

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
May 29, 2009

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on May 29, 2009, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

Rick Elam, Chair
David E. Clarke, Vice Chair
David L. Miller, Secretary
Shelly Boone
Jim E. Burkes
Willie B. Sims, Jr.

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
Bridgette Wiggins, Special Assistant Attorney General

Others Present

Jimmy Boyd, MAPA
Julie Brown, Brooks Court Reporting
Jason B. Mauffray
Mary Anderson, USM

I. General

1. The Board opened the meeting with an invocation from Willie Sims.
2. The Board members present unanimously approved the minutes from the April 24, 2009, meeting.
3. The Board members present signed the CPA certificates of licensure from the April 24, 2009, meeting.

I. General (Continued)

4. The Board set the start time for the next meeting and reviewed the tentative meeting dates and activities for 2009:

June 3-5		NASBA W. Regional
June 17-19		NASBA E. Regional
June 25-28		MSCPA Annual
July 24	8:30 a.m.	Meeting
August 21		Meeting
September 25		Meeting - University of Mississippi
November 1-4		NASBA Annual
November 13		Meeting
November 14		CPA Ceremony
December 11		Meeting

5. The Board discussed reports for NASBA Regional meetings roll call and MSCPA Annual Business Meeting - June 27, 2009.

II. National Regulatory Concerns

1. The Board reviewed and discussed the April and May 2009 NASBA *State Board Reports*.

2. The Board discussed the NASBA April 30, 2009, memorandum from David Costello regarding quarterly communications including:
 - Highlights of the NASBA Board meeting, April 24, 2009,
 - Executive Summary - Focus Responses, and
 - NASBA Regional Directors' Report.

3. The Board reviewed Public Accounting Oversight Board (PCAOB) recent releases including:
 - *PCAOB Issues Staff Audit Practice Alert on Auditor Considerations Regarding Fair Value Measurements, Disclosures and Other-Than-Temporary Impairments* and
 - *PCAOB Solicits Nominations for Standing Advisory Group*.

4. The Board noted Charles Taylor's nomination submitted for the NASBA William Van Rensselaer Award.

III. Administration

1. The Board members present reviewed and discussed the SAAS Summary Trial Balances as of April 30, 2009 for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the nine months ended April 30, 2009.
2. The Board heard a report from Executive Director Susan Harris concerning the current status of the FY 2010 budget - Senate Bill 3249. The bill has passed the Senate with amendment from the House, awaiting return of the Legislature - 2009 Session deadlines are suspended.
3. The Board members present unanimously approved the attendance of Executive Director Susan Harris to attend the July 12-13, 2009, meeting of the Enforcement Practices Committee, Denver, reimbursed by NASBA.

IV. CPA Examination, Licensing and Firms

1. The Board convened at 9:00 a.m. to hold a hearing related to initial examination applicant 12487 wherein the applicant was given an opportunity to show cause why he should be allowed to sit as a Mississippi candidate for the uniform CPA examination as related to prior criminal offenses. During the hearing, the Board heard evidence from the applicant in addition to character witnesses and received supporting documentation. After the hearing, the Board members present deliberated the matter and upon motion by Willie Sims with second from Jim Burkes, all other requirements being met the Board members present unanimously approved the application allowing the individual to sit for the examination as a Mississippi candidate. Votes were - For: Rick Elam, David Clarke, David Miller, Shelly Boone, Jim Burkes, Willie Sims, Against: None; Absent: Jean Shepherd; and Recused: None.
2. The Board reviewed and discussed a special candidate situation related to good moral character - initial applicant number 12607. Based on its careful evaluation of a criminal misdemeanor conviction and all other requirements being met, the Board members present unanimously approved applicant 12607 to sit for the examination as a Mississippi candidate.
3. The Board members present unanimously accepted the listing of candidate applications for the computerized examination (25 initial, 39 reexam) received since the April 24, 2009, meeting.

IV. CPA Examination, Licensing and Firms (Continued)

4. 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 Number	Name	Number	Date	Approved
01039	Elaine Chaney Canterbury	5980	5/29/09	Yes
11430	Mark Edward Prewitt	5981	5/29/09	Yes
11751	Joshua Jacob Shoemaker	5982	5/29/09	Yes
12556	Joseph Scott Speights	5983	5/29/09	Yes

Applications for Reciprocal CPA Licenses

File Number	Name	Number	Date	Approved
12525	Matthew Allen Andrews	R3438	5/29/09	Yes
12528	Magdaline S. Baskerville	R3439	5/29/09	Yes
12554	Angela C. Blasberg	R3440	5/29/09	Yes
12466	Lynne Davis Butler	R3441	5/29/09	Yes
12430	Michael Joseph Dvornak	R3442	5/29/09	Yes
12542	James Matthew Fisher	R3443	5/29/09	Yes
12534	Diane Kristine Fraber	R3444	5/29/09	Yes
12497	Jon P. Gaston	R3445	5/29/09	Yes
12602	Antonio J. Grau	R3446	5/29/09	Yes
12552	Lloyd Mundorf Grissinger	R3447	5/29/09	Yes
12538	William B. Hollingsworth	R3448	5/29/09	Yes
12484	Mary J. Hopkins			No (1)
12606	John Ryan Kelley			No (2)
12524	Andrew Jackson Knight	R3449	5/29/09	Yes
12512	Jay Adam Lurie	R3450	5/29/09	Yes
12401	JoAnn Mann-Beattie	R3451	5/29/09	Yes
12536	Sive Abednigo Mazibuko	R3452	5/29/09	Yes
12516	Michael Joseph Mellor	R3453	5/29/09	Yes

(1) Does not satisfy substantial equivalency provisions - education.

(2) Does not satisfy substantial equivalency provisions - experience.

IV. CPA Examination, Licensing and Firms (Continued)

4. Applications (Continued)

Applications for Reciprocal CPA Licenses (Continued)

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12531	Charles Edward Michaud Jr.	R3454	5/29/09	Yes
12541	Joshua John Morgan	R3455	5/29/09	Yes
12507	Bradley James Preber	R3456	5/29/09	Yes
12496	Gina Primerano	R3457	5/29/09	Yes
12468	Dale Robert Rector	R3458	5/29/09	Yes
12483	Matthew S. Sanders	R3459	5/29/09	Yes
12513	Jeffrey Lynn Smyre	R3460	5/29/09	Yes
12485	Zachary Scott Snickles	R3461	5/29/09	Yes
12521	Warren Ryan Underwood	R3462	5/29/09	Yes
12515	Dave Lewis Wedding	R3463	5/29/09	Yes
12503	Monica Lulty Zumo	R3464	5/29/09	Yes

Applications for Reinstatement of CPA Licenses

File			
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
10447	Margaret Elizabeth Prine	5570	Yes
05616	Sharon Carlisle Weber	3645	Yes

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Barfield, Murphy, Shank & Smith, PC Birmingham, AL	F1221	Yes
Grant Thornton, LLP McLean, VA	F1222	Yes
Grau & Associates Boca Raton, FL	F1223	Yes

IV. CPA Examination, Licensing and Firms (Continued)

4. Applications (Continued)

Applications for CPA Firm Permit to Practice (Continued)

<u>Name</u>	<u>Number</u>	<u>Approved</u>
John C. Havard, P.A. Hattiesburg, MS	F1224	Yes
PricewaterhouseCoopers, LLP Tulsa, OK	F1225	Yes
Witcher CPA, PLLC Brandon, MS	F1226	Yes

5. The Board noted a reported amendment to a registered CPA firm, as follows:

<u>Name</u>	<u>Number</u>	<u>Description</u>
Piltz, Williams, LaRosa & Co. Biloxi, MS	F0595	Address Change

6. The Board discussed CPE reporting forms mailing early June. The deadline for submittal is August 3, 2009.

7. The Board reviewed and discussed the NASBA report - *Candidate Care Department Candidate Concerns 09Q1, January 01 - February 28, 2009.*

8. The Board members heard a report by Chair Rick Elam concerning the CPA Licensing and Examination Committee (CLEC). He described the proposed changes to the CPA examination including writing skills inclusion in the BEC section, changes to the simulations, and others planned for later this year.

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>Dates</u>	<u>Hours</u>	<u>Approved</u>
A. Alexander, Van Loon, Sloan, Levens & Favre 1. 11 th Annual Accounting and Auditing Update	5/21-22/09	16	Yes

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V. Continuing Professional Education

1. CPE Sponsor Applications: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
B.	American Society of Women Accts			
	1. Intervivos Trusts and Gifting	2/24/09	1	Yes
	2. The Importance of Health and Wellness in Controlling Healthcare Expenses	3/24/09	1	Yes
	3. Strengthening Policies and Procedures	4/28/09	1	Yes
C.	Beta Alpha Psi and USM School of Accountancy			
	1. Accounting and Auditing Update	5/11/09 5/12/09	8	Yes Yes
	2. Ethics Update (Dr. Stan Clark)		4 Ethics (3 General 1 Rules)	
D.	Central Chapter - MSCPA			
	1. Legal Update & Implications and Impact of SASI 12	7/17/08	1	Yes
	2. Economic Stimulus Act and Bonus	8/21/08	1	Yes
	3. What You and Your Client Should About Section 409A	9/18/08	1	Yes
	4. Update on the Rules and Regs of the State Board of Accty (Harris)	10/16/08 11/20/08	1 Ethics Rules 1	Yes Yes
	5. Mississippi State Education Budget and the Economic Crisis	1/15/09	1	Yes
	6. Proposed Tax Changes of the Obama Administration	2/19/09	1	Yes
	7. The Road from GAAP to IFRS	3/19/09	1	Yes
	8. MS College Savings Plan and the Effect of the Economy on the State Budget and Investments	4/16/09	1	Yes
	9. Property Tax 101-How Does the Assessor Value Property for Ad Valorem Tax Purposes and How Do You Know if That Value is Excessive?			
E.	Central Miss. Chapter of CFES			
	1. Employee Theft Red Flags, Risk Factors and Characteristics	6/19/09	8	Yes

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V. Continuing Professional Education

1. CPE Sponsor Applications: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
F.	Financial Planning Association - MS Chapter			
	1. Need Answers? We Got 'Em! Financial Planning Post 2008	4/30/09	8	Yes
G.	Gulf Coast Chapter - MSCPA			
	1. Practice Topics on Insurance, Lending and Banking for the Small Business CPA	6/4/09	4	Yes
H.	May & Company, LLP			
	1. Estate Planning	11/25/08	2	Yes
	2. Annual Pre-Tax Season Meeting	1/16/09 6/11/09	4 4 ethics	Yes No (1)
	3. Mississippi Ethics			
I.	Mississippi Association of Public Accountants			
	1. Annual Accounting Forum (Ethics - Sanford Warren)	5/26/09	8 including 3 Ethics (2 General 1 Rules)	Yes
J.	Mississippi Institutions of Higher Learning			
	1. Privatized Student Housing Workshop	5/21/09	8	Yes
K.	Mississippi Hospital Association			
	1. 1 st Annual Mississippi Hospital Association Health Law Conference	4/16/09	6	Yes
L.	Nail McKinney Professional Assn.			
	1. 2009 Auditing Update - New Standards and Emerging Issues	7/21/09	8	Yes

(1) Does not satisfy CPE compliance regulatory requirements.

V. Continuing Professional Education

1. CPE Sponsor Applications: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
M.	Piltz, Williams, LaRosa & Co.			
1.	Casino Accounting and Auditing	6/2&3/09	16	Yes
N.	Southern Farm Bureau Life Insurance			
1.	NAIC Model Audit Rule Compliance Workshop	6/15-17/09	24	Yes
O.	University of Southern Mississippi			
1.	The Financial Edge Training	6/29-30/09	16	Yes

VI. Legislation Task Force

1. The Board heard a report from Task Force Chair David Clarke concerning the planned timeline for working with the Mississippi Society of CPAs concerning the 2010 legislative session and the mobility legislation.

VII. Rules and Regulations

1. The Board discussed potential changes to and a timeline for the Rules and Regulations as a result of mobility statutory amendments:
 - Chapter 1 Restrictions on Use of the Title of Certified Public Accountant
 - Chapter 2 Licenses
 - Chapter 3 CPA Firm Permits
 - Chapter 4 Continuing Professional Education (CPE)
 - Chapter 5 Practice Review Program
 - Chapter 6 Rules of Professional Conduct
 - Chapter 7 Disciplinary Actions

VIII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities from April 24, 2009 to May 29, 2009:

<u>Activity</u>	<u>Number</u>
Cases Opened	4
Cases Closed	5
Cases referred to Members	4
Total Cases Open	23

2. Cases closed:

Case 2006.25 - opened September 12, 2006. A licensee was referred by the U.S. Housing and Urban Development (HUD) for alleged violation of auditing standards on public housing audits. The Jim Burkes investigative committee considered a consent order as issued by another jurisdiction. The committee closed the case with no probable cause to investigate further at this time.

Cases 2008.05-A and 2008.05-B - opened March 10, 2008. Complaint from a city employee which alleged that a CPA firm engaged to audit the city's financial statements had improperly included a former city employee on the audit team for that engagement violating independence rules of professional conduct. The Jim Burkes investigative committee determined there was insufficient evidence to support a technical independence violation and closed the case. However, a letter of explanation will be sent emphasizing the rules of professional conduct and avoiding the appearance of a conflict of interest.

Case 2009.02 - opened February 19, 2009. The Board received documentation that a Louisiana CPA was providing accounting services for a corporation located in Mississippi. The individual's reciprocal license R3436 was approved at the April 2009 meeting and the investigator closed the case with no probable cause to investigate further.

Case 2009.08 - opened May 14, 2009. A nonlicensee was listed as a CPA in a newspaper political advertisement. The individual responded that he is a Louisiana CPA and on "inactive" status. He said he is a retired USM professor, has cancer, and does not practice public accounting. In the future, if he uses the CPA designation he will indicate "Inactive - Louisiana." The investigator closed the case with no probable cause to investigate further at this time.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member