

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
April 18, 2014

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on April 18, 2014, beginning at 10:00 a.m. The following record of that meeting was maintained.

Board Members 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

Gary Walker, MSCPA

I. General

1. The Board opened the meeting with an invocation from Willie Sims.
2. The Board members unanimously approved the minutes from the March 21, 2014 meeting.
3. The Board members signed the CPA certificates of licensure from the March 2014, meeting.

I. General (Continued)

4. The Board set next and tentative meeting/activity dates for 2014:

| | | | |
|--------------------|------------------|--------------|------------------|
| April 19 | CPA Ceremony | August 15 | 8:30 a.m. |
| May 23 | 8:30 a.m. | September 19 | 8:30 a.m. |
| June 4-6 | NASBA Eastern | November 2-5 | NASBA Annual Mtg |
| June 11-13 | NASBA Western | November 14 | 10 a.m. |
| June 26-29 | MSCPA Annual Mtg | November 15 | CPA Ceremony |
| July 18 | (canceled) | December 12 | 8:30 a.m. |
5. The Board members noted the registration deadlines for the NASBA Eastern Regional meeting (May 9, 2014) and the MSCPA Annual meeting (May 22, 2014).
6. The Board members noted the *Statement of Economic Interest Manual* that is due to the Mississippi Ethics Commission by May 1, 2014.

II. National Regulatory Concerns

1. The Board members noted the statement of Gaylen R. Hansen at PCAOB Public meeting on Auditor's Reporting Model, April 2, 2014.
2. The Board members noted the MSBPA responses to Regional Director's focus questions, March 28, 2014.
3. The Board reviewed the NASBA release regarding the 2013 Uniform CPA Exam School statistics.
4. The Board noted the announcement from AICPA, NASBA and Prometric regarding the 10th Anniversary of the Computerized CPA Examination.
5. The Board noted NASBA's Nomination Committee announced the nomination of Donnie Burkett for NASBA Vice-Chair 2014-2015.
6. The Board noted the Alabama State Board letter, March 26, 2014, to NASBA Chair Hansen, endorsing Willie Sims for NASBA Regional Director - Southeast Region for 2014-2015.
7. The Board noted the Alabama State Board letter, March 26, 2014, to NASBA Chair Hansen nominating Jim Burkes for NASBA Director -at - Large for 2014-2017.

II. National Regulatory Concerns (continued)

8. The Board members noted the AICPA letter, April 3, 2014, regarding 2014-2015 volunteer recruiting needs.
9. The Board members noted and discussed the NASBA *State Board Reports* for March and April 2014.

III. Administration

1. The Board reviewed Summary Trial Balance by Fund For Budget Fiscal Year 2014, as of March 31 2014, for Funds 3845 and 3850. The Board then reviewed the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the nine months ended March 31, 2014.
2. The Board had discussions regarding FY2015 Budget and Appropriations and Senate Appropriations Bill 2894.
3. The Board members noted the results of the property audit for the Board of Accountancy held April 8, 2014.
4. Other Business:
 - Discussion of MSBPA IT project status: Update on ITS LARS Licensing Database Progress; Passed motion to proceed with the project as outlined in the Statement of Work (SOW) presented by ITS LARS Project Manager John McManus.
 - Discussed reasons for not adopting the NASBA CPE Audit and Tracking Service as the official MSBPA CPE Reporting System in place of the paper CPE reporting form.
 - Discussion of timeline for development, testing and implementing the MSBPA (ITS) LARS Licensing Database System.
 - Consider requiring all candidates, CPAs and firms to use online applications and renewal forms.
 - The Board approved two additional per diem days at \$40 per day, for Board Chair Rick Elam.

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of 53 candidate applications for the computerized examination (13 initial, 40 reexam) received since the March meeting.
2. The Board reviewed and discussed a special candidate situation related to good moral character - initial applicant number 13628. Based on its careful evaluation of criminal misdemeanor convictions and all other requirements being met, the Board members unanimously approved applicant 13628 to sit for the examination as a Mississippi candidate. The Board also reviewed and discussed a special candidate situation related to educational requirements - initial applicant number 13612. The Board unanimously approved applicant 13612 to sit for the examination as a Mississippi candidate.
3. 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 No</u> | <u>Name</u> | <u>Number</u> | <u>Approved</u> |
|----------------|------------------------------|---------------|-----------------|
| 13425 | Katherine Elizabeth Barfield | 6366 | Yes |
| 13145 | Philip Justin Burns | 6367 | Yes |

Applications for Reciprocal CPA Licenses

| <u>File No</u> | <u>Name</u> | <u>Number</u> | <u>Approved</u> |
|----------------|------------------------|---------------|-----------------|
| 13601 | Brian Todd Carver | R3646 | Yes |
| 13623 | Mary Margaret Cockroft | R3647 | Yes |
| 13614 | Leslie Ann Kilgore | R3648 | Yes |
| 13615 | Loralee Anne O'Neal | R3649 | Yes |

Applications for Reinstatement of CPA Licenses

| <u>FileNo</u> | <u>Name</u> | <u>Number</u> | <u>Approved</u> |
|---------------|----------------------|---------------|-----------------|
| 11865 | Brett W. Cantrell | 5894 | Yes |
| 10620 | Mary Bisland Lambdin | 3454 | 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> |
|---|---------------|-----------------|
| Eaton, Babb & Smith, P.A. Tupelo, MS | F1665 | Yes |
| Eaton, Babb & Smith, P.A. New Albany, MS | F1666 | Yes |
| Kennedy and Coe, LLC Oxford, MS | F1667 | Yes |
| Kevin P. Martin & Associates, PC Braintree, MA | F1669 | Yes |
| McKenzie CPA, PLLC Brandon, MS | F1670 | Yes |
| Smith Marion & Co., LLP Brentwood, TN | | Deferred |
| C.P. Smith & Associates, PLLC Jackson, MS | F1671 | Yes |

Amendments to Registered Firms

| <u>Name</u> | <u>Number</u> | <u>Description</u> |
|--------------------------------------|---------------|--|
| TJS Deemer Dana, LLP Savannah, GA | F0317 | Name Change from Deemer Dana & Froehle, LLP |
| TJS Deemer Dana, LLP Duluth, GA | F1201 | Name Change from Deemer Dana & Froehle, LLP |

5. The Board considered and denied a refund request for a refund of the reinstatement fee and fees in arrears for file #11865.
6. The Board discussed the April 19th CPA Ceremony and speaker and approved program.
7. The Board discussed background screening of CPA examination candidates and applicants for licenses. The Board heard from Andy Wright on his review of the background screening services available through the Mississippi State Personnel Board. Also, the Board heard additional information taken from NASBA Accountancy Library (ALL). The Executive Director was asked to find out if a fee increase would be considered a rule change.

V. Continuing Professional Education

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

| | <u>Sponsor/Program Title</u> | <u>Dates</u> | <u>Hours</u> | <u>Approved</u> |
|----|---|--|--|-----------------|
| A. | Alexander Van Loon Sloan Levens & Favre, PLLC | | | |
| | 1. 16 th Annual Accounting & Auditing Update | 5/16/14 | 8 | Yes |
| B. | Central Chapter of MSCPA | | | |
| | 1. Ethics Rules & Regulations/ ABC's of Estate Planning | 5/1/14 | 8 inc. 4 Ethics (3 general 1 rules) | Yes |
| C. | Department of Revenue | | | |
| | 1. MARS Training | 1/17/14 2/4/14 2/10/14 2/12/14 3/7/14 3/17/14 | 20 | Yes |
| | 2. Overview of Division Missions | 3/7/14 | 1.5 | Yes |
| | 3. SEATA | 3/18/14 | 1 | Yes |
| D. | Harper Rains Knight & Company, PA | | | |
| | 1. Farm Credit Update | 5/8-9/14 | 12 | Yes |
| E. | Mississippi Certified Fraud Examiners | | | |
| | 1. Tools of the Fraudsters including Professionalism and Ethics in the Business | 5/30/14 | 2 Ethics General | Yes |
| F. | Patterson School of Accountancy | | | |
| | 1. Accountancy Weekend | 4/25/14 | 2 Ethics General | Yes |

VII. Regulatory Matters

1. The Board heard a report from Investigator Andy Wright and approved the regulatory activities from March 21, 2014, to April 18, 2014:

| <u>Activity</u> | <u>Number</u> |
|---------------------------|---------------|
| Cases Opened | 9 |
| Cases Closed | 4 |
| Cases referred to Members | 6 |
| Total Cases Open | 25 |

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

Cases Closed:

Case 2010.19 was opened December 2, 2010, based on complaint from a former client who had been through a divorce. Possible lawsuit was anticipated but never materialized. Letters requesting some evidence of rules violations were sent to complainant's old and suspected new address in January and March, 2014, but both were returned unclaimed. Lacking enough evidence to justify proceeding with the investigation, the case was closed.

Case 2014.06 was opened January 23, 2014, because a non-licensed public accountant was holding out as a CPA on the IRS PTIN listing. Public accountant responded to board staff that he would remove "CPA" as a professional designation in the IRS database and provided documentation. Board staff reviewed documentation and closed the case.

Case 2014.11 was opened February 7, 2014, because a licensee made apparent self-laudatory statement in an ad that could not be supported by facts. There was also language regarding fees in the ad that appeared to not disclose all variables. The case was closed after response from CPA agreeing to drop the language and verification of the change in a subsequent ad.

Case 2014.27 was opened April 3, 2014, because a formerly-licensed certified public accountant was holding out as a CPA on a company web site. Former CPA responded to board staff that he had removed "CPA" designation the web site. This was verified by the investigator and case was closed.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member