

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
September 25, 2009

The Mississippi State Board of Public Accountancy met at the University of Mississippi campus, Oxford, Mississippi, on September 25, 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 B. Boone
Jim E. Burkes
Willie B. Sims, Jr.

Board Members Absent

Jean T. 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
Jimmy Boyd, MAPA
Darrell Galley, Chair, PROC
Cecil Harper, PROC
Lee Murphy, PROC

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 July 24, 2009, meeting.
3. The Board members present signed the CPA certificates of licensure from the July 24, 2009, meeting.

I. General (Continued)

4. The Board set the start time for the next meeting and discussed the dates for the remainder of 2009.

November 1 - 4		NASBA Annual
November 13	10:00 a.m.	Meeting
November 14	9:00 a.m.	CPA Ceremony
December 11	8:30 a.m.	Meeting

5. The Board members present set tentative meeting/activity dates for 2010:

January 22	Meeting	June 24-27	MSCPA Annual
February 19	Meeting	July 23	Meeting
March 24	Meeting	August 20	Meeting
April 23	Meeting	September 24	Meeting
April 24	Ceremony	October 24-27	NASBA Annual
May 26	Meeting	November 12	Meeting
June 9-11	NASBA E. Regional	November 13	Ceremony
June 23-25	NASBA W. Regional	December 10	Meeting

II. National Regulatory Concerns

1. The Board reviewed and discussed the August 2009 NASBA *State Board Report*.
2. The Board discussed the NASBA July 27, 2009, memorandum from David Costello regarding Quarterly Communications and answered the focus questions due October 16, 2009.
3. The Board members reviewed and discussed the AICPA/NASBA study group's paper regarding CPA firm names.
4. The Board discussed the NASBA July 29, 2009, letter to the California Board of Accountancy regarding substantial equivalency.
5. The Board discussed the NASBA August 30, 2009, letter to the Internal Revenue Service regarding notice 2009-60 and registration for tax preparers.
6. The Board members reviewed the Summer 2009 NASBA Center for the Public Trust newsletter - *Ethics Matters*.

II. National Regulatory Concerns (continued)

7. The Board reviewed the September 2009 AICPA publication - *Ethically Speaking*.
8. The Board heard a report from Executive Director Susan Harris regarding the Forum of International Accountancy Regulators and the NASBA release entitled *NASBA Rallies International Regulators*.
9. The Board noted the NASBA release addressing its support of an independently funded accounting standard setting board.
10. The Board reviewed the July 2009 *ALD News*, providing an update concerning the US Accountancy Licensee Database.
11. The Board discussed the Council on Licensure Enforcement and Regulation (CLEAR) Resource Brief entitled *Consistent Decision Making by Regulators*.
12. The Board discussed the AICPA Exposure Draft - *Omnibus Proposal of Professional Ethics Division Interpretations and Rulings*; comments are due November 6, 2009.
13. The Board reviewed Public Accounting Oversight Board (PCAOB) recent releases including:
 - *PCAOB Adopts New Auditing Standard on Engagement Quality Review and Issues Concept Release on Requiring the Engagement Partner to Sign the Audit Report*,
 - *PCAOB Provides New and Updated Information on Inspections*,
 - *PCAOB Rules Requiring Reporting by Registered Firms Take Effect October 12, 2009*, and
 - *PCAOB Publishes Staff Questions and Answers on References to Authoritative Accounting Guidance in PCAOB Standards*.

III. Administration

1. The Board members present reviewed and discussed the SAAS Summary Trial Balances as of August 31, 2009 for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the two months ended August 31, 2009.
2. The Board discussed the proposed agreement with MSCPA and NASBA for participation in Accountancy Licensee Database (ALD), Data Sharing Agreement.

III. Administration (Continued)

3. The Board members present approved extra per diem days as follows;

Rick Elam	Aug 17, 18	Legislation Meetings- MSCPA and P. Breazeale
David Miller	Jul 1, 4, 13, 14	Investigative Cases
	20, 28, 29	
	Aug 6, 7, 11, 19	
	Aug 10	Review PROC procedures
	Aug 13	Review Rule changes
	Aug 17	Legislation Meeting - MSCPA
Jim Burkes	Aug 17, 18	Legislation Meetings- MSCPA and P. Breazeale

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of candidate applications for the computerized examination (30 initial, 62 reexam) received since the July 24, 2009, meeting. The Board reviewed and discussed special candidate situations related to good moral character - initial applicant numbers 12644, 12647, and 12662. Based on their careful evaluations of criminal misdemeanor convictions and all other requirements being met, the Board members present unanimously approved applicants 12644, 12647 and 12662 to sit for the examination as Mississippi candidates.
2. 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
11431	David Ryan Lynch	5994	9/25/09	Yes
11909	Amber Leigh Patrick	5995	9/25/09	Yes
11531	Donna Michelle Peninger	5996	9/25/09	Yes
12295	Karen Allred Ray	5997	9/25/09	Yes
12312	Gary Tyler Rosamond	5998	9/25/09	Yes
12224	Joshua Larry Simpson	5999	9/25/09	Yes

IV. CPA Examination, Licensing and Firms

2. Applications (Continued)

Applications for Original CPA License (Continued)

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12267	Brian N. Walters	6000	9/25/09	Yes
11864	Cheryl Christine Wilson	6001	9/25/09	Yes

Applications for Reciprocal CPA Licenses

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12719	Leigh Fitzgerald Agnew	R3474	9/25/09	Yes
12700	Elizabeth Ann Alford	R3475	9/25/09	Yes
12701	Sharon Berken Cassiere	R3476	9/25/09	Yes
12658	Charles I. Dohoney, Jr.	R3477	9/25/09	Yes
12652	Deborah Diane Freeland	R3478	9/25/09	Yes
12484	Mary J. Hopkins	R3479	9/25/09	Yes
12708	James William McIngvale	R3480	9/25/09	Yes
12637	Sarah Jones Skelton	R3481	9/25/09	Yes
12702	Ted A. Soileau	R3482	9/25/09	Yes
12661	Cindy Brewer Tynan	R3483	9/25/09	Yes
12718	Beverly L. Wilson	R3484	9/25/09	Yes

Applications for Reinstatement of CPA Licenses

File			
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
10165	Sara Jennifer Cotton	5415	Yes
11483	Marcus Stuart Kennedy	5771	Yes
09345	David Maatallah	R2517	Yes
06844	Jonathan Michael Morgan	3887	Yes

IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Amanda Angle CPA LLC Saltillo, MS	F1240	Yes
Deloitte & Touche LLP San Diego, CA	F1241	Yes
Donald and Loper CPA's PLLC Philadelphia, MS	F1242	Yes
Soileau & Exner, CPAs Baton Rouge, LA	F1243	Yes
Bambo Sonaike, CPA Marietta, GA	F1244	Yes

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

<u>Name</u>	<u>Number</u>	<u>Description</u>
Hill CPA Firm, PLLC Memphis, TN	F0907	Name Change from Hill & Associates, PC, CPAs

4. The Board discussed the November 14, 2009, CPA Ceremony and potential key speaker.

5. The Board members present unanimously took the following actions related to requests for amendments to the 2009 CPE compliance requirements:

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
Julia M. Ainsworth	2865	Extension to 10/31/09 - 3 CPE hours
Judith L. Abendschein	3569	Extension to 10/31/09 - 8 CPE hours
James I. Barber	4451	Extension to 10/31/09 - 39 CPE hours
Jake M. Bellipani, Jr.	1766	Waiver - Medical
Charlie F. Blank	2312	Waiver - Medical
Valerie M. Box	2225	Extension to 10/31/09 - 28 CPE hours

IV. CPA Examination, Licensing and Firms (Continued)

5. Requests for amendments to the 2009 CPE compliance requirements (cont.)

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
Rhonda L. Brady	4814	Extension to 10/31/09 - 28 CPE hours
Paul A. Burns	3869	Waiver
John A. Cannon	3007	Extension to 10/31/09 - 30 CPE hours
George M. Conwill	2552	Waiver - Medical
Michelle C. Coughlin	5010	Extension to 10/31/09 - 60 CPE hours
Darryl W. Dabbs	5480	Extension to 10/31/09 - 9 CPE hours
T. Miller Dickinson	0839	Waiver - Medical
Homer B. Dyer	3622	Extension to 10/31/09 - 3 CPE hours
Michael L. Foley	5432	Extension to 10/31/09 - 60 CPE hours
Christi H. Fox	4966	Extension to 10/31/09 - 21.5 CPE hours
Willis L. Frazer	1792	Extension to 10/31/09 - 12 CPE hours
Vicki J. Gann	4185	Extension to 10/31/09 - 13 CPE hours
Katie D. Gilmore	5885	Extension to 10/31/09 - 1 CPE hour
Richard A. Grimes	4347	Extension to 10/31/09 - 1.5 CPE hours
James W. Gunkel	3014	Extension to 10/31/09 - 36 CPE hours
James Erik Hearon	1367	Extension to 10/31/09 - 19 CPE hours
Michelle L. Hester	5485	Extension to 10/31/09 - 4.5 CPE hours
John F. Hill	3693	Extension to 10/31/09 - 6.2 CPE hours
Angela B. Hodge	5079	Extension to 10/31/09 - 60 CPE hours
Kenneth W. Holmes	2799	Extension to 10/31/09 - 19 CPE hours
John S. Howell	0654	Waiver - Medical
Ginger C. Ivan	R3335	Extension to 10/31/09 - 1 CPE hour
Jacob S. Jernigan	5790	Extension to 10/31/09 - 27.5 CPE hours
Laura M. Kinney	3359	Extension to 10/31/09 - 1 CPE hour
Constance N. Kirk	4502	Extension to 10/31/09 - 34 CPE hours
Elizabeth Kisselburgh	4700	Extension to 10/31/09 - 18 CPE hours
Billy R. Knox	5805	Extension to 10/31/09 - 4 CPE hours
Sherina C. Lewis	R3424	Extension to 10/31/09 - 30 CPE hours
T. E. Lott, Jr.	0782	Waiver - Medical
Timothy A. Morgan	4093	Extension to 10/31/09 - 28 CPE hours
John I. Myers	1567	Extension to 10/31/09 - 13 CPE hours
Frederick A. Ramsey	2731	Extension to 10/31/09 - 6 CPE hours
John G. Roberts	5690	Extension to 10/31/09 - 30 CPE hours

IV. CPA Examination, Licensing and Firms (Continued)

5. Requests for amendments to the 2009 CPE compliance requirements (cont.)

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
Sherrill G. Robertson	4477	Waiver - Medical
John D. Sanders	3680	Extension to 10/31/09 - 60 CPE hours
Christopher A. Savage	1136	Extension to 10/31/09 - 33.75 CPE hours
John Serafin	3771	Waiver - Medical
Vickie L. Simmons	4868	Extension to 10/31/09 - 39.5 CPE hours
John P. Stockwell	1311	Extension to 10/31/09 - 15.5 CPE hours
Joseph R. Tillman	4797	Extension to 10/31/09 - 6 CPE hours
Na'son S. White	5669	Waiver - Military
Raymon M. Wintrone	4229	Waiver - Medical
Robert B. Young	2673	Extension to 10/31/09 - 18 CPE hours

6. The Board members present unanimously approved requests from CPAs for waivers of the 2009 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2010, as follows:

<u>Name</u>	<u>Number</u>
Peggy S. Dawson	3755
Michael E. Hamilton	2398
Michael J. Mercier	1822
H. Thomas Nichols, Jr.	1453
William H Polk	0669

7. The Board reviewed a listing of voluntary cancellations made by CPAs with CPE deficits and requested during the 2009 CPE reporting period:

<u>Name</u>	<u>Number</u>
D. Ronald Edwards	R3166 (compliant)
Steve L. Ernest	3652
William D. Hardin, Jr.	4901
Wade R. Stonebrook	R3407 (compliant)
Mark A. Wishard	R1855 (compliant)
Lauren J. Wolfe	R3135 (compliant)

IV. CPA Examination, Licensing and Firms (Continued)

8. The Board reviewed, discussed, and took no action related to various information related to the CPA examination:
- August 5, 2009, AICPA Board of Examiners letter regarding *Content and Skill Specifications for the Uniform CPA Examination (CSO)*,
 - Board of Examiners October 1 or October 2 conference calls,
 - CBT Steering Group Quarterly Summary Report 2Q 2009, and
 - NASBA Candidate Care Department - *Candidate Concerns - 2Q 2009*.

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. Tenth Annual Tax Update	10/16/09	8	Yes
B.	American Society of Women Accountants			
	1. Building a Transparent Nonprofit	8/25/09	1	Yes
C.	Auburn University/Outreach Program Office			
	1. Auburn University 2009 Tax Practitioners Seminars	11/3-4/09 11/5-6/09 11/9-10/09 11/11-12/09 11/16-17/09 11/18-19/09 12/1-2/09 12/3-4/09 12/15-16/09 12/17-18/09	16 including 1 Ethics General	Yes
D.	Department of Finance and Administration			
	1. SAS 112-115 Agency Risk Assessment and Internal Control	9/9/09	2	Yes

V. Continuing Professional Education (Continued)

1. CPE Sponsor Applications: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
E.	Federal Tax Clinic/The University of Alabama			
	1. 63 rd Annual Federal Tax Clinic	11/19-20/09	16.8	Yes
F.	Gleim Publications, Inc.	QAS		
	1. AICPA Professional Ethics	Online Self Study	4 Ethics General	Yes
G.	Mississippi Bankers Association			
	1. Identifying and Managing Problem Loans	7/30/09	6	Yes
H.	Mississippi Gulf Coast Chapter of CPAs			
	1. Ethics (Dr. Stan Clark)	2/10/09	4 Ethics (3 General 1 Rules)	Yes
I.	Mississippi Society of CPAs			
	1. Mississippi Tax Institute	11/5&6/09	1 Ethics General	Yes
	2. Governmental Accounting and Auditing Conference	8/21&22/09	16	Yes
	3. Young CPA Conference	9/1/09	4 including 1 Ethics Rules	Yes
J.	Mississippi State Tax Commission			
	1. Southeastern Association of Tax Administrator 59 th Annual Conference	6/29-30/09	4 Ethics (3 General 1 Rules)	Yes
K.	National Association of State Auditors, Comptrollers and Treasurers			
	1. This Ethics Thing: Why It Matters More in Hard Times	8/18/09	1 Ethics General	Yes

V. Continuing Professional Education (Continued)

1. CPE Sponsor Applications: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
L.	Office of the State Auditor 1. County Audit Section Training	7/8&9/09	10	Yes
M.	The University of Mississippi - School of Business Administration 1. 2009 Banking and Finance Symposium	10/16/09	3	Yes
N.	University of Mississippi 1. Ethics - Mississippi Law, Rules and Regulation (Dr. Rick Elam)	11/5/09	1.5 Ethics Rules	Yes

2. The Board members present unanimously authorized the following actions on CPE requests from individuals.

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
A.	Research in Accounting Regulation 1. Impact of Environmental Regulation in Financial Reporting of Pollution Activity: A Comparative Study of U.S. and Canadian Firms	Published Article co-author	30	Yes
	Advances in Accounting 1. Faculty Perspectives on International Accounting Topics Requested by Paul Ashcroft	Published Article co-author	15	Yes
B.	Dave Ramsey 1. Financial Peace University Requested by Deborah Barrett (Facilitator)	9/3/09 13 weeks	26	No

V. Continuing Professional Education (Continued)

2. CPE Individual Requests: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
C.	American Bar Association Section of Litigation Criminal Litigation Committee			
	1. Month In Review	Published Article	14.2	Yes
	Baker Donelson Bearman Caldwell & Berkowitz	co-author		
	1. Department of Justice Issues New Corporate Charging Guidelines	Published Article	14.3	Yes
	Requested by Michael Dawkins	co-author		
D.	LexisNexis Publishing			
	1. Bender's 2009 Payroll Tax Guide: Chapters 5, 6 and 9	Published Document	18	Yes
	CCH Incorporated			
	1. 2009 U.S. Master Compensation Tax Guide: Chapters 6, 7, 8, 11, 12, 13 and 15	Published Document	20	Yes
	Requested by Bob G. Kilpatrick			
E.	Thomson-Southwestern			
	1. Concepts in Federal Taxation	Published Article	10	Yes
	Advances in Taxation	co-author	Total	
	1. Bonus Depreciation Incentives	Published Article		
	Accounting Historians Journal	co-author		
	1. A Study of the Impact of Special Interest Groups on Major Tax Reform	Published Article		
	ACFE fraud Magazine	co-author		
	1. Ivar Kreuger Part 1	Published Article		
	2. Ivar Kreuger Part 2	co-author		
	Requested by Tonya Flesher			

V. Continuing Professional Education (Continued)

2. CPE Individual Requests: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
F.	Construction Accounting and Taxation Journal			
	1. Contractor's Guide to the 2009 Recovery Act	Published Article	6	Yes
	Requested by Robin Word			

VI. Legislation Task Force

1. The Board heard a report from Task Force Chair David Clarke concerning meetings with leadership of the Mississippi Society of CPAs, legislative members, and interested parties concerning the 2010 legislative session and proposed amendments for the CPA mobility legislation.
2. The Board members present unanimously adopted a resolution that expresses its sincerity, seriousness, and dedication to these amendments. This resolution is a part of these minutes. The Board members present also unanimously approved the submittal of these requested amendments via written request to the Legislature for introduction.
3. Board Chair Rick Elam discussed his scheduled meeting with State Auditor Stacey Pickering and his staff to discuss possible concerns with government audits.

VII. Rules and Regulations

1. The Board discussed the one comment letter received since noticing the proposed *Rules and Regulations* modifications on August 31, 2009. The request concerns consideration of placing a definition of practice privilege in the amendments. After thorough discussion, the Board determined that since there are potential changes to occur with the Public Accountancy Act related to mobility, placement of a definition of practice privilege will be deferred until the law is amended.

VII. Rules and Regulations (Continued)

2. The Board made no amendments to the modified *Rules and Regulations* as noticed.
3. Upon motion by Willie Sims with second by Jim Burkes, the Board members present unanimously approved and adopted the modifications to the *Rules and Regulations*. The modified *Rules and Regulations* will be forwarded to the Secretary of State as required by Administrative Law to be held within the required minimum thirty day period. The following Chapters contain 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 6 Rules of Professional Conduct

VIII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities from July 24, 2009 to September 25, 2009:

<u>Activity</u>	<u>Number</u>
Cases Opened	1
Cases Closed	3
Cases referred to Members	1
Total Cases Open	17

2. Cases closed:

Case 2009.03 - opened June 11, 2007. The former husband of a CPA licensee filed a complaint alleging unethical conduct in her practice as a CPA. Willie Sims's investigative committee determined there was insufficient evidence to support the allegations contained in the complaint and thus no probable cause to investigate further.

Cases 2008.06 and 2008.08 - opened April 7, 2008. The Director of Internal Audit of the company which administered the Mississippi CHIPS program for the Division of Medicaid filed a complaint against two licensees who were hired by the State of Mississippi to audit the CHIPS program. The complaint alleged that the auditors disclosed confidential client information obtained during the audit

VIII. Regulatory Matters (Continued)

2. Cases closed: (Continued)

and misconduct. Shelly Boone's investigative committee determined that the Division of Medicaid was the client; the information which the auditors obtained was related to the audit; and the subject information was turned over to the client (Division of Medicaid), not a third party. Based on its findings, the investigative committee determined that no violations occurred and that no probable cause to continue the investigation.

3. The Investigator reviewed the open case log by general description and reported on the investigative activities.
4. The Board heard the report from the members of the Peer Review Oversight Committee (PROC) - Darrell Galey, Cecil Harper, and Lee Murphy - concerning the AICPA Peer Review Program administered by the Mississippi Society of CPAs. The Board received a written copy and heard a report from the committee for the year ended June 30, 2009. The committee reported that the peer review program is operating appropriately with no significant problems.
5. The Board also discussed with the PROC members, reported problems with government audits performed in Mississippi and the peer review process.
6. The Board heard a report from the search for a replacement for PROC member Darrell Galey, whose term has expired for the Southern portion of the State.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member