

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
April 28, 2006

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on April 28, 2006. The following record of that meeting was maintained.

Board Members Present

Jean T. Shepherd, Chair
Jim E. Burkes, Vice Chair
Willie B. Sims, Jr., Secretary
David E. Clarke
Diane S. Day
Rick Elam
Angela L. Pannell

Board Staff Present

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

Legal Counsel Present

Gloria Green, Special Assistant Attorney General

Others Present

Jimmy Boyd, MAPA

I. General

1. The Board opened the meeting with the invocation by Board Vice Chair Jim Burkes.
2. The Board members present unanimously approved the minutes from the March 24, 2006, meeting.
3. The Board members signed the CPA certificates of licensure from the March 24, 2006, meeting.

I. General (Continued)

4. The Board members set the start time for the next meeting and reviewed the tentative meeting dates and activities for the remainder of 2006.

May 24	8:30	Meeting
May 31-June 2		NASBA Western Regional San Francisco
June 21-23		NASBA Eastern Regional Puerto Rico
June 22-25		MSCPA Annual Meeting Destin
July 28		Meeting
August 25		Meeting
September 29		Meeting
October 29 - Nov 1		NASBA Annual Meeting Atlanta
November 17		Meeting
November 18		CPA Presentation Ceremony
December 15		Meeting

5. Rules and Regulations Committee Chair Jim Burkes also announced a scheduled meeting immediately following adjournment of the May 24, 2006, Board meeting.

6. The Board members unanimously approved attendance of members and the Executive Director at the Mississippi Society of CPAs Annual Meeting June 22 - 25, 2006, Destin, Florida. The Board will make a report at the annual business meeting Saturday, June 24, 2006, and Jim Burkes has been requested to present a one-hour CPE hour program Friday, 7:30 a.m., June 23, covering Ethics, Public Accountancy Act, and Rules and Regulations.

7. The Board members noted that the *Statement of Economic Interest Manual* is due to the Mississippi Ethics Commission by May 1, 2006.

8. Board member Rick Elam provided the members with a description and explanation of the XBRL (Extensible Business Reporting Language) as it will affect accounting in the future. XBRL is an open-standard software developed by XBRL International, Inc., a nonprofit global consortium.

II. National Regulatory Concerns

1. The Board members reviewed the responses to the NASBA Focus Questions from the March 24, 2006, meeting.

2. The Board members briefly discussed its report for the States' roll call at the NASBA Eastern and Western Regional Meetings.

II. National Regulatory Concerns (Continued)

3. The Board members noted an April 7, 2006, NASBA email, concerning volunteering for the 2006-2007 NASBA Committees. Members' requests should be returned by May 8, 2006.
4. The Board member discussed a March 21, 2006, letter from Billy Atkinson, Chair NASBA Education Committee, forwarding a Task Force's proposed framework for revision to the Uniform Accountancy Rules 5-1 and 5-2 and prior failed recommendations. The Board determined that limited time was provided to review the proposals before they are scheduled to go to the Committee. Board member Rick Elam agreed that he would review the proposals and draft a response for review by the Board members.
5. The Board members reviewed and answered a quick poll from the NASBA Strategic Initiatives Committee concerning legislative, enforcement, standards setting, peer review, and other issues.
6. The Board members discussed an April 4, 2006, letter from the Oregon Board of Accountancy concerning Section 23 of the Uniform Accountancy Act, addressing substantial equivalency standards. The Board expressed its concerns that extensions related to requiring the 150-hour education requirement have weakened and abrogated the principles of substantial equivalence. Therefore, Oregon has adopted its policy to require the 150-hour education requirement for individuals applying for licensure after January 1, 2003, and to separately evaluate each individual who does not come from a substantially equivalent state.
7. The Board members reviewed various information related to the Public Company Accounting Oversight Board (PCAOB) including:
 - PCAOB Release 2006-01, Implementation Schedule for Certain Ethics and Independence Rules Concerning Independence, Tax Services and Contingent Fees, and
 - Testimony of Bill Gradison, before House of Representatives Committee on Financial Services.
8. The Board members briefly discussed the Auditing Standards Board and new standards. The Board also noted that Vice Chair Jim Burkes has experienced the honor of being requested to send his name forward to serve on the ASB.

III. Administration

1. The Board reviewed and discussed the SAAS Summary Trial Balances as of March 31, 2006, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the nine months ended March 31, 2006.
2. The Board reviewed and discussed Senate Bill 3053 for 2007 spending authority as approved and sent to the Governor.

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of candidate applications for the computerized examination (9 initial, 33 reexam) received since the March meeting.
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>Date</u>	<u>Approved</u>
11078	Clint E. Allen	5784	4/28/06	Yes
11440	Jason D. Brooks	5785	4/28/06	Yes
11510	Morgan Lamar Geoghagan	5786	4/28/06	Yes
10138	Amy Williams Greer	5787	4/28/06	Yes
11281	Marjorie Love Hobart	5788	4/28/06	Yes
11466	Gina Frances Hull	5789	4/28/06	Yes
11460	Jacob Scott Jernigan	5790	4/28/06	Yes
11491	Chadwick Robert Miller	5791	4/28/06	Yes
10990	Carley Weed Moore	5792	4/28/06	Yes
10877	John Ernest Pearce, Jr.	5793	4/28/06	Yes

IV. CPA Examination, Licensing and Firms

2. Applications (Continued)

Applications for Reciprocal CPA License

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
11776	Vickie F. Carr	R3182	4/28/06	Yes
11796	Payal Dilip Chauhan	R3183	4/28/06	Yes
11812	David Ronald Horner	R3184	4/28/06	Yes
11790	Edward K. Lozano, Jr.	R3185	4/28/06	Yes
11809	Margaret Rose Magee	R3186	4/28/06	Yes
11801	Thomas Edward Mead	R3187	4/28/06	Yes
11803	Donald E. Rich, Jr.	R3188	4/28/06	Yes
11794	Richard L. Rollins	R3189	4/28/06	Yes
11791	Jay Robert Schwarz	R3190	4/28/06	Yes

Applications for Reinstatement of CPA Licenses

File			
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
10803	Stephanie Snyder Stough	5694	Yes
11298	Adam Louis Wilch	5667	Yes

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Cherry, Bekart & Holland, LLP Charlotte, NC	F1068	Yes
Deloitte & Touche, LLP Detroit, MI	F1069	Yes
Deloitte & Touche, LLP Houston, TX	F1070	Yes
Dixon Hughes, PLLC Durham, NC	F1071	Yes
Ernst & Young, LLP San Antonio, TX	F1072	Yes
KPMG, LLP Greensboro, NC	F1073	Yes

IV. CPA Examination, Licensing and Firms

2. Applications (Continued)

Applications for CPA Firm Permit to Practice (Continued)

<u>Name</u>	<u>Number</u>	<u>Approved</u>
KPMG. LLP Raleigh, NC	F1074	Yes
E. K. Lozano & Co. Mandeville, LA	F1075	Yes

3. The Board discussed the April 29, 2006, CPA presentation ceremony and approved the program. The ceremony will be held in the Old Supreme Court Chamber in the State Capitol with twenty-five new CPAs scheduled to attend.

4. The Board unanimously ratified the Window 1 - January - February 2006 CPA examination grades for 142 candidates, 189 examination sections. Twenty-five candidates from the Window 1 completed all four examination sections. Five of the candidates passed all sections on the first attempt (first-time passers).

5. The Board unanimously took the following actions related to candidate extension requests:

<u>Name and File Number</u>	<u>Board Action</u>
Donald Larry Grafton #4640	Approved extension of AUD, BEC and FAR conditioned credits from May 7 - 8 to September 7 - 8, 2006 due to Hurricane Katrina and in accordance with Governor Haley Barbour's Executive Order dated September 22, 2005.
Patty L. Hays #10808	Denied third extension of lost BEC conditioned credit from March 31, 2006.
Corrie Thompson #11688	Denied extension of REG NTS from Apr 14, 2006 (No Show) to May 31, 2006; and denied extension of AUD conditioned credit from Feb 25, 2007 to Aug 25, 2007.

6. The Board reviewed and approved a request from Ernst & Young New Orleans for a refund of late fees from fourteen CPAs as a result of Hurricane Katrina.

V. Continuing Professional Education

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

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
A.	Association of Government Accountants 1. Planning, Budgeting and Implementing Major Museum Exhibitions	3/15/06	Other	1	Yes
B.	Create Foundation 1. Check Fraud and Identity Theft	3/23/06	Other	2	Yes
C.	Delta Chapter, MS Society of CPAs 1. Accounting and Auditing Update 2. Ethics, MS Public Accountancy Statutes, Rules and Regulations Dr. Steve Wells	5/16/06 5/22/06	A&A Ethics - General Ethics - Rules	8 1 2	Yes Yes
D.	Financial Planning Association 1. 23 rd Annual Symposium Planning for an Aging Population	5/3/06	Other	8	Yes
E.	May & Company, LLP 1. Ethics, MS Public Accountancy Statutes, Rules and Regulations Dr. Steve Wells	5/23/06	Ethics - General Ethics - Rules	1 2	Yes
F.	MS Bankers Association 1. FDIC Bank Director's College: Above & Beyond	2/28/06	Other	6	Yes
G.	Mississippi State University Foundation 1. Estate Planning for Professionals	5/5/06	Tax	4	Yes

V. Continuing Professional Education (Continued)

1. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
H.	Nail McKinney P.A.				
	1. Selected SSA Topics - Practitioner Issues	5/16/06	Tax	4	Yes
	2. Ethics, MS Public Accountancy Statutes, Rules and Regulations Dr. Quinton Booker	5/16/06	Ethics - General Ethics - Rules	3 1	Yes
I.	Positive Systems, Inc. (QAS)				
	1. Ethics for Mississippi Electronic Only (Internet, CD, disk)	Self - Study	Ethics (not delineated)	3	No (1)

(1) Deferred for additional information and review.

2. The Board members present unanimously authorized the following actions on CPE requests from individuals.

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
A.	University of Mississippi - Center for Continuing Legal Education Proof of Damages in MS Today				
	1. What You Need to Know About Fraud Investigations	3/24/06	Other	1	Yes
	2. Putting the Puzzle Together Backwards: The Use of Forensics Requested by R. Moore for D. Ingram	3/24/06	Other	1	Yes
B.	Southern Trust School				
	1. Education for Trust, Wealth Management and Private Banking Professionals Requested by Stan Purvis	6/18-23/06	Other	32	Yes (2)
C.	Bay Area Satellite Group				
	1. Texas Ethics for CPAs Requested by John Thomas	9/22/05	Ethics - General	4	Yes (2)

(2) Pending proof of attendance.

V. Continuing Professional Education (Continued)

2. CPE Individual Requests (Continued)

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
D.	Department of Labor				
	1. Federal Grants Management	8/1-2/05	Other	Not	No (3)
	2. Community-based Job Training Grants	12/9/05	Other	listed	
	Requested by Scott Wilson				

(3) Deferred for additional information and review.

VI. Rules and Regulations

1. Special Assistant Attorney General Gloria Green discussed the new Administrative Procedures Act requirements including filing of compiled Rules and Regulations by June 30, 2006 (even if filed earlier), method of operations, proceedings and declaratory opinions.
2. Committee Chair Jim Burkes scheduled a meeting of the Rules and Regulations Committee following adjournment of the May 24, 2006, Board meeting to discuss the Chapter 3 review.

VII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from March 24 to April 28, 2006:

<u>Activity</u>	<u>Number</u>
Cases Opened	6
Cases Closed	3
Cases referred to Members	3
Total Cases Open	18

2. Cases closed:

2004.14 - opened July 22, 2004. The U.S. Department of Housing and Urban Development referred a licensee for substandard HUD audits. As a result of the

VII. Regulatory Matters (Continued)

2. Cases closed: (Continued)

2004.14 (Continued)

same matter, the Florida State Board of Accountancy acted against the respondent's license. The Mississippi Board and the complainant entered into a Consent Order directing preissuance review of all audits of Mississippi entities and for the term that the Florida Board Order is in effect. The individual must self-report compliance with the Consent Order annually.

Case 2005.13 - opened November 10, 2005. A resident of Louisiana filed a complaint charging a Mississippi licensee with not returning accounting records. The Board investigator closed the case with no probable cause to investigate further after the CPA returned the records to the individual.

Case 2006.02 - opened February 6, 2006. A resident of Laurel, Mississippi filed a complaint stating that a Mississippi licensee would not return his income tax records. The Board investigator closed the case with no probable cause to investigate further after the CPA returned the records to the individual.

3. The Investigator reviewed the open case log by general description and reported on the investigative activities.
4. The Board members reviewed and discussed the March 23, 2006, letter from J. Gordon Seymour, Secretary of the Public Company Accounting Oversight Board. The letter notified the Board that pursuant to PCAOB Rule 4009(b) certain listed firms satisfactorily addressed the quality control criticisms or defects in the inspection reports within the twelve months allowed by Section 104(g)(2) of the Sarbanes-Oxley Act of 2002. Therefore, the PCAOB will not publicly disclose any previously undisclosed portions of the reports which will remain nonpublic and confidential.

The Board unanimously determined to continue receiving the PCAOB inspection reports and handling them as investigative matters which will remain confidential in accordance with the Board's Acknowledgement and Agreement with the PCAOB and exempt from any public release in accordance with the Public Records Act of Mississippi. The Board also discussed in general such investigative procedures as related to these PCAOB inspection reports.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member