

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
March 20, 2015

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on March 20, 2015, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Member Present

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

Board Staff Present

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

Legal Counsel Present

Onetta Whitley, Special Assistant Attorney General

Others Present

Josh Norris, Advisory Board MSCPA

I. General

1. The Board opened the meeting with an invocation from Jim Burkes.
2. The Board members unanimously approved the minutes from the January 30, 2015 meeting.

I. General (continued)

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

March 24-25	NASBA Executive Directors Conference
April 17	10 a.m. Board Meeting
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

4. The Board members noted the online form – *Statement of Economic Interest* at the Mississippi Ethics Commission website that must be completed by May 1, 2015.

II. National Regulatory Concerns

1. The Board members noted the NASBA Nominating Committee notice dated February 2, 2015, seeking Vice Chair recommendations for 2015-2016.
2. The Board members noted the NASBA reminder about submitting the Committee Interest Form by April 29, 2015.
3. The Board reviewed the AICPA Board of Examiners Highlights of the January, 2015, meeting.
4. The Board noted the news release dated February 26, 2015, FAF seeks stakeholder comments on Private Company Council three-Year Assessment.
5. The Board noted the GASB Outlook – *From the Chairman’s Desk*, February 2015.
6. The Board discussed the NASBA *Legislative Alert* from Dan Dustin, CPA, Vice President, State Board Relations, regarding the recent Supreme Court decision in an antitrust case involving a state licensing board.
7. The Board reviewed the NASBA *State Board Reports* for February and March 2015.

III. Administration

1. The Board discussed revenue/expenditure projections and alternatives for FY2015 and FY2016.
2. The Board reviewed Trail Balances as of March 11, 2015, Fund 3845 and 3850.
3. The Board reviewed the FY2015 Revenues and Expenditures – Fund 3845 Eight Month and Eleven Day Period ended March 11, 2015.
4. The Board reviewed the FY2015 Budget to Actual Comparison – Fund 3845 Eight Month and Eleven day period ended March 11, 2015.
5. The Board discussed the status of SB 2837 which would give 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 of SB 2881 and related House Amendment#1, which only partially funds the Board’s FY2016 Budget Request.
7. The Board reviewed the Comparison of MSBPA FY16 Budget request to amounts in House Amendment#1.
8. 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.
9. The Board discussed current office lease and voted to renew lease for a 3 year term which includes a cost reduction and the landlord adding a new restroom.

IV. CPA Examination, Licensing & Firms

1. The Board members unanimously ratified the Window 1 - January - March 2015 CPA examination scores for 156 candidates, 183 examination sections. Twelve candidates completed all four examination sections.
2. The Board reviewed 2 special considerations for initial examination:
Approved request to accept degree based on NASBA evaluation of foreign transcript, File #13809, and Approved one special accommodation request for File #13812.

IV. CPA Examination, Licensing & Firms (continued)

3. The Board members present unanimously accepted the listing of 54 candidate applications for the computerized examination (13 initial, 41 reexam) received since the January 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
12264	Shannon L. Adams	7060	Yes
11889	Joseph Kaleb Deese	7061	Yes
12442	Jonathan Lewis Dietrick	7062	Yes
13583	Elizabeth Reinecke Flynn	7063	Yes
13497	Kathryn Elizabeth Harrington	7064	Yes
13630	Patricia Archer Hentschel	7065	Yes
13178	Daniel J. Payne	7066	Yes
13597	Charles Mack Rawson	7067	Yes
13079	James Joseph Roberts	7068	Yes
13807	David Smithson Stewart	7069	Yes
13816	Mallory Lampton Watts	7070	Yes

Applications for Reciprocal CPA License

File	Name	Number	Action
13814	Kathryn Carroll Lewis	7058	Yes
13787	Emily Holland Wilkins	7059	Yes

Applications for Reinstatement of CPA License

File	Name	Number	Action
07373	Debbie Huff Purvis	4535	Yes

IV. CPA Examination, Licensing & Firms (continued)**Applications for CPA Firm Permit to Practice**

Name	City, State	Number	Action
Angie Barr, LLC	Madison, MS	7050	Yes
BDO, USA, LLP	Nashville, TN	7051	Yes
Brown CPA, LLC	Madison, MS	7052	Yes
Garner CPA Firm, LLC	Pearl, MS	7053	Yes
Lattimore Black Morgan & Cain, PC	Brentwood, TN	7054	Yes
Maggie McMillan, CPA	Clinton, MS	7055	Yes
Mayer Hoffman McCann, PC	Memphis, TN	7056	Yes
St. Clair CPA, PLLC	Carriere, MS	7057	Yes

Amendments to Registered Firms

Number	Name	City, State	Change
F0167	Mitch Boleware, CPA LLC	Collins, MS	Change from Mitch Boleware, CPA
F1272	Carr Riggs & Ingram, LLC	Mandeville, LA	Change from Silva Gurtner & Abney CPAs
F1535	Carr Riggs & Ingram, LLC	New Orleans, LA	Change from Silva Gurtner & Abney CPAs
F1536	Carr Riggs & Ingram, LLC	Pass Christian, MS	Change from Silva Gurtner & Abney CPAs
F1708	Elliot Davis Decosimo, LLC	Greenville, SC	Change from Elliot Davis, LLC
F1697	Payne White & Schmutz, Certified Public Accountants	Seneca, SC	Change from Byerley Payne & White, CPA PA

Application for Reinstatement of a CPA Firm Permit to Practice

Number	Name	City, State	Action
F0316	Chris Frederickson, CPA	El Campo, TX	Yes
F1620	McCarthy CPA	Hattiesburg, MS	Yes
F1207	Kayla Paul-Lindsey CPA Firm	Jackson, MS	Yes

IV. CPA Examination, Licensing & Firms (continued)

Applications for Retired CPA Licenses

Number	Name	Action
1687	Ernest D. Jobe	Yes
3439	Linda T. York	Yes

- The Board reviewed requests from two individual CPAs for refunds of the \$150 late fee assessed due to late 2015 annual registration. The Board members denied the requests.
- The Board noted a schedule of 62 CPA firm permits that will be deleted under the new Board firm permit policy that only the primary firm office located in MS must maintain a firm permit.

V. Continuing Professional Education

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

Sponsor/Title	Dates	Hours	Action
AFWA – Jackson Chapter 1. Money Talks For Women	2/19/15	1	Yes
BancorpSouth Bank 1. Sox, COSO and ERM Process Training	1/27/15	1	Yes
Dept. Of Revenue 1. Ethics, Confidentiality, Code of Conduct and Harassment in the Workplace	Various	2 General	Yes
Estate Planning Council of MS 1. Mississippi Update	9/9/14	1	Yes
2. Mississippi Pre-Election Update	10/14/14	1	Yes
3. Trust and Estate Update	11/11/14	1	Yes
4. Economic Outlook	1/13/15	1	Yes
May & Company 1. Annual Pre-Tax Season Meeting	1/16/15	4	Yes

V. Continuing Professional Education (continued)

1. Sponsor Applications (continued)

Sponsor/Title	Dates	Hours	Action
MidSouth Institutes of Accountancy 1. MS Rules Ethics Course/Tax	5/8/15	8 including 4 Ethics (3 Gen 1 Rules)	Yes
2. A&A Update	5/29/15	8	Yes
MACJC Business Managers 1. GASB #68 Impact on Community Colleges	2/27/15	1	Yes
2. 2016 Government Employer Reporting of 2015 ALE Group Health Plan	2/27/15	1	Yes
MS Gaming & Hospitality Association 1. Facility Design & Reinvestment	5/6/15	1	Yes
2. The New Non-Gaming Opportunity	5/7/15	1	Yes
3. Gaming By The Number	5/7/15	1	Yes
4. Bingo by The Number – Keeping the Budget Inline	5/7/15	1	Yes
5. Class II Slot Revenue	5/6/15	1	Yes
Trustmark Wealth Management 1. The Basics of Estate Planning, Asset Protection Trust and the Prudent Investors Act	TBD	4	Yes
Watkins Ward and Stafford 1. WWS Ultra Tax Training Update	1/21/15	4	Yes

2. The Board members present unanimously authorized the following actions concerning CPE request from individuals.

Sponsor/Title	Dates	Hours	Action
Paul Allen 1. Choose Stocks Wisely	Blog Articles	48	No
Donna Ingram 1. Ethics and Professional Conduct	Various	4 Ethics (3 Gen 1 Rules)	Yes
James Crockett 1. Accounting Ethics 2015	Various	4 Ethics (3 Gen 1 Rules)	Yes

VI. Rules and Regulations

1. The Board discussed legislation pending in the state legislature that could impact the Board.
2. The Board discussed the need for Rules change – *Schedule of Fees*

VII. Regulatory Matters

1. The Board heard a report from Investigator Andy Wright and approved the regulatory activities from January 30, 2015, to March 20, 2015:

Activity	Number
Cases Opened	4
Cases Closed ①	6
Cases Referred to Members	2
Total Cases open – End of Period	20

① *Cases Closed*

Case 2013.09 was opened June 18, 2013 based on a complaint from a former client of the CPA firm. Former client alleged error on payroll tax returns. CPA firm demonstrated that error was only in cover letter and presented evidence of written communication to the former client to attempt to resolve matter. Case was closed without discipline via a Stipulation and Consent agreement.

Case 2014.37 was opened July 17, 2014 based on a complaint from a former client of the CPA firm. Former client alleged that firm was over-billing and would not release certain work product until fee was paid. CPA firm provided evidence to refute the former client's allegations. When complainant was asked for additional evidence, there was no response. Case was closed after complainant's non-response.

Case 2014.44 was opened August 25, 2014, based on discovery of North Carolina (NC) CPA firm apparently performing an employee benefit plan audit for a MS based plan without a firm permit. CPA Firm provided evidence that the audited entity had been purchased by a NC entity prior to the audit in question. The address on the Form 5500 was a clerical error by personnel of the audited entity. Case was closed after verification of domicile of entity in NC.

VII. Regulatory Matters (continued)

Case 2014.52 was opened October 1, 2014, based on receipt of CPA firm's most recent peer review with fail rating. The firm responded with an engagement report listing only one client for which it was performing a compilation engagement through year end September 30, 2013. The firm owner disclosed that he would not be issuing any financial statements going forward; only doing tax work. Firm owner signed an affidavit agreeing to inform Board of any future work requiring peer review in MS, the case was closed without discipline.

Case 2014.55 was opened October 28, 2014, based on receipt of CPA firm's most recent peer review with fail rating. The firm is based in Tennessee, and per an engagement report was only performing one "agreed upon procedures" and compilation engagement for a MS municipality. Since CPA firm was included on the MS Office of the State Auditor's (OSA) "Registered Firms" list, notification of the OSA was required. Once notification was confirmed and an affidavit agreeing to inform Board of any future work requiring peer review in MS, the case was closed without discipline.

Case 2015.02 was opened January 1, 2015 based on a complaint from a person receiving emails from the CPA firm. Copies of the emails indicated that the emails were intended for a client of the firm and not the complainant. Complainant confirmed that he was not able to access any confidential client information from the emails. The CPA firm explained that the intended recipient of the emails had an address only one character different than the complainant's and that the error had been corrected. Case was closed without discipline.

2. The Board discussed the MS Code Section 73-33-12(2) and its relevance in relation to Board Rules 5.5 and 6.8.

VIII. Trial Board

1. At 9:30 a.m., the Board approved an Order granting Motion for Continuance related to Complaint 2014.35, License Number R3510 and Firm Permit # F1275. Hearing originally scheduled for 9:30 am, January 30, 2015. (Investigating Board Member: David Miller)

2. At 9:35 a.m., 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. She has 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 penalty and costs, to be remitted within 30 days of this order. (Investigating Board Member: Rick Elam)

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member