

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
August 10, 2007

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on August 10, 2007, beginning at 1:30 p.m. The following record of that meeting was maintained.

Board Members Present

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

Board Members Absent

Rick Elam
Angela L. Pannell

Board Staff Present

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

Legal Counsel Present

Onetta Whitley, Deputy Attorney General
Bridgette Wiggins, Special Assistant Attorney General

Others Present

Jimmy Boyd, MAPA
Gary Walker, MSCPA
Shanna T. May, Brooks Court Reporting

I. General

1. The Board opened the meeting with the invocation by Secretary Diane Day.
2. The Board unanimously approved the minutes from the July 27, 2007, meeting.

I. General (Continued)

3. The Board members present set the start time for the next meeting and reviewed the tentative meeting dates and activities for the remainder of 2007.

September 14 8:30 Oxford, University of Mississippi Patterson School of Accountancy.

October 28 - 31 NASBA Annual Meeting (Maui, HI)

November 16 8:30

November 17 CPA Presentation Ceremony

December 14

II. National Regulatory Concerns

1. The Board members present reviewed and discussed the July 2007 NASBA *State Board Report*.
2. The Board members present reviewed various information from the NASBA Center for Public Trust including:
 - Call for Nominations - 2nd Annual *Being a Difference Award*, and
 - July 31, 2007, email concerning the following meetings:
 - September 25, 2007, *Beyond Compliance: Transforming Ethical Dilemmas Through Courageous Leadership*, Lipscomb University,
 - December 6, 2007, *Ensuring Integrity: The Second Annual Auditing Conference*, Baruch College, and
 - February 1, 2008, *Principled Leadership: A CEO Forum*, Vanderbilt University.
3. The Board members present reviewed various releases from the Public Company Accounting Oversight Board (PCAOB) including:
 - *PCAOB's New Audit Standard for Internal Control Over Financial Reporting is Approved by the SEC*, and
 - *Board Proposes New Ethics and Independence Rule Concerning Communications with Audit Committees and an Amendment to its Existing Tax Services Rule and Adjust Implementation Schedule for Tax Services Rule*.

III. Administration

1. The Board members present reviewed and discussed the SAAS Summary Trial Balances as of July 30, 2007, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the month ended July 30, 2007.
2. The Board members received the completed FY2009 budget request as submitted to the Legislature and the Governor.
3. The Board members present received and discussed the completed *5-Year Strategic Plan for the Fiscal Years 2009 - 2013*, to be submitted to the Legislature and the Governor's Office August 15, 2007.

IV. CPA Examination, Licensing and Firms

1. The Board unanimously accepted the listing of candidate applications for the computerized examination (14 initial, 24 reexam) received since the July meeting.
2. The Board unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

Applications for Original CPA License

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
11463	Koffi Dodor			No (1)
11866	Eric R. Jarvis	5867	8/10/07	Yes
11874	Edward Tillery Simmons	5868	8/10/07	Yes
11795	Kristen Harris Thorne	5869	8/10/07	Yes
11058	Joyce Brown Turnage	5870	8/10/07	Yes

(1) Lacks required experience for licensure.

Applications for Reciprocal CPA Licenses

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12053	Derek Meade Mathews	R3312	8/10/07	Yes
11975	Kathryn M. Moore	R3313	8/10/07	Yes

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IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for Reinstatement of CPA Licenses

<u>File Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
8351	D. Stevens Dearman III	4821	Yes
5290	Steven T. Page	3242	Yes
6687	James E. Polk	4056	No (1)

(1) Must complete CPE requirements before reinstatement.

3. The Board reviewed submitted amendments to registered CPA firms, as follows:

<u>Name</u>	<u>Number</u>	<u>Description</u>
Lee & Company, PC Missoula, MT	F1131	Name Change from Lee & Berner, Ltd
Ball CPA Firm PLLC Jackson, MS	F0596	Name Change from Pitts and Ball

4. The Board members present discussed the November 17, 2007, CPA presentation ceremony. Board Chair Jim Burkes announced that Past NASBA Chair Diane Rubin along with David Costello, NASBA President, have agreed to come for the ceremony, and Diane will provide the keynote speech. In addition, Mike Skinner, NASBA Southeast Regional Director will attend the November 16 meeting and the ceremony.

5. The Board unanimously took the following actions accept as noted related to CPAs requests for amendments to the 2007CPE compliance requirements:

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
Michael P. Biel	R3055	Extension to 10/31/07 - 1 ethics CPE hour
Mary J. Bourdin	4344	Waiver - Medical
Leslie A. Brewer	5531	Extension to 10/31/07 - 6 CPE hours
Troy B. Browning	2871	Extension to 10/31/07 - 18 CPE hours
George M. Conwill	2552	Waiver - Medical
James W. Denny	R1850	Extension to 10/31/07 - 4.5 ethics w/rules
Boyd M. Edwards	1239	Waiver - Medical
Douglas L. Fontaine II	4004	Extension to 10/31/07 - 4.5 ethics w/rules

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IV. CPA Examination, Licensing and Firms (Continued)

5. CPE Compliance Amendments:

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
Jacqueline L. Fountain	3942	Extension to 10/31/07 - 3 ethics w/rules
Michelle W. Goellner	4287	Extension to 10/31/07 - 51 w/8 A&A hours
James L. Griffith	2074	Extension to 10/31/07 - 4.5 ethics w/rules
Gary W. Hutto	R3042	Extension to 10/31/07 - 4.5 ethics w/rules
Gemma Castro Ivy	5564	Extension to 10/31/07 - 4.5 A&A CPE hours
Richard A. Liston	2324	Extension to 10/31/07 - 1 ethics-rules hour
Eric Love	R2494	Extension to 10/31/07 - 4.5 ethics w/rules
Dena T. McDonald	4526	Extension to 10/31/07 - 6 CPE hours
Joe E. McKnight	4717	Extension to 10/31/07 - 12 A&A CPE hours
Michael J. Mericer	1822	Waiver - Medical
Monteneze L. Miller	4015	Extension to 10/30/07 - 16.5 CPE hours
Dina F. Naron	R2702	Extension to 10/31/07 - 4.5 ethics w/rules
Michael E. Novoa	5689	Extension to 10/31/07 - 4.5 CPE hours
ViJay M. Patel	5287	Extension to 10/31/07 - 1 ethics-rules hour
Elizabeth M. Pearson	4657	Extension to 10/31/07 - 1 ethics-rules hour
Laurie H. Powell	3048	Extension to 10/31/07 - 30 w/2 ethics, 1 rules
Gerald L. Price	1197	Waiver - Medical Reasons
James A. Stroud	1694	Extension to 10/31/07 - 4.5 ethics w/rules
Tonya F. Tarrant	5360	Extension to 10/31/07 - 1 ethics-rules hour
David M. Thomas	5332	Waiver - Other
William F. Thompson	3989	Extension to 10/31/07 - 7.5 CPE hours
Ellis D. Townsend	1267	Extension to 10/31/07 - 3 ethics w/rules
Andrew J. Waring	3599	Extension to 10/31/07 - 15 w/8A&A, 2 ethics
John R. Weatherford	5665	Extension to 10/31/07 - 4.5 ethics w/rules
Michael W. Wilson	4775	Extension to 10/31/07 - 39 w/2 ethics, 1 rules

6. The Board members present reviewed a listing of voluntary cancellations made by CPAs with CPE deficits and requested during the 2007 CPE reporting period:

<u>Name</u>	<u>Number</u>
Lissa T. Perez	R3082

7. The Board unanimously approved requests from CPAs for waivers of the 2007 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2008, as follows:

<u>Name</u>	<u>Number</u>
Michael S. Gunn	1826

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>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
A.	Breazeale, Saunders & O'Neil Ltd.				
	1. Accounting Ethics & Professional Code of Ethics (Dr. Steve Wells)	6/18/07	Ethics - General	2	Yes
B.	CCH Incorporated				
	1. 12 th Annual Back to Basics Partnership, LLC & S Corporation Seminars	9/24-25/07 10/22-23/07 11/12-13/07	Other	16	Yes
	2. 21 st Annual Partnership, LLC & S Corporation Tax Planning Forum	9/27-28/07 10/18-19/07 10/25-26/07 11/1-2/07 11/8-9/07 11/15-16/07 1/7-9/08	Other	16	Yes
C.	Create Foundation				
	1. Current Issues in Charitable Planning and Leave a Legacy and Partner Recruitment	7/26/07	Other	1	Yes
D.	Georgetown CLE Institute				
	1. Advanced State and Local Tax Institute	5/17-18/07	Tax Ethics- General	15.2 1	Yes
E.	Mississippi Hospital Association				
	1. Cost Report Workshop	8/23/07	Other	6	Yes

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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>
F.	MS Society of CPAs (MSCPA)				
	1. Ethics, Rules and Regulations (Dr. Stan Clark)	3/21/07	Ethics- General	3	Yes
			Ethics- Rules	1	
	2. Ethics, Rules and Regulations (Dr. Quinton Booker)	6/21/07	Ethics- General	3	Yes
			Ethics- Rules	1	
	3. Accounting and Auditing Update	6/21/07	A&A	4	Yes
	4. AICPA Professional Update	6/22/07	Other	1	Yes
	5. Technology Update	6/22/07	Other	1	Yes
G.	MSCPA - Gulf Coast Chapter				
	1. How to Keep Your Clients from Making Stupid Mistakes	8/29/07	Other	2	Yes
H.	Watkins Ward Stafford PLLC				
	1. Governmental Accounting and Auditing Update	9/5/07	A&A	8	Yes
	2. Conducting Government Audits Under GAAS, GAGAS and the Single Audit (A Risk Based Approach)	9/6/07	A&A	8	Yes

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.	East Central University				
	1. Advanced Federal Income Tax Requested by Paul Ashcroft	Instructor 2006	A&A Ethics- General	71 9	No (1)

(1) Deferred for additional information concerning hours requested.

V. Continuing Professional Education (Continued)

2. Individual CPE Requests (Continued)

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
B.	National Association of Bond Lawyers				
	1. Bond Attorney's Workshop Requested by John England	9/14-16/07	Other Ethics-General	16 1	Yes
C.	USM-School of Human Performance & Recreation				
	1. Financial Aspects in Sport - HPR 612 Requested by Luther Lee	6/19-21/07 College Course	Other	Unknown	No (2)
D.	Journal of Accountancy				
	1. Flexing your Super Financial Sleuth Power Requested by Mark Lehman	Published Article	Other	12	Yes
E.	Practitioners Publishing Company (QAS)				
	1. Gear Up 1040 Individual Tax 2006 Requested by Quinn Smith	Self-study	Tax	20	Yes

(2) Deferred for additional information concerning content and hours requested.

VII. Regulatory Matters

- The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from July 27 2007, to August 10, 2007:

<u>Activity</u>	<u>Number</u>
Cases Opened	1
Cases Closed	1
Cases referred to Members	none
Total Cases Open	22

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VII. Regulatory Matters (Continued)

2. Cases closed

Case 2007.30 - opened May 17, 2007. Board staff noted a CPA's self-reported conviction of a crime from annual registration. A Trial Board administrative hearing was held July 27, 2007, during which the Trial Board heard and reviewed all evidence. The Trial Board revoked the individual's CPA license based on his confirmed violation of the *Board Rules and Regulations*.

3. Board Investigator Ransom Jones discussed the continued receipt of CPE reporting forms for the compliance period June 30, 2007. As of August 3, 2007, approximately 7% (300) of the forms had not been received from licensees. CPE reporting forms should be received or postmarked by August 1, 2007, to not be considered late.
4. The Board members present received a copy of the Mississippi CPA firms enrolled in the peer review program at June 30, 2007, and administered by the Mississippi Society of CPAs. The independent Peer Review Oversight Committee is due to make its report concerning the program within ninety days from June 30, 2007.
5. The Board members present discussed the June 29, 2007, letter from AICPA, Susan S. Coffey, Senior Vice President - Member Quality and State Regulation, and the follow-up communications from Executive Director Susan M. Harris. Based on the AICPA and MSCPA's review of the follow-up communications, they have concluded that CPA firms may provide peer review reports for disclosure on the state board access-only web site. The AICPA will send an amended letter addressing its conclusions.

VIII. Trial Board

1. The Board members unanimously voted to convene as the Trial Board for the purpose of considering matters related to disciplinary cases.
2. The Board did convene as Trial Board for the purpose of reviewing a consent order from the Jim Burkes investigative committee for approval and release related to Steven H. Barry, CPA R2397, Case 2005.11. Upon motion by Diane Day with second from Willie Sims, the Trial Board approved the order and released the CPA from the order. Votes were - For: Willie Sims, Diane Day, David Clarke, Jean Shepherd; Against: None; Recused: Jim Burkes; and Absent: Rick Elam and Angela Pannell.

VIII. Trial Board (Continued)

3. The Board continued as Trial Board for the purpose holding a disciplinary administrative hearing related to complaint 2007.32, concerning Jeffrey R. Dortch, CPA license 5481. Mr. Dortch allegedly did not comply with the requirements in the Board order related to his reinstatement show cause hearing April 27, 2007, as entered May 30, 2007. Legal and proper notice of this hearing was delivered to the respondent and he was present. Within the Trial Board the Board heard evidence from respondent Jeffrey R. Dortch and witness Ransom C. Jones. Diane Day was recused.

Following the administrative Trial Board hearing and upon motion by Jean Shepherd with second from David Clarke, 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. Votes were - For: Jim Burkes, Willie Sims, David Clarke, Jean Shepherd; Against: None; Absent: Rick Elam and Angela Pannell; and Recused: Diane Day.

In the closed meeting the Board upon motion by Willie Sims with second from Jean Shepherd voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of a Trial Board order that could be appealed. Accordingly, the Board reopened the closed meeting and upon motion by Willie Sims with second from Jean Shepherd unanimously 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. Upon motion by Jean Shepherd with second from David Clarke the Board determined that:

- the respondent violated *Rules and Regulations* Section 6.17.15. in that he did not timely comply with provisions of paragraphs 2, 3, and 5 of the order entered in Cause No. 2007.29 on the 30th day of May 2007;
- the respondent is assessed a fine in the amount of Two Hundred and Fifty Dollars (\$250.00);
- the respondent is assessed all costs and attorney fees of this hearing, said amount totaling Five Hundred and Eighty-seven Dollars (\$587.00);
- all of the aforementioned amounts, totaling Eight Hundred and Thirty-seven Dollars (\$837.00) are to be paid by cashier's check or money order no later than 12:00 Noon on August 31, 2007;

VIII. Trial Board (Continued)

3. (Continued)

- the respondent shall fully comply with the provisions of paragraph 5 of the order entered in Cause No. 2007.29 on the 30th day of May 2007 in that he is to pay, at the conclusion of this hearing, the costs and attorney fees of the previous hearing, said amount totaling Two Thousand, Four Hundred and Fifty Dollars (\$2,450.00); and
- the respondent shall be bound by paragraph 4 of the order entered in Cause No. 2007.29 on the 30th day of May 2007, in that he shall obtain the peer review report and provide a copy of such to the Board by September 30, 2007.

Votes were - For: Jim Burkes, Willie Sims, David Clarke, Jean Shepherd; Against: None; Absent: Rick Elam and Angela Pannell; and Recused: Diane Day.

Upon the conclusion of this business, the Board upon motion by Jean Shepherd and second from Willie Sims unanimously voted to come out of Executive Session and resumed the open meeting. The Board came out of Executive Session and resumed the open meeting by announcing the actions and votes it had taken in Executive Session.

4. The Board continued as Trial Board to hear complaint 2005.01, concerning Donald Brent Grafton, CPA license 5126 and CPA Firm Permit Number F0921. The Board received a Motion for Continuance from the respondent's legal counsel, Frank "Kim" Breese, III. After consideration and upon motion by Willie Sims with second from David Clarke, the Board unanimously voted to permit continuance of the hearing related to complaint 2005.01 until the next Board meeting to be held at the Board office, November 16, 2007.

Votes were - For: Jim Burkes, Willie Sims, David Clarke, Jean Shepherd; Against: None; Absent: Rick Elam and Angela Pannell; and Recused: Diane Day.

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