

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
September 24, 2010

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on September 24, 2010, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

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

Board Staff Present

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

Legal Counsel Present

Onetta Whitley, Deputy Attorney General
Maudine Eckford, Special Assistant Attorney General

Others Present

Gary Walker, MSCPA
Perry Smith
Kelli Lyons
Jerry Levens
Kelly Powell, Brooks Court Reporter
Christian Akponwei

I. General

1. The Board opened the meeting with an invocation from Jim Burkes.
2. The Board recognized the oath of reappointed member Dr. Rick Elam.
3. The Board members unanimously approved the minutes from the July 23, 2010, meeting.
4. The Board members present signed the CPA certificates of licensure from the July 23, 2010, meeting.

I. General (Continued)

5. The Board set the start time for the next meeting and reviewed the tentative meeting dates and activities for 2010:

October 24-27	NASBA Annual Meeting
November 12	Meeting
November 13	CPA Presentation Ceremony
December 10	Meeting

6. The Board members set tentative meeting/activity dates for 2011:

January 21	Meeting	June 23-26	MSCPA Annual
February 18	Meeting	July 22	Meeting
March 25	Meeting	August 19	Meeting
April 29	Meeting	September 23	Meeting
April 30	Ceremony	October 23-26	NASBA Annual
May 25	Meeting	November 18	Meeting
June 8-10	NASBA W. Regional	November 19	Ceremony
June 22-24	NASBA E. Regional	December 16	Meeting

II. National Regulatory Concerns

1. The Board reviewed and discussed the *NASBA State Board Reports* for July and August 2010.
2. The Board discussed the NASBA August 2010 memorandum from David Costello regarding Quarterly Communications and answered the focus questions due October 6, 2010.
3. The Board members discussed the NASBA State Board Relevance and Effectiveness Committee Exposure Draft - Semi-Independent State Board of Accountancy.
4. The Board members reviewed the NASBA Bylaws Committee August 25, 2010, email regarding proposed bylaws changes (vote at Annual Meeting).
5. The Board members reviewed the September 16, 2010, NASBA email regarding an upcoming CPEmarket change.

II. National Regulatory Concerns (Continued)

6. The Board members noted the August 2010 publication - *CPE Monitor*.
7. The Board reviewed and discussed the August 25, 2010, AICPA email concerning its testimony in proposed IRS regulations to regulate tax preparers.
8. The Board reviewed Public Accounting Oversight Board (PCAOB) recent releases including:
 - *PCAOB Statement Upon Signing of the Dodd-Frank Wall Street Reform and Consumer Protection Act,*
 - *PCAOB Staff Directed to Develop Proposal to Ask Congress to Make Public Disciplinary Hearings and Related Proceedings,*
 - *PCAOB Issues Release on Failure to Supervise,*
 - *PCAOB Adopts New Auditing Standards on Risk Assessment,* and
 - *PCAOB to Host Roundtable on Communications with Audit Committees, Reopens Comment Period on Proposal.*

III. Administration

1. The Board members present reviewed and discussed the SAAS Summary Trial Balances as of August 31, 2010, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the two months ended August 31, 2010.
2. The Board members present reviewed a schedule of candidates' forfeited funds in Fund 3850.

IV. CPA Examination, Licensing and Firms

1. The Board convened at 9:00 a.m. to hold a hearing related to initial examination applicant 12852 wherein the applicant was given an opportunity to show cause why she 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 Rick Elam with second from Jim Burkes, all other requirements being met the Board approved the application allowing the individual to sit for the examination as a Mississippi candidate. Votes were - For: David Clarke, David Miller, Shelly Boone, Jim Burkes, Rick Elam; Against: None; Absent: None; and Recused: None.

IV. CPA Examination, Licensing and Firms (Continued)

2. The Board members unanimously accepted the listing of candidate applications for the computerized examination (41 initial, 91 reexam) received since the July 23, 2010, meeting. The Board reviewed and discussed a special candidate situation related to good moral character - initial applicant number 12937. Based on its careful evaluation of criminal misdemeanor conviction and all other requirements being met, the Board members unanimously approved applicant 12937 to sit for the examination as 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

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12387	Christopher Samuel Barron	6069	9/24/10	Yes
11707	Kari Mikal Blackledge	6070	9/24/10	Yes
12165	Kimberly Brook Gatlin	6071	9/24/10	Yes
12558	Morgan Brister Hegi	6072	9/24/10	Yes
12623	James B. Horne	6073	9/24/10	Yes
12716	Milton Curtis Neyman, Jr.	6074	9/24/10	Yes
12765	Mary Frances Overstreet	6075	9/24/10	Yes
12776	Tanya Nicole Satterfield	6076	9/24/10	Yes
10962	Ashley Beckett Soliz	6077	9/24/10	Yes
12220	Cher D. Taylor	6078	9/24/10	Yes
12605	Dustin William Taylor	6079	9/24/10	Yes

Applications for Reciprocal CPA Licenses

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12929	Lloyd Karl Goodman	R3523	9/24/10	Yes
12919	Kevin Ray Grace	R3524	9/24/10	Yes
12950	John Inman Gullett	R3525	9/24/10	Yes
12952	Cynthia Marie Rocray	R3526	9/24/10	Yes

IV. CPA Examination, Licensing and Firms (Continued)

3. Applications (Continued)

Applications for Reinstatement of CPA Licenses

File			
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
09483	Kimberly Moody Bourn	5188	Yes
07188	Charlotte H. Dykes	4955	Yes
08025	John Michael Methvin	4703	Yes

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Dauby O'Connor & Zaleski, LLC Carmel, IN	F1298	Yes
Grant Thornton LLP Kansas City, MO	F1299	Yes
Jenae W. Heep, CPA, PA Clinton, MS	F1300	Yes
Hylander CPA Firm PLLC Collierville, TN	F1301	Yes
May/Treadway CPA Group Canton, MS		No (1)
Ruth Whitehead, CPA Philadelphia, MS	F1302	Yes

(1) Name does not satisfy regulatory requirements.

4. The Board reviewed amendments to registered CPA firms, as follows:

<u>Name</u>	<u>Number</u>	<u>Description</u>
MJD & Associates, LLC Gulfport, MS	F1100	Address Change
Nicholson & Company, PLLC Gulfport, MS	F0373	Firm Merged with John S. Heath

5. The Board members discussed the November 13, 2010, ceremony and the potential key speaker.

IV. CPA Examination, Licensing and Firms (Continued)

6. The Board members present reviewed requests for amendments to the 2010 CPE requirements and unanimously took the actions related to requests for amendments as presented in Exhibit 1 to these minutes.
7. The Board members present unanimously approved requests from CPAs for waivers of the 2010 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2011, as follows:

<u>Name</u>	<u>Number</u>
Allen James Lambert	R2425
William Thomas Randolph	3494
Sherrill G. Robertson	4477
Robert Lewis Robinson	1749

8. The Board members deferred a request for waiver based on the affidavit of current retirement and intention to apply for CPA (retired) of CPA R2632 - Donna McGinnis for additional information.
9. The Board reviewed a listing of voluntary cancellations made by CPAs requested during the 2010 CPE reporting period:

<u>Name</u>	<u>Number</u>
Hirschel Theron Abbott, Jr.	1117
Larry Doyle Davis	R2189
Lynda Jane Gautier	1216
Amy Blackburn Hall	4970
Ashlea Marie Leggett	5936
Kenneth Edward Litton, Jr.	R2888 (CPE compliant)
Michael L. Lloyd	R2603 (CPE compliant)
Steven J. McCann	R3376
Kent Milton Plowman, Jr.	R3148 (CPE compliant)
Michael Carroll Reibling	R2712

10. The Board reviewed but denied a request from candidate 12822 for an extension of passed credits and the NTS for the REG section due to insufficient reasons. The Board also denied two requests related to the requirements for taking the CPE examination. The Board approved a request from candidate 12842 to waive rescheduling fee and extend NTS due to emergency surgery.

IV. CPA Examination, Licensing and Firms (Continued)

11. The Board reviewed, discussed, but took no action related to various information concerning to the CPA examination:
- August 30, 2010, AICPA BOE State Board Committee letter, Re: Setting Passing Scores,
 - CBT Steering Group - Quarterly Summary Report to the State Boards, Second Quarter 2010, and
 - NASBA Candidate Care Department - Candidate Concerns 10Q1, January - February 2010.

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.	Accountants Education Group (QAS)	Self Study	4 Ethics	Yes
	1. Mississippi Ethics	Online	(3 General 1 Rules)	
B.	Alexander, Van Loon, Sloan, Levens & Favre			
	1. Eleventh Annual Tax Update	11/19/10	8	Yes
C.	Association of Government Accountants			
	1. State Board of Public Accountancy Regulations	4/21/10	1 Rules	Yes
	2. The Latest Tools and Techniques for Auditors		2	Yes
	3. Managing Your Money in an Uncertain World		1	Yes
	4. Those Faint Signals: Learning to Catch Ethical Slippage Before It's Too Late		2 Ethics General	Yes
D.	Balch & Bingham LLP			
	1. 2010 Labor & Employment Seminar	10/21- 22/10	10.5	Yes

V. Continuing Professional Education (Continued)

I. CPE Sponsor Applications: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
E.	BKD, LLP 1. Bank Accounting Update - Practical Information for Today's Environment	8/17/10	4	Yes
F.	Brunini, Grantham, Grower & Hewes, PLLC 1. Brunini Tax Forum	8/18/2010 9/16/2010	4	Yes
G.	CPE Link 1. Professional Conduct and Ethics (Webcast)	9/23/10 11/10/10 Various	4 Ethics General	Yes
H.	Mississippi Bankers Association 1. 2010 Security Seminar	8/25-26/10	10	Yes
I.	Mississippi Society of CPAs 1. Governmental Accounting and Auditing Conference	8/19-20/10	16	Yes
J.	Office of the State Auditor 1. Single Audit/Government Auditing 2. AARA Audit Training/Update 3. TeamMate EWP - County Audit Division	6/17/10 6/18/10 7/22/10	6 3 6	Yes Yes Yes
K.	Petroleum Accounting Society of MS/MSCPA 1. Oil and Gas Taxation	10/27-28/10	16	No Deferred (1)
L.	Silas Simmons, LLP 1. Accounting and Auditing Update	10/22/10	8	No Deferred (1)
M.	Systems IT dba New Horizons 1. Excel 2007 Level 1 2. Excel 2007 Level 2	8/25/10 9/23/10	8 8	Yes Yes

(1) Need additional information to support CPE program.

V. Continuing Professional Education (Continued)

1. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
N.	The University of Alabama 1. 64 th Annual Federal Tax Clinic	11/18-19/10	18 1 Ethics General	Yes
O.	The University of Mississippi, School of Business Administration 1. 2010 Banking and Finance Symposium	10/1/10	4 2 Ethics General	No Deferred (1)
P.	Western CPE (QAS) 1. Ethics and Professional Conduct for MS	Self Study Online	4 Ethics (3 General 1 Rules)	Yes

2. The Board members present unanimously authorized the following actions concerning CPE request from individuals.

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
A.	Dr. Quinton Booker and MSCPA 1. Ethics and MS Rules Requested by Dr. Quinton Booker	Speaker 9/20/10 Various	4 Ethics (3 General 1 Rules)	Yes
B.	Bloomberg Law Reports 1. The Necessity for Environmental Auditing of Hospitals National Business Institute 2. Accounting 101 for Lawyers American Bar Association 3. ABA Month in Review University of Mississippi 4. Federal Practice and Procedure Requested by Michael T. Dawkins	Published Article Published Document Published Article Published Article	45 24.7 14.1 20.2	Yes Yes Yes Yes

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.	ABACUS			
	1. Accounting for the Business of Suffering: A Study of the Antebellum Richmond, Virginia Slave Trade	Published Article author	16	Yes
	Requested by Jan Richard Heier			
D.	Surgent McCoy, LLC (QAS)			
	1. Ethical Consideration in Your Tax Practice Part I	Self Study Online	2 Ethics General	Yes
	Requested by Edward Milam			
E.	Financial Executive Magazine			
	1. Should It Be “Big GAAP” of “Little Gap” For Private Companies?	Published Article author	2	Yes
	2. Convergence with Whom? The Shift of the “Investor Model” of Accounting	Published Article author	2	Yes
	Requested by Edgar A. Thrower			

VI. Rules and Regulations

1. The Board noted that no comment letters were received since noticing the proposed *Rules and Regulations* modifications on August 23, 2010. The Board made no amendments to the modified *Rules and Regulations* as noticed.
2. 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:
 - Definitions
 - Chapter 3 CPA Firm Permits

VII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities from July 23, 2010, to September 24, 2010:

<u>Activity</u>	<u>Number</u>
Cases Opened	146
Cases Closed	0
Cases referred to Members	146
Total Cases Open	166

2. The Investigator reviewed the open case log by general description and reported on the investigative activities.
3. The Investigator discussed the current status with the CPE compliance monitoring which has resulted in 146 disciplinary cases.
4. The Board discussed the results of the recruitment of the member representing North Mississippi for the Peer Review Oversight Committee (PROC). The current members of the PROC are:

Central	Cecil Harper	2009 - 2011
South	Wib Wright	2010 - 2012
North	E. Si Thomas	2011 - 2013

VIII. Trial Board

1. The Board members present unanimously voted to convene as the Trial Board for the purpose of considering matters related to disciplinary cases.
2. The Board continued as Trial Board for the purpose of reviewing for release from the consent order for respondent David Lee Gladden, CPA 16845, Case 2009.14-29, because of his complete satisfaction of the ordered requirements as issued by the David Clarke Investigative Committee related to CPE. Upon motion by Rick Elam with second from Willie Sims, the Trial Board approved release of the licensee from the consent order. Votes were - For: David Miller, Shelly Boone, Jim Burkes, Rick Elam, Willie Sims; Against: None; Absent: None; and Recused: David Clarke.
3. Upon conclusion of Trial Board business, the Board adjourned as Trial Board and adjourned the meeting.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member