by David Miller with second from Jim Burkes, the Trial Board determined to accept the Angela Pannell Investigative Committee recommendation for Complaint 2012.13-51 related to Roger Hodge, CPA 0664, and dismiss the case with prejudice. Mr. Hodge was granted a CPE waiver for the CPE compliance period ended June 30, 2012. Votes were - For: Shelly Ford, Willie Sims, Jim Burkes, David Clarke, David Miller; Against: None; Absent: Rick Elam; and Recused: Angela Pannell.

Upon motion by Willie Sims with second from Jim Burkes, the Trial Board determined to accept the Angela Pannell Investigative Committee recommendation for Complaint 2012.13-50 related to Michele Hester, CPA 5485, and accept the consent order. The consent order requires that the respondent complete 16 CPE hours before December 31, 2012 in addition to paying the related administrative, investigative and legal costs of \$250.00. Votes were - For: Shelly Ford, Willie Sims, Jim Burkes, David Clarke, David Miller; Against: None; Absent: Rick Elam; and Recused: Angela Pannell.

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

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member