

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
January 29, 2016

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on January 29, 2016, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

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

Board Staff Present

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

Legal Counsel Present

Gloria Green, Deputy Attorney General

Others Present

Ed Jones - MSCPA

I. General

1. The Board opened the meeting with an invocation from Jim Burkes.
2. The Board elected the following officers to serve for calendar year 2016:
Chair - David Miller
Vice Chair - Angela Pannell
Secretary - Mark Peach

The Board members noted their committee and task force assignments for 2016:

National Regulatory Concerns

Jim Burkes, Chair
Mark Peach
Rick Elam

I. General (Continued)

3. Committees (Continued)

Administration

David Miller, Chair
Angela Pannell
Mark Peach

CPA Examination, Licensing and Firms

Rick Elam, Chair
Angela Pannell
New Board Member

Continuing Education

Angela Pannell, Chair
Willie Sims
Jim Burkes

Rules and Regulations

Mark Peach, Chair
Willie Sims
Jim Burkes

3. The Board members discussed the Governor's appointment to the Board for the 2nd Congressional District.
4. The Board members unanimously approved the minutes from the December 11, 2015 meeting.
5. The Board members signed the CPA certificates of licensure from the December 2015 meeting.
6. The Board set next and tentative meeting/activity dates for 2016:

March 25	8:30 a.m. Board Meeting
March 14 – 18	NASBA Conference Executive Director/Legal Counsel
April 22	10:00 a.m. Board Meeting
April 23	New CPA Ceremony
June 3	8:30 a.m. Board Meeting
June 7-9	NASBA Eastern Regional – Asheville, NC

I. General (Continued)

6. Tentative Meeting/Activity Dates for 2016 (continued)

June 22-24	NASBA Western Regional – Denver, CO
June 23-26	MSCPA Annual Meeting – Destin, FL
August 12	8:30 a.m. Board Meeting
September 16	8:30 a.m. Board Meeting
Oct. 30 – Nov. 2	NASBA Annual Meeting – Austin, TX
November 18	10:00 a.m. Board Meeting
November 19	New CPA Ceremony
December 9	8:30 a.m. Board Meeting

7. The Board adopted the board Resolution in recognition of outgoing Board member David E. Clarke.

II. National Regulatory Concerns

1. The Board reviewed the NASBA *State Board Report*, December 2015.
2. The Board reviewed the NASBA *State Board Report*, January 2016.
3. The Board noted a request from NASBA Nominating Committee for possible candidates to serve as Vice Chair of NASBA for the 2016-17 year.
4. The Board discussed the January 11, 2016, NASBA response to the request for comments from the American Institute of CPAs on its “Exposure Draft – Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews for Improving Transparency and Effectiveness of Peer Review”.
5. The Board reviewed the December 30, 2015, article in Accounting Today News, entitled “The Spirit of Accounting”.
6. The Board Chair spoke about an AICPA Peer Review Program discussion paper that was sent to state CPA society leaders entitled *Proposed Evolution of Peer Review Administration*. The proposal has a deadline of August 1, 2016, for feedback.

III. Administration

1. The Board reviewed the Balance Sheets, for Funds 3845 and 3850, as of December 31, 2015.
2. The Board reviewed the FY2016 Budget to Actual Comparison – Fund 3845, for the Six Month Period ended December 31, 2015.
3. The Board reviewed the Statement of Revenues and Expenditures, Fund 3845, for the Six Month Period ended December 31, 2015.
4. The Board approved attendance to the NASBA 2016 Annual Conference for Executive Directors and Board Legal Counsel for the Executive Director, Associate Director – Investigations and the Board Attorney.
5. The Board discussed the FY2017 budget recommendation by JLBC.
6. The Board discussed the status of the Online MSBPA IT Projects.

IV. CPA Examination, Licensing & Firms

1. The Board member unanimously ratified the Window 4 – October – December 2015 CPA examination scores for 157 candidates, 197 examination sections. Fourteen candidates completed all four examination sections.
2. The Board members unanimously accepted the listing of 115 candidate applications for the computerized examination (36 initial, 79 reexam) received since the December meeting.
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

File	Name	Number	Action
11968	Garrard Bentonia Brown	7194	Yes
13189	Rachel Lynne McIntire	7195	Yes
13375	Carol Ann Padgett	7196	Yes
13612	Rachna Prakash	7197	Yes
13219	James Kyle Sinclair	7198	Yes

IV. CPA Examination, Licensing & Firms (Continued)**Applications for Original CPA License (continued)**

File	Name	Number	Action
12601	Carrie G. Stewart	7199	Yes
13443	Alexander Scott Taylor	7200	Yes
13559	Kristen Mechelle White	7201	Yes
13491	Brittney M. Williams	7202	Yes

Applications for Reciprocal CPA License

File	Name	Number	Action
13947	Lindsey Hansbrough Evans	R7203	Yes
11943	Domina Kate Kaler	R7204	Yes
13952	Jack Aaron Kaler	R7205	Yes
13929	Dana Shawn Mauldin	R7206	Yes
13965	Allana Madison McKay	R7207	Yes
13933	Ryan Alex Rhea	R7208	Yes
13945	Andrew Braden Spearman	R7209	Yes

Applications for Reinstatement of CPA License

File	Name	Number	Action
13162	Brent A. Silva	R3571	Yes

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Arnett Carbis Toothman LLP	Pittsburgh, PA	7183	Yes
BDO USA, LLP	McLean, VA	7184	Yes
Christian Akponwei, CPA	Jackson, MS	7185	
CliftonLarsonAllen LLP	Timonium, MD	7186	
Funderburk CPA LLC	Lucedale, MS	7187	
Max Halley PLLC	Brookhaven, MS	7188	
Lotis Y. Johnson, CPA, PLLC	Columbus, MS	7189	
Pamela H. Orman, CPA	Clinton, MS	7190	
D.S. Patrick, Jr., CPA	Chitto, MS	7191	
Rehmann Robson LLC	Jackson, MI	7192	
Sam Stewart, CPA	Brookhaven, MS	7193	

IV. CPA Examination, Licensing & Firms (Continued)

Amendments to Registered Firms

Number	Name	City, State	Change
F1615	Acklen & Story, Certified Public Accountants, PLLC	Quitman, MS	Name change from John M. Acklen, CPA
F1284	Bellenfant, PLLC	Brentwood, TN	Name change Bellenfant & Miles PLLC
F0352	Douglas K. Handshoe, CPA, PLLC	Wiggins, MS	Name change from Douglas K. Handshoe, CPA
7041	Brenda G. Nichols – Freeno CPA, LLC	Corinth, MS	Name change from Brenda G. Nichols, CPA
F0561	Topp McWhorter Harvey, PLLC	Hattiesburg, MS	Name change from Nicholson & Company PLLC
F1266	Tidwell Group, LLC	Birmingham, AL	Name change from Frost Cummings Tidwell Group, LLP
F0768	Williamson CPA Firm, LLC	Southaven, MS	Name change from Elizabeth O. Williamson CPA

Application for Reinstatement of a CPA Firm Permit to Practice

Number	Name	City, State	Action
F1406	Vicki Gann. CPA	Corinth, MS	Yes
F0863	Wendy Hausner CPA, PC	Sumner, MS	Yes

4. The Board members took the following actions related to requests for amendments to the June 30, 2015, CPE compliance requirements and granted extensions to the following:

Extensions with Waiver of 50% penalty:

Name	Number	Total Hours	Extension Date
Charles Keys	1979	1	February 29, 2016

IV. CPA Examination, Licensing & Firms (Continued)

5. The Board reviewed a listing of voluntary cancellations made by CPAs and CPA Firms requested during the 2016 Registration period:

<u>CPA Name</u>	<u>Number</u>
Regina Carter	R3411
Laura East	R2710
Carlton Hannon	R3133
Frederick Helfrich	R3168
D. Neil Magruder	1807
Michelle Mahoney	R3414
Neha Patel	R3211
Dale Reed	R2986
David Start, Jr.	R3310
Michael Simon	R2987

<u>Firm Name</u>	<u>Firm Number</u>
Arnett Carbis Toothman LLP	7028
Brown & Company CPAs , PLLC	F0911
James W. Denny, CPA	F1355
Laura J. East, CPA, LLC	F0409
Elliot Davis Decosimo, LLC	F1708
Ellis, Tucker & Aldridge, LLP	F1447
Tresa F. Hall, CPA	F0348
Hamlin & Company, PLLC	F1682
Jan Richard Heier, CPA	F0375
Kennedy & Kennedy, PLLC	F1276
Leslie LB Latour, CPA	F0465
James R. Peters, CPA, Inc.	F1000
Dale S. Reed, CPA	F1330
Jean T. Shepherd, CPA	F1387

Applications for Retired CPA Licenses

Number	Name	Action
2959	Allen, Paul Wade	Yes
3145	Andrews, Lisa M.	Yes

IV. CPA Examination, Licensing & Firms (Continued)

Applications for Retired CPA Licenses (continued)

Number	Name	Action
1022	Anglin, Lindsay Joe	Yes
1712	Anzalone, Christopher J.	Yes
R3602	Autin, Denise Ann	Yes
1663	Barrett, Charles L.	Yes
1119	Betts, Jr., James Frank	Yes
1254	Black, III, James Robert	Yes
1674	Broussard, Jr., Erroll F.	Yes
0841	Burke, Jack	Yes
2873	Burroughs, Ronald Kailey	Yes
4899	Byrum, Patricia	Yes
2061	Clifton, Deborah Dendy	Yes
2642	Davis, III, Barnett L.	Yes
4821	Dearman, D. Stevens	Yes
2315	Easley, Billy D.	Yes
4325	Fant, Richard W.	Yes
1829	Galey, Darrell L.	Yes
2036	Grisham, Robert F.	Yes
1379	Gulledge, Dexter	Yes
1218	Harmond, Charles E.	Yes
2954	Haynes, Michael S.	Yes
3019	Holifield, Billy	Yes
3654	Hutchison, Charlotte K.	Yes
3917	Hyatt, Nettie Pamela	Yes
R2822	Johnson, Alice Bursey	Yes
1620	Jones, Jacqueline	Yes
3838	Jordan, Jane C.	Yes
2741	Jurney, Jr., Louis M.	Yes
R3391	Kovach, Lawrence John	Yes
5354	Ladner, Donna M.	Yes
1665	Lamar, William Harris	Yes
3556	Lawrence, Jimmy Alan	Yes
4456	Lundy, Jeffrey D.	Yes
3078	Magee, Debra Smyly	Yes
4861	McFadden, Carl Dennis	Yes
3315	Mounce, Patricia Ann	Yes
4572	Mullins, Charles J.	Yes

IV. CPA Examination, Licensing & Firms (Continued)

Applications for Retired CPA Licenses (continued)

Number	Name	Action
5104	Nelson, Ruth Allison	Yes
3587	Parker, Sharon	Yes
1591	Pate, William	Yes
1398	Pegg, Jerry	Yes
1194	Phillely, Wiley Ray	Yes
5511	Pogue, Beverly Sue	Yes
1623	Powell, Michael R.	Yes
1501	Rollins, James Richard	Yes
1307	Scheider, Roy W.	Yes
2580	Scott, Betty Ruth	Yes
4913	Senger, Lois	Yes
2451	Shelton, Rita Tollison	Yes
R1573	Simpson, Jr., Lloyd W.	Yes
2939	Sliman, III, George Joseph	Yes
4066	Smith, Anne Cheryl	Yes
2941	Smith, Wanda Faye	Yes
1311	Stockwell, John Paul	Yes
5681	Swain, Karen C.	Yes
2269	Taylor, Nellah F.	Yes
R3005	Thompson, Roy Tabeline	Yes
R2535	Tramel, Catherine Hutz	Yes
1947	Wigren, Katrina R.	Yes
3568	Wong, Margaret	Yes
3864	Zumwalt, Lauren Nester	Yes

6. The Board reviewed ten requests for refund of registration late fee. The Board denied nine requests and approved one refund of late fee due to Board staff error.
7. The Board noted a letter to NASBA regarding the Board's request to keep a CPA Exam testing center in Tupelo, MS.
8. The Board reviewed an email dated December 18, 2015 from NASBA regarding closure of the Prometric testing center in Tupelo, MS.
9. The Board noted a letter dated January 28, 2016 setting a new fee structure for the CPA Exam.

V. Continuing Professional Education

1. 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. LEAN Accounting	11/10/2015	1	Yes
Department of Revenue 1. Advanced Auditor Training 2. Industry - Manufacturing Industry 3. Ethics, Code of Conduct, Confidentiality and Harassment in the Workplace	11/4-19/15 10/21-23/15 Various	45.5 18.75 1.5 General Ethics	Yes Yes Yes
Estate Planning Council of MS 1. Uniform Trust Code 2. Trends on Charitable Giving 3. An Overview of Chapter 14 4. Retirement Planning & the Current Investment Outlook	9/8/15 10/13/15 11/10/15 12/8/15	1 1 1 1	Yes Yes Yes Yes
Harper Rains Knight & Company PA 1. Tax Updates 2015	2/5/16	3	Yes
May & Company 1. 2015 Tax Planning Update	12/4/15	1	Yes
MS Chapter of CCIM 1. CCIM Panel Presentation	2/23/16	2	Yes
Nail McKinney Professional Association 1. Captive Insurance Entities/2016 Tax Season Update	1/8/16	3	Yes

VI. RULES AND REGULATIONS

1. Committee Chair Mark Peach discussed the status of the proposed Accountancy Legislation.
2. The Board members discussed researching possible changes to CPE Rules during the coming year. They also want to look at the current CPE program approval process for possible enhancements.
3. There was a discussion about possibly looking into the NASBA CPAES Program to see if would be beneficial for the Board to use this service.

VII. Regulatory Matters

The Board heard a report from Investigator Andy Wright and approved the regulatory activities from November 14, 2015, to January 29, 2016:

Activity	Number
Cases Opened	3
Cases Closed ①	10
Cases referred to Members ②	1
Total Cases Open- End of Period	13

① Cases Closed:

Case 2015.13 was opened June 16, 2015, based on Missouri CPA firm’s self-reporting of discipline from PCAOB. Matter involved a “unique” PCAOB rule regarding independence on an out-of-state audit. After satisfactory response from firm, case was closed without discipline.

Case 2015.80 was opened September 21, 2015 based on receipt of a CPE reporting form for the year ended June 30, 2015 with deficient hours. Licensee was offered a Stipulation and Consent agreement to close the matter, but did not respond. License of this individual was revoked at the December 11, 2015 Trial Board Hearing.

Case 2015.88 was opened September 21, 2015 based on receipt of a CPE reporting form for the year ended June 30, 2015 with deficient hours. Licensee accepted a Stipulation and Consent agreement to close the matter.

Case 2015.113 was opened September 21, 2015 based on receipt of a CPE reporting form for the year ended June 30, 2015 with deficient hours. Licensee requested cancellation of license. Cancellation of license was approved by the Board on December 11, 2015 with deficient plus penalty hours remanded to the file.

Cases 2015.117 and .140 were opened September 21, 2015 based on receipt of CPE reporting forms for the year ended June 30, 2015 with deficient hours. Licensees were required to appear at December 11, 2015 Trial Board Hearing based on failure to timely respond to inquiries (Case 2015.117) and third consecutive year CPE deficiency (Case 2015.140). Both licensees had obtained and documented deficient plus penalty hours as of December 11, 2015. Cases were closed after Board Orders were issued assessing costs and penalties.

VII. Regulatory Matters (Continued)

Case 2015.174 was opened November 18, 2015 based on receipt of a CPE reporting form for the year ended June 30, 2015 with deficient hours and failure of licensee to provide promised request for extension. Licensee provided proof of obtaining deficient plus penalty hours prior to November 30, 2015. Board approved extension of time until November 30, 2015 and case was closed without discipline.

Case 2015.184 was opened November 30, 2015 based on Board staff notation of an Alabama firm's apparently past due peer review. A replacement review had been performed to include the firm's only employee benefit plan (EBP) audit, which had been omitted from previous peer review. The replacement review had a "fail" rating, due solely to the EBP audit. The firm's previous two peer reviews resulted in "pass" ratings. The EBP audit was an Alabama based entity, which the firm consented to drop from its audit practice and to notify the peer review program prior to undertaking any EBP audits in the future. Our case was closed with the understanding that the firm would also notify this Board prior to undertaking any future EBP audits.

Cases 2016.01 and .02 were opened January 19, 2016 based on self-reporting of discipline issues by out-of-state firms. The issues involved out-of-state clients and were resolved with Consent Orders entered into with out-of-state Boards. Since the orders did not involve suspensions or restrictions on the firms' practices, the cases were closed without discipline.

② **Cases Referred to Members:** **Case 2015.184** was assigned to Mark Peach.

Andy Wright then discussed the active cases as presented on the *Open Case Log*.

Mr. Wright handed out a draft Board letter to be sent to firms with possible deficient peer reviews. The Board discussed the draft and had no problem with its use.

VIII. Trial Board

1. The Board discussed the status of the Appeal of the Order of Revocation filed August 18, 2015, by Respondent's lawyer in the Circuit Court of Hinds County, MS, with regard to CPA License #5356, and Firm Permit #F1207. The Board attorney discussed the Motion to Dismiss the Appeal on September 14, 2015.
2. The Board heard from the Executive Director about a request from a licensee who wanted to know if a type of public advertisement he was considering would possibly violate Board Rules. Board members reviewed his request and documentation related to the public advertising. The Board voted to send a Board letter to the licensee stating that the use of that advertising program might violate the Board Rule 6.5 -*Solicitation, Advertising, and Public Communication*, as the advertisement might be considered misleading and possibly contained unsupported claims.

IX. Special Executive Session

Following the completion of the Regular Agenda Items, a motion was made by Willie Sims and seconded by Jim Burkes for the Board to enter into a closed determination session for the purpose of determining whether the Board had sufficient cause to enter into an executive session. The motion to go into a closed determination session was passed unanimously by the Board members in attendance at the meeting. In the closed determination session, a motion was made by Willie Sims and seconded by Jim Burkes that the Board enter into executive session for the purpose of discussing a personnel matter related to plans for the executive director position. The motion to go into executive session was passed unanimously by the Board members in attendance at the meeting.

The Board Chair then announced to the public the above stated reason for entering into executive session.

Within the executive session the Board discussed the personnel matter related to the executive director position. A motion was made by Willie Sims and seconded by Jim Burkes for the Board to come out of executive session. The motion to come out of executive session was passed unanimously by the Board members in attendance at the meeting.

The Board resumed in open meeting by announcing to the public that no action was taken by the Board in executive session.

There being no further matters to take up, the Board then adjourned the meeting.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member

RESOLUTION

January 29, 2016

WHEREAS, David E. Clarke, CPA, was reappointed and served a second term as a member of the Mississippi State Board of Public Accountancy from 2011 through 2015. He served this Board, the citizens of Mississippi, and the accounting profession for this period with exceptional dedication;

WHEREAS, he served diligently providing extraordinary insight and direction as Chair of the Board in 2015 and on the following committees:

- 2015 - Chair - Administration, and President - Trial Board;
- 2014 - National Regulatory Concerns, Administration, Chair - CPA Examination Licensing and Firms, and Clerk - Trial Board;
- 2013 - National Regulatory Concerns, and CPA Examination Licensing and Firms;
- 2012 - National Regulatory Concerns, and CPA Examination Licensing and Firms; and
- 2011 - National Regulatory Concerns, and CPA Examination Licensing and Firms.

WHEREAS, significant matters requiring leadership and professional direction came before this Board; and

WHEREAS, the results of his devotion and of his achievements will be accepted and remembered as exemplary in the annals of public accountancy.

THEREFORE, BE IT RESOLVED, in recognition of David E. Clarke's contributions to the Mississippi State Board of Public Accountancy, this resolution is adopted and spread upon the minutes for all to see.

RESOLVED, this January 29, 2016.

_____ Chair	_____ Board Member
_____ Vice Chair	_____ Board Member
_____ Secretary	_____ Board Member