

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
September 14, 2007**

The Mississippi State Board of Public Accountancy met at the University of Mississippi School of Accountancy, Oxford, Mississippi, on September 14, 2007, beginning at 8:30 a.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
Rick Elam
David E. Clarke
Angela L. Pannell

Board Members Absent

Jean Shepherd

Board Staff Present

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

Legal Counsel Present

Onetta Whitley, Deputy Attorney General

Others Present

Gary Walker, MSCPA
Sylvia Algier, Aune CPA Firm

I. General

1. The Board opened the meeting with the invocation by Angela Pannell.
2. The Board unanimously approved the minutes from the August 10, 2007, meeting.
3. The Board members signed the CPA certificates of licensure from the August 10, 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.

November 16 8:30

November 17 9:30 CPA Presentation Ceremony

December 14

4. The Board members present set tentative meeting/activity dates for 2008:

January 25	Meeting	June 26-29	MSCPA Annual
February 22	Meeting	July 25	Meeting
March 21	Meeting	August 22	Meeting
April 25	Meeting	September 26	Meeting
April 26	Ceremony	October 26-29	NASBA Annual
May 30	Meeting	November 14	Meeting
June 11-13	NASBA E. Regional	November 15	Ceremony
June 18-20	NASBA W. Regional	December 12	Meeting

II. National Regulatory Concerns

- The Board members present reviewed the August 3, 2007, NASBA memorandum from David Costello, forwarding Quarterly Communications including:
 - Focus Questions, Memorandum from Ted Long,
 - Highlights of the NASBA Board Meeting, July 27, 2007,
 - Minutes of NASBA Board meeting, April 27, 2007,
 - UAA Statute revisions and revised model rules.
- The Board members present also responded to the NASBA Regional Directors' Focus Questions. The Executive Director will submit the responses by the October 9, 2007, due date.
- The Board members present reviewed the August 2007 NASBA *State Board Report*.
- The Board reviewed but took no action related to the NASBA Center for Public Trust Conference, September 25, 2007, *Beyond Compliance Transforming Ethical Dilemmas through Courageous Leadership*, Lipscomb University, Nashville.
- The Board reviewed but took no action related to the AICPA Exposure Draft - Proposal of Professional Ethics Division: *Interpretation on Networks and Network Firms and Proposed New and Revised Related Definitions*.

III. Administration

1. The Board members present reviewed and discussed the SAAS Summary Trial Balances as of August 31, 2007, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the two months ended August 31, 2007.
2. Each Board member scheduled to attend the NASBA Annual Meeting, October 28 - 31, 2007, signed a Travel Authorization Form for submittal to Department of Finance and Administration.

IV. CPA Examination, Licensing and Firms

1. The Board unanimously accepted the listing of candidate applications for the computerized examination (13 initial, 19 reexam) received since the August meeting but which excludes candidate 12156 described below.
2. The Board discussed three special candidate circumstances related to good moral character consideration and unanimously took the following action:
 - File 12146 Underage possession of beer/wine,
 - File 12138 Possession of false identification,
 - File 11751 Misdemeanor DUI.After reviewing the candidates' applications and discussing the related circumstances, the Board members unanimously approved the candidates' applications to sit for the CPA examination.
3. The Board discussed the education of potential candidate 12156 which includes nine semester hours for obtaining high scores on the ACT (American College Test). After careful evaluation, the Board unanimously determined to not grant semester hour credit to the candidate for high scores on the ACT examination and due to his not satisfying the education requirement, denied his application to sit for the CPA examination.
4. The Board unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

IV. CPA Examination, Licensing and Firms (Continued)

4. Applications (Continued)

Applications for Original CPA License

File Number	Name	Number	Date	Approved
11835	J. T. Blalock	5871	9/14/07	Yes
11611	William Patrick McCoy	5872	9/14/07	Yes
11824	Mitchell Martin Skrmetta	5873	9/14/07	Yes
11274	Jason William Taylor	5874	9/14/07	Yes

Applications for Reciprocal CPA Licenses

File Number	Name	Number	Date	Approved
12127	Richard D. Avril	R3314	9/14/07	Yes
12126	Michael James Benjamin	R3315	9/14/07	Yes
12152	Spencer Lawrence Holder	R3316	9/14/07	Yes
12124	Angela Suzette Karstens	R3317	9/14/07	Yes
12111	Leslie S. King	R3318	9/14/07	Yes
12122	Stephen David Mayer	R3319	9/14/07	Yes
12109	Alicia Renee Nodier	R3320	9/14/07	Yes
12101	Anna E. Russi	R3321	9/14/07	Yes
12125	Jason P. Schultz	R3322	9/14/07	Yes

Applications for Reinstatement of CPA Licenses

File Number	Name	Number	Approved
10276	Glenda Baskin Glover	R2675	Yes
1072	Joseph W. Joyner	2895	Yes
6687	James E. Polk	4056	Yes
10423	Dianne M. Stewart	R2729	Yes
5155	Alcide J. Tervalon, Jr.	R2030	Yes
7719	James Brian Walley	4393	Yes

IV. CPA Examination, Licensing and Firms (Continued)

4. Applications (Continued)

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
A. S. K. CPA Firm, PLLC Walnut, MS	F1145	Yes
Stacie Brown, CPA Brandon, MS	F1146	Yes
Burr, Pilger and Mayer San Francisco, CA	F1147	Yes
C. R. Williams & Associates, LLC Gary, IN	F1148	Yes

Application for Reinstatement of a CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Ernst & Young LLP Houston, TX	F0297	Yes

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

<u>Name</u>	<u>Number</u>	<u>Description</u>
Henderson CPA Firm, LLC Birmingham, AL	F1022	Address Change
Holt & Associates, PLLC Laurel, MS	F0395	Change of Ownership
Jones & Jones CPA of Booneville Booneville, MS	F0425	Change of Ownership
PricewaterhouseCoopers LLP Memphis, TN	F0857	Cancelled
Wilson & Biggs, PLLC Ridgeland, MS	F0775	Address Change

6. 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.

IV. CPA Examination, Licensing and Firms (Continued)

7. 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>
Cynthia Ann Anderson	3254	Extension to 11/30/07 - 4.5 w/ethics
Marilyn Webb Allen	5207	Extension to 11/30/07 - 1.5 ethics w/rules
Allen L. Armstrong	3146	Extension to 11/30/07 - 1.5 ethics w/rules
Kathy C. Atkins	2681	Extension to 11/30/07 - 1.5 ethics w/rules
Rhonda R. Bagby	4217	Extension to 11/30/07 - 1.5 ethics w/rules
Jackie P. Bailey	2753	Extension to 11/30/07 - 1.5 A&A hours
Larry Thomas Brown	2457	Extension to 11/30/07 - 6 CPE hours
Susan David Barnes	1920	Extension to 11/30/07 - 3 ethics CPE
Ann T. Barton	5590	Extension to 11/30/07 - 1.5 ethics w/rules
William Scott Black	2224	Extension to 11/30/07 - 1.5 ethics w/rules
Kaiser R. Brown	2358	Extension to 11/30/07 - 1.5 ethics w/rules
Donald W. Causey	R2622	Extension to 11/30/07 - 4.5 ethics w/rules
Terri S. Cooper	4637	Extension to 11/30/07 - 6.75 w/ethics rules
Staci L Cothran	4171	Extension to 11/30/07 - 1.5 ethics w/rules
William T. Crawford	4976	Extension to 11/30/07 - 1.5 ethics w/rules
Roberta O. Davidson	R3021	Extension to 11/30/07 - 7.5 CPE hours
Edgar J. Deano, Jr.	R2718	Extension to 11/30/07 - 12 CPE hours
Mary Ann Elmore	2644	Extension to 11/30/07 - 4.5 ethics w/rules
David Ewing	3689	Extension to 11/30/07 - 1.5 ethics w/rules
Nenita G. Ferguson	5119	Extension to 11/30/07 - 6 CPE w/rules
Michael Lee Foley	5432	Extension to 11/30/07 - 1.5 ethics w/rules
William H. Francisco	1791	Extension to 11/30/07 - 4.5 ethics w/rules
Marion L. Gilmer	2352	Extension to 11/30/07 - 3 ethics CPE
Michael C. Green	2318	Extension to 11/30/07 - 1.5 ethics w/rules
David Rogers Hardy	1993	Extension to 11/30/07 - 1.5 ethics w/rules
Gary Joe Hegi, Jr.	R2209	Extension to 11/30/07 - 4.5 ethics w/rules
Deborah A. Henderson	4855	Extension to 11/30/07 - 1.5 ethics w/rules
Gwendolyn B. Hewlett	R2333	Extension to 11/30/07 - 13.5 CPE hours
Karen Lee Holland	4041	Extension to 11/30/07 - 4.5 ethics w/rules
Steven L. Jackson	R2925	Extension to 11/30/07 - 4.5 ethics w/rules
Gary Wayne James	3020	Extension to 11/30/07 - 1.5 ethics w/rules
Robert William Kalka	4819	Extension to 11/30/07 - 1.5 ethics w/ rules
Bob Grisham Kilpatrick	2021	Extension to 11/30/07 - 1.5 ethics w/rules
David G. Kinnison	4327	Extension to 11/30/07 - 4.5 ethics w/rules

IV. CPA Examination, Licensing and Firms (Continued)

7. CPE Compliance Amendments (Continued)

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
Angela P. Lipscomb	R2839	Extension to 11/30/07 - 4.5 ethics w/rules
Felicia J. Littleton	4545	Extension to 11/30/07 - 29.25 CPE hours
Guy L. Long	5180	Extension to 11/30/07 - 4.5 ethics w/rules
Donald L. Luker	R2690	Extension to 11/30/07 - 1.5 ethics w/rules
George F. Lynch	R2870	Extension to 11/30/07 - 1.5 ethics w/rules
Brian H. Marsh	5295	Extension to 11/30/07 - 1.5 ethics w/rules
Timothy Ray McElroy	3794	Extension to 11/30/07 - 4.5 ethics w/rules
Mary L. McNair	4639	Extension to 11/30/07 - 4.5 ethics w/rules
Charles C. Miller	3026	Extension to 11/30/07 - 1.5 ethics w/rules
David C. Milling	2483	Extension to 11/30/07 - 9 CPE hours
David Lee Nichols	2660	Extension to 11/30/07 - 1.5 ethics w/rules
Laura Ann Peebles	5121	Extension to 11/30/07 - 9 CPE hours
Michael R. Powell	1623	Extension to 11/30/07 - 7.5 CPE hours
Billy G. Proctor	1100	Extension to 11/30/07 - 1.5 ethics w/rules
Bobby Dale Ray	2185	Extension to 11/30/07 - 18 CPE hours
Brenda Tanner Redfern	2556	Extension to 11/30/07 - 1.5 ethics w/ rules
Charles G. Reeves	3115	Extension to 11/30/07 - 1.5 ethics w/rules
Michael J. Reynolds	R2026	Extension to 11/30/07 - 18 CPE hours
Gerald W. Rigby, Jr.	4020	Extension to 11/30/07 - 4.5 ethics w/rules
Maria L. Robertson	R2652	Extension to 11/30/07 - 1.5 ethics w/rules
James Richard Rollins	1501	Extension to 11/30/07 - 1.5 ethics w/rules
Brett Wayne Sanders	5449	Extension to 11/30/07 - 1.5 ethics w/rules
Jason M. Sanderson	4392	Extension to 11/30/07 - 1.5 ethics w/rules
Charles A. Saucier	5289	Extension to 11/30/07 - 55.5 CPE w/8A&A
Gary H. Schaffhauser	3217	Extension to 11/30/07 - 1.5 ethics w/rules
John Schmidlkofer	2204	Waiver - Medical
Donald E. Scott	R2015	Extension to 11/30/07 - 1.5 ethics w/rules
John Serafin	3771	Waiver - Medical
Angela S. Shirley	5512	Extension to 11/30/07 - 1.5 ethics w/rules
George J. Sliman III	2939	Extension to 11/30/07 - 6 CPE hours
Laura W. Sparks	2265	Extension to 11/30/07 - 1.5 ethics w/rules
Timothy M. Stephens	4060	Extension to 11/30/07 - 3 CPE hours
Ralph Q. Summerford	R1718	Extension to 11/30/07 - 1.5 ethics w/rules
Kristi G. Thompson	5577	Extension to 11/30/07 - 12 CPE hours
Richard Brent Tice	5082	Extension to 11/30/07 - 4.5 ethics w/rules
Harold G. Voelkel, Jr.	2274	Extension to 11/30/07 - 1.5 ethics w/rules

IV. CPA Examination, Licensing and Firms (Continued)

7. CPE Compliance Amendments (Continued)

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
Michael S. Webb	4723	Extension to 11/30/07 - 4.5 ethics w/rules
Christi H. Whitten	5457	Extension to 11/30/07 - 1.5 ethics w/rules
Alan R. Williams	2589	Extension to 11/30/07 - 18 hours w/ethics
John Dale Williams, Jr.	R2361	Extension to 11/30/07 - 23.25 hours w/ethics
Frank S. York III	3040	Extension to 11/30/07 - 6.75 A&A hours

8. 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>
Thomas D. Boles	R3239
Steve Comer	R2659 (without deficit)
Melissa T. Esnard	5091
Emily B. Ferguson	5643
T. Kenneth Griffis, Jr.	3045
Danny P. Hall, Jr.	3609
Stacy A. Young	4563

9. 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>
Jim McRae Criss	662
Lynn K. Wright	3705
Margaret F. Butler	1093
Samuel James Everett	2054

10. The Board members present discussed the provisions of the 2007 legislation requiring Boards to not cancel licenses if individuals are on active duty military duty. The Board determined that the intention of the legislation is that CPAs will remain actively registered and automatically not have to obtain CPE until returning from active duty.

11. The Board discussed information concerning the CPA examination including:

- NASBA Candidate Care - Candidate Concerns, April-May 2007,
- September 7, 2007, letter from AICPA Practice Analysis Oversight Group,
- August 22, 2007, letter from AICPA Examinations to Kansas Board.

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.	Grantham Poole, CPAs				
	1. Ethics Update including MS Rules and Regulations (Dr. Quinton Booker)	11/20/06	Ethics - General	3	Yes
			Ethics - Rules	1	
B.	Haddox Reid Burkes & Calhoun				
	1. General Ethics and MS Rules and Regulations (Dr. Stan Clark)	5/21/07	Ethics - General	3	Yes
			Ethics - Rules	1	
C.	Jackson State University				
	1. Mississippi Law, Rules and Regulations (Dr. Quinton Booker)	8/22/07	Ethics - Rules	1	Yes
D.	MS Bankers Association				
	1. FDIC Banker Outreach Program	11/1/07	Other	4.5	No (1)
	2. MBA Financial Management Conference	11/8-9/07	Other	7	
E.	MS Chapter of HFMA				
	1. 2007 Ethics, Auditing and Accounting Workshop (Previously approved for 4 general ethics)	6/7-8/07	A&A	8	Yes
			Ethics - General	3	
			Ethics - Rules	1	
F.	MS Society of CPAs (MSCPA)				
	1. Governmental Accounting and Auditing Conference	8/16-17/07	A&A	14.5	Yes
			Ethics - General	1.5	
			Ethics - Rules	1	
	2. Not-For-Profit Conference	9/28/07	A&A	7	Yes
			Tax	1	
	3. Ethics, MS Rules and Regulations (Dr. Quinton Booker)	10/26/07	Ethics - General	3	Yes
			Ethics - Rules	1	

(1) Deferred for additional information.

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>
G.	MS State University Graduate Business Programs 1. MSU Leadership Summit	9/18-19/07	Other	8.7	Yes
H.	Northeast Chapter of MSCPA 1. Accounting and Auditing Update	9/14/07	A&A	8	Yes
I.	Pass Online - Positive Systems Inc. 1. Personal and Professional Ethics for Texas	QAS Self Study	Ethics - General	4	Yes
J.	The Excellence Group - MS Association of School Business Officials Academy 1. Public School District Purchasing and Insurance	8/23/07	Other	5	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.	Accounting Horizons (Journal) 1. State Accountancy Regulators' Perceptions of Independence of External Auditors When Performing Internal Audit Activities for Nonpublic Clients Requested by Quinton Booker	Published Article	A&A	20	Yes
B.	Journal of College Teaching and Learning 1. The Better I Teach the Less My Students Learn The CPA Journal 1. Pursuing a PhD in Accounting: What to Expect Requested by William Francisco	Published Article	Other	20	Yes
		Published Article	Other	20	Yes

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>
C.	Jackson State University 1. MGT 482 Business Ethics Requested by Glenda Glover	College Instructor	Ethics - General	90	Yes
D.	University of Kentucky 1. 2005 Bowling Green UK Income Tax Seminar Requested by Warren Irons	11/30- 12/1/07	Tax	14	Yes
E.	Lexis Nexis Publishing 1. Bender's 2007 Payroll Tax Guide (ch. 5, 6, and 9 CCH Incorporated 1. 2007 U.S. Master Compensation Tax Guide (ch. 6-8,11-13 & 15) The RMA Journal 1. Off-Balance Sheet Financing & Operating Leases Requested by Bob Kilpatrick	Published Chapters Published Chapters Published Article	Other Other A&A	18 20 10	Yes Yes Yes
F.	Smart Pros 1. Internal Controls & Integrity - Based Business Processes Requested by Donna Kook	QAS Self Study	Ethics - General	2	Yes
G.	AICPA 1. Practitioners Symposium-Ethics Update Requested by Jack Oppie	6/13/06	Ethics - General	1	Yes

3. The Board members present discussed a policy for accepting CPE under the subject category of general ethics and in accordance with Chapter 4 requiring Board approval. After careful consideration of the first triennial ethics CPE compliance period, the Board unanimously accepted the following:

Effective July 1, 2007, the Board will accept for the Ethics - General subject category programs from these sponsors without further Board review:

American Institute of CPAs, CLE (Bar approved continuing legal education), MSCPA and other CPA Societies, and State Boards of Accountancy.

In addition, the Board unanimously approved the establishment of an approved Ethics CPE speakers list. Sponsors using the approved speakers are requested to submit a record of the CPE event and attendance information.

VII. Rules and Regulations

1. The Board recognized visitor and CPA Sylvia Algier. Ms. Algier expressed some confusion with the amended regulations in Chapter 4, Continuing Professional Education (CPE). After reviewing Regulation Sections 4.1. and 4.3.1. as amended, the Board members present unanimously determined to provide a Board interpretation to provide guidance to CPAs related to a licensee's obtaining CPE in the subject area of accounting and auditing (A&A). The interpretation will be published in the Society newsletter and provided via mailout to all licensees.

VIII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from August 10, 2007, to September 14, 2007:

<u>Activity</u>	<u>Number</u>
Cases Opened	164
Cases Closed	none
Cases referred to Members	163
Total Cases Open	186

2. The Investigator reviewed the open case log by general description and reported on the investigative activities.
3. The Board heard a report from Investigator Ransom Jones concerning the monitoring of 2007 CPE reporting forms. As of September 7, the Board had received 3,910 out of the 4,066 CPE forms mailed (156 not received). To date, the Board staff have opened 163 complaints related to CPE noncompliance.
4. The Board members present discussed an August 20, 2007, letter from AICPA, Susan S. Coffey, Senior Vice President - Member Quality and State Regulation. The letter documents the AICPA's correction of its position related to Mississippi peer review requirements. The AICPA peer review program will post results from firm peer reviews on a secure web site to be accessed by the Board unless the CPA firms "opt-out." If a firm does "opt-out" the peer review program will still post certain publicly available information on the secure web site. Testing and piloting of the program will proceed into 2009.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member