

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
April 29, 2005

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on April 29, 2005. The following record of that meeting was maintained.

Board Members Present

John P. Quon, Chairman
Jim E. Burkes, Vice Chairman
Willie B. Sims, Jr., Secretary
Diane S. Day
Rick Elam
Angela L. Pannell
Jean T. Shepherd

Board Staff Present

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

Legal Counsel Present

None

Others Present (a.m.)

Gary Walker, MSCPA
Phil Bryant, State Auditor, OSA
Rod Ziegler, Deputy State Auditor, OSA
Bill Doss, CPA, OSA

I. General

1. The Board opened the meeting with the invocation by Diane Day.
2. The Board members present unanimously approved the minutes from the March 18, 2005, meeting.
3. The Board members signed the certificates of licensure from the March 18, 2005, meeting.

I. General (Continued)

4. The Board members acknowledged the next meeting time and reviewed the 2005 dates. The 2005 meeting and activity dates are as follows:

June 1	8:30 a.m.	Meeting
June 8 - 10		NASBA Eastern Regional
June 23 - 26		MSCPA Annual
July 29		Meeting
August 26		Meeting
September 30		Meeting
Oct. 30 - Nov. 2		NASBA Annual
November 18		Meeting
November 19		Ceremony
December 16		Meeting
5. The Board members unanimously approved attendance of members and the Executive Director for the MSCPA Annual Meeting, June 23 - 26, 2005, Sandestin, Florida. The Board will make a report at the annual business meeting Saturday, June 25, 2005.
6. The Board members noted that the *Statement of Economic Interest* is due to the Mississippi Ethics Commission by May 1, 2005.

II. National Regulatory Concerns

1. The Board members reviewed the responses to the NASBA Focus Questions from the March 18, 2005, meeting.
2. The Board members briefly discussed its report for the States' roll call at the NASBA Eastern Regional Meeting.
3. The Board members reviewed an April 4, 2005, NASBA memorandum announcing the nomination of Wesley P. Johnson as the 2005-2006 Vice Chair.
4. The Board reviewed and discussed an April 14, 2005, NASBA memorandum requesting submittal of recommendations for next year's Nominating Committee, Directors-at-Large, and Regional Directors. The Board voted unanimously to submit Donald Roland's name forward to continue as Southeastern Regional Director.

II. National Regulatory Concerns (Continued)

5. The Board members discussed the March 1, 2005, memorandum from Kathleen Smith, NASBA Education Committee, concerning *Exposure Draft for Amendments to UAA Rules 5-1 and 5-2* and after reviewing a draft response agreed to submit the response.
6. The Board reviewed and discussed the March and April 2005 *State Board Reports*.
7. The Board reviewed the Executive Director's April 11, 2005, email response to NASBA's request for legal opinion related to proposed national accountancy licensee data base (ALD) and the opinion to not provide social security numbers.
8. The Board reviewed but took no action concerning an email from the AICPA Professional Ethics Executive Committee (PEEC) forwarding Exposure Draft Proposal of Professional Ethics Division Interpretations and Rulings; comments due June 17, 2005. The Board members also received a copy of the PEEC April 2005 publication *Ethically Speaking*.
9. The Board reviewed and discussed an email from the Public Company Accounting Oversight Board (PCAOB), forwarding a Release and Briefing Paper, concerning the March 31, 2005, Proposed Auditing Standard on Reporting on the Elimination of a Material Weakness.
10. The Board reviewed the April 21, 2005, testimony by W. J. McDonough, PCAOB Chairman, before the U.S. House of Representatives Financial Services Committee.

III. Administration

1. The Board members reviewed and discussed the SAAS Summary Trial Balances as of March 31, 2005, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the nine months ended March 31, 2005.
2. The Board reviewed and discussed Senate Bill 3093 for 2006 spending authority as approved through conferences of the House and Senate.

IV. CPA Examination, Licensing and Firms

1. The Board acknowledged the April 8, 2005, letter from NASBA Examination Review Board, providing negative assurance report related to Score Notices for Window 1 2005.
2. The Board members unanimously ratified the Window 1 - January - February 2005 CPA examination grades for 116 candidates, 147 examination sections. Eleven candidates from the Window 1 have completed all four examination sections.
3. The Board members unanimously ratified the listing of candidate applications for the computerized examination (5 initial, 42 reexam) received since the December meeting.
4. The Board members unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

Applications for Original CPA Licenses

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
5644	Emmanuel J. Bradley	5715	4/29/05	Yes

Applications for Reciprocal CPA Licenses

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
11600	Suzanne E. Browning	R3086	4/29/05	Yes
11608	Neal Edward Cody, Jr.	R3087	4/29/05	Yes
11567	Diane Denise Davidson	R3088	4/29/05	Yes
11615	Kristie Quarles Garner	R3089	4/29/05	Yes
11612	Donald J. Gauci	R3090	4/29/05	Yes
11160	Chanse Roland Jones	R3091	4/29/05	Yes
11602	Paul A. Manos	R3092	4/29/05	Yes
11609	James Michael Moffatt	R3093	4/29/05	Yes
11613	Jonathan Blake Murphy	R3094	4/29/05	Yes

IV. CPA Examination, Licensing and Firms (Continued)

4. Applications (Continued)

Applications for Reinstatement of CPA Licenses

File Number	Name	Number	Approved
3898	Robert Britt	3397	Yes
11127	Larry V. Bullock	R2921	Yes
4330	Nancy Cockrell	2825	Yes
4791	Perry A. Garner	3067	Yes
3147	Burwell B. McClendon III	2524	Yes
2777	Roy Scheider	1307	Yes
7144	Michael D. Smith	4022	Yes
11248	Adam L. Wilch	5667	Yes

Applications for CPA Firm Permit to Practice

Name	Number	Approved
Dixon-Hughes, PLLC Asheville, NC	F1028	Yes
David King, CPA Memphis, TN	F1029	Yes
PricewaterhouseCoopers, LLP Louisville, KY	F1030	Yes
Phillip M. Stevens, CPA, PA Laurel, MS	F1031	Yes

Applications for Reinstatement of CPA Firm Permit to Practice

Name	Number	Approved
Slawson & Associates Ridgeland, MS	F0406	Yes (1)

(1) Pending receipt of peer review report. Name concerns.

Amendments to Registered CPA Firms

Name	Number	Description
Mullen and Company CPAs Lexington and Kosciusko, MS	F0547	Added Kosciusko location

IV. CPA Examination, Licensing and Firms (Continued)

5. The Board discussed the April 30, 2005, CPA presentation ceremony and assignments.
6. The Board reviewed and approved a request for waiver of the CPE requirements for the compliance periods ending June 30, 2005 and 2006 due to active military duty for: Louis Journey, CPA 2741.
7. The Board reviewed and approved a request from candidate 10996, Louis Lucas Russell, for an extension of her NTS for FAR until November 28, 2005, due to medical complications.
8. The Board reviewed information supplied by NASBA concerning fee increases for the CPA examination in 2005 and 2007 and proposals for handling the changes.
9. The Board reviewed letters from other boards of accountancy (California, Nebraska, Texas and West Virginia) concerning their concerns and problems with the CPA examination.
10. The Board reviewed and discussed other information concerning the computerized CPA examination including:
 - April 6, 2005, CBT Alert concerning mislabeling of FAR,
 - April 7, 2005, announcement of NASBA project administrator,
 - April 15, 2005, letter from the CBT Steering Group,
 - April 18, 2005, CBT Status Report, and
 - March 28, 2005, CBT Status Report.

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.	Beta Alpha Psi - University of Southern MS				
	1. Accounting & Auditing Update	6/6/05	A&A	8	Yes

V. Continuing Professional Education (Continued)

I. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
B.	Delta Chapter - MSCPA				
	1. Accounting and Auditing Update	5/24/05	A&A	8	Yes
C.	Midsouth Institute of Accountants				
	1. Spring 2005 A&A Seminar for Accountants	5/20/05 6/27/05	A&A	8	Yes
D.	MS Chapter of The Financial Planning Association				
	1. Best Practices - Planning Through Your Clients Cycle of Life	5/5/05	Other	8	Yes
E.	MS Society of CPAs				
	1. Risk Management Seminar	5/3/05	Other	4	Yes
	2. Accounting & Auditing Conf	5/13/05	A&A	8	Yes
	3. Mississippi Technology Conf	5/16-17/05	Other	16	Yes
	4. Program for Management Development	5/18-19/05	Other	16	Yes
	5. Accounting & Auditing Update	6/23/05	A&A	8	Yes
	6. Staff Training - Taxation Level 1	9/19-21/05	Tax	24	Yes
	7. Staff Training - Taxation Level 2	10/17-19/05	Tax	24	Yes
F.	Mississippi State Tax Commission Spring 2005 Training	3/24 - 6/30/05 Various			
	1. Individual Income Tax	TBD	Tax	8	Yes
	2. Cash Flow Audit Procedures	TBD	A&A	8	Yes
	3. Tax Audits Scope & Statute of Limitations	TBD	Other	2	Yes
	4. Ethics	TBD	Ethics- General	4	Yes

V. Continuing Professional Education (Continued)

I. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
F.	Mississippi State Tax Commission Spring 2005 Training (Continued)	3/24 - 6/30/05 Various			
	5. Business Entities	TBD	Other	4	Yes
	6. Documentation of Tax Audit Results	TBD	Other	6	Yes
	7. Computer Assisted Tax Audits	TBD	Tax	8	Yes
G.	North Mississippi Planned Giving Council				
	1. A Prudent Investment Process for Fiduciaries	5/5/05	Other	2	Yes
	2. Leaving a Lasting Legacy	5/17/05	Other	4	Yes
H.	Phelps Dunbar LLP/Viking Range				
	1. 2005 Tax Law Update	6/17/05	Tax	8	Yes
I.	Professional Education Systems Institute, LLC				
	1. The Ultimate Compilation & Review Engagement Preconference: Independence - Implementing Ethics Interpretation 101-3 **	7/27/05	Ethics- General	2	No (1)
	2. The Ultimate Compilation and Review Engagements Conference	7/28-29/05	A&A	16	Yes
	3. Taxation for Small & Medium - Sized Businesses	7/25/05 7/27/05	Tax	8	Yes

(1) Additional content information needed.

V. Continuing Professional Education (Continued)

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.	General Services Administration				
	1. External Services Division - Heartland Finance Center Semi-Annual Client Meeting Accounting system	2/24/05	Other	1.5	Yes
	2. National Payroll Center - Heartland Finance Center Semi-Annual Client Meeting Payroll system		Other	1.5	Yes
	<i>Requested by Anita Winton, CPA, Stennis Center for Public Service</i>				
B.	Half Moon, LLC				
	1. Solving Real Estate Title Problems in Mississippi	4/21/05	Other	8	Yes
	National Business Institute				
	1. Closing the Deal: How to Succeed at Real Estate Transactions in Mississippi	6/7/05	Other	8	Yes
	<i>Requested by Michele Harris, CPA</i>				
C.	Professional Education Systems Institute, LLC				
	1. Forensic Accounting Seminar	5/13/05	A&A	8	Yes
	<i>Requested by James A. Koerber, CPA</i>				

3. The Board reviewed and discussed a letter from Yordanos A. Dumez, Director, NASBA CPE Compliance Services, concerning her staff's investigation concerning certain CPE programs. Based on this information the Board continued discussions concerning its disallowance of certain self-study type programs. The Board determined that AICPA CPE Direct would continue to be disallowed for CPE credit as not meeting the CPE standards. Since the Board has not yet released specific information on some specific disallowances, effective July 1, 2005, certain courses will be no longer accepted including PPC University, CPE World, and any other disallowance as a result of the NASBA and QAS investigations.

V. Continuing Professional Education (Continued)

4. Board member Rick Elam discussed with the Board the CPE requirements and possibly providing additional related definitions. After discussions, the Board agreed to a quick poll to be sent to other boards through NASBA related to providing definitions of A&A CPE and Ethics-General CPE.

VI. Regulatory Matters

1. At 10:30 a.m. the Board welcomed the State Auditor Phil Bryant, Deputy State Auditor Rod Ziegler, and Bill Doss, Director - Fiscal and Compliance Audits. The Board heard a report from the Office of State Auditor representatives concerning certain requirements set by statute and its requirement to provide independent audits in particular related to school districts and county governments. After discussions, the State Auditor determined to return at the next Board meeting with additional information and correspondence from the Government Accountability Office.
2. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from March 18 to April 29, 2005:

<u>Activity</u>	<u>Number</u>
Cases Opened	0
Cases Closed	3
Cases referred to Members	3
Total Cases Open	13

3. Cases closed:

Case 2004.21 - opened October 7, 2004. A CPA licensee had an advertisement, appearing in a trade newsletter, allegedly containing false or unsupported claims. Rick Elam’s investigative committee reviewed the advertisement, the licensee’s response and a revised advertisement. Based on it’s review, the committee determined no probable cause to investigate further and closed the case.

Case 2005.05-01 - opened March 2, 2005. A former licensee was described as a CPA in an advertisement for a CPA firm. The firm partner provided copies of the draft ad which showed that the firm did not list this person as CPA. He stated that the newspaper must have assumed that all individuals listed were CPAs. The

3. Cases closed: (Continued)

Board office also received a letter from the former licensee which said he was not aware that the ad listed him as a CPA and that it was done without his permission. The case was closed after his license was reinstated at the March 2005 meeting.

Case 2005.08 - opened March 10, 2005. A former licensee was described as a CPA in a newspaper article. The former licensee responded with a letter in which he explained that he sent a resume to be used in a company press release. The person who wrote the article erroneously described him as a CPA. He said he is not practicing public accounting and does not intend to hold out as a CPA. He will apply for reinstatement before he uses the designation.

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

APPROVED:

Chairman

Board Member

Vice Chairman

Board Member

Secretary

Board Member

Board Member