

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
June 1, 2012

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on June 1, 2012, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

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

Board Members Absent

Shelly B. Ford, Chair

Board Staff Present

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

Legal Counsel Present

Gloria Green, Special Assistant Attorney General

Others Present

Jimmy Boyd, MAPA
Gary Walker, MSCPA
Minor Buchanan, Attorney

I. General

1. The Board opened the meeting with an invocation from visitor Gary Walker.
2. The Board members present unanimously approved the minutes from the April 20, 2012, meeting.

I. General (Continued)

3. The Board set the time for next meeting and reviewed the tentative meeting dates and activities for 2012. The Board members present unanimously canceled the July 20 meeting and moved the following meeting to August 10:

June 13-15	NASBA E. Regional
June 27-29	NASBA W. Regional
June 21-24	MSCPA Annual
August 10	8:30 Meeting - Mississippi State University
Sept. 21	Meeting
Oct. 28-31	NASBA Annual Meeting
Oct. 31-Nov 1	NASBA International Accounting Forum
November 16	Meeting
November 17	CPA Presentation Ceremony
December 17	Meeting
4. The Board discussed Board reports for the NASBA Regional Meeting roll-call and the MSCPA Annual Business Meeting to be held Saturday, June 23.
5. The Board members present unanimously approved attendance of members and staff to attend the NASBA Annual Meeting held October 28-31, 2012, and the following NASBA International Accounting Forum.
6. The Board heard a report from Rick Elam concerning the Southeast Regional Examination Forum held May 22.

II. National Regulatory Concerns

1. The Board discussed and reviewed the May 3, 2012, memorandum from NASBA CEO Ken Bishop regarding Quarterly Communications including the Executive Summary - Focus Responses, NASBA Regional Directors' Report, and the Highlights of the NASBA Board Meeting held April 27, 2012.
2. The Board reviewed and discussed topics in the May 2012 NASBA *State Board Report*.
3. The Board reviewed and discussed the Financial Accounting Foundation Release, May 23, 2012, concerning the new Private Company Council.
4. The Board discussed the NASBA Center for Public Trust *Ethics Matters*, March - April edition.

III. Administration

1. The Board members reviewed the SAAS Summary Trial Balances as of April 30, 2012, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the ten months ended April 30, 2012.
2. The Board reviewed Senate Bill 2994 documenting the Board's fiscal year 2013 budget and noted the spending authority for that year.
3. The Board heard a report concerning the status of the ITS project. The functional specifications for the on-line registration have been approved by the Executive Director. The new web site is in development and data base project should begin by the end of the Summer.
4. The Board members present unanimously approved two additional per diem days for David Miller to attend the AICPA open peer review meeting, May 2012.

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of 52 candidate applications for the computerized examination (15 initial, 37 reexam) received since the April meeting. The Board also reviewed and discussed a special candidate situation related to good moral character - initial applicant number 13272. Based on its careful evaluation of criminal misdemeanor conviction and all other requirements being met, the Board members unanimously approved applicant 13272 to sit for the examination as a Mississippi candidate.
2. The Board members 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>Approved</u>
12757	Michael Benjamin Campbell	6218	Yes
12913	Allison A. Garner	6219	Yes
13066	Laura Heather Gillenwater	6220	Yes
12927	Paul Allen Hoffman	6221	Yes
12936	Matthew Jason Pearson	6222	Yes

IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for Original CPA License (Continued)

File Number	Name	Number	Approved
12873	Elizabeth Rosene Smith	6223	Yes
13104	Joe Walter Terry, IV	6224	Yes
12826	Jonathan P. Whinery	6225	Yes
12946	Deborah Murley Wood	6226	Yes

Applications for Reciprocal CPA Licenses

File Number	Name	Number	Approved
13275	John Michael Acklen	R3584	Yes
13197	Mitchell Gary Kahn	R3585	Yes
13267	Ernest William Lutz, Jr.	R3586	Yes
13264	Paula Jane Mistretta	R3587	Yes
13257	Adam Blake Moore	R3588	Yes
13266	John Dion Nagin	R3589	Yes
13262	Aaron Christopher Ready	R3590	Yes

Applications for Reinstatement of CPA Licenses

File Number	Name	Number	Approved
11854	George E. Klenovich	R3208	No (1)
12225	Matthew W. Stringfellow	R3353	Yes

(1) Pending required CPE completion.

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>
Theodore E. Carley III Columbia, MS	F1526	Yes
Barnett CPA, LLC Ellisville, MS	F1527	Yes
H. Larry Fortenberry, CPA Jackson, MS	F1528	Yes
KGS, LLP Jericho, NJ	F1529	Yes
Brad Kennedy, CPA Blue Springs, MS	F1530	Yes
Ramona T. Mullins, CPA Roxie, MS	F1531	Yes
Quinn A. Rigby, CPA, PLLC Gulfport, MS	F1532	Yes
Sharp & Company, CPAs Gretna, LA	F1533	Yes
Bobbie H. Sirin, CPA Gautier, MS	F1534	Yes
Silva Gurtner & Abney, LLC New Orleans, LA	F1535	Yes
Silva Gurtner & Abney, LLC Pass Christian, MS	F1536	Yes
Teresa A. Watts, CPA Canton, MS	F1537	Yes

Application for Reinstatement of a CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Bullock & Company Madison, MS	F0197	Yes

3. The Board noted that the staff mailed the continuing professional education (CPE) reporting forms to licensees May 22 and are due by August 1, 2012.

IV. CPA Examination, Licensing and Firms (Continued)

4. The Board members discussed the continued investigation concerning Robert Holman's request for peer review waiver. Based on a motion by Rick Elam with second from Jim Burkes, the Board members unanimously approved offering Mr. Holman a consent order related to the matter and restricting his practice to not include any financial statement work. Votes were for: Willie Sims, Jim Burkes, David Clarke, Rick Elam, David Miller, Angela Pannell; Against: None; Recused: None; and Absent: Shelly Ford.
5. The Board reviewed and discussed information related to the CPA examination including the 12Q1 NASBA Candidate Concerns publication.

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.	American Institute on Federal Taxation			
1.	Thirty Sixth Annual American Institute on Federal Taxation	6/20-22/12	21	Yes
B.	Ameriprise Financial/Southwest Chapter - MSCPA		8 w/	
1.	2012 CPE Seminar (Ethics=D. Ingram)	6/12/12	4 Ethics (3 General 1 Rules)	Yes
C.	Association of Government Accountants			
1.	State Board of Public Accountancy Rules Updates (Ethics=Susan Harris)	9/8/11	1 Ethics Rules	Yes
2.	Citizen-Centric Reporting	11/10/11	1	Yes
3.	ASWA/AGA Joint Tax Seminar	1/ 26/12	4	Yes
4.	Risk Management for Fraud	4/12/12	1	Yes
5.	Profile of a Fraudster	4/12/12	1	Yes
6.	Find Strength in Numbers: Sampling Techniques to Improve Financial Audit, Control & Program Performance	4/18/12	2	Yes
7.	Combating Fraud	5/10/12	4	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>
D.	Financial Planning Association			
	1. Twenty Ninth Annual Symposium	4/26/12	7	Yes
E.	Grantham Poole			
	1. Mississippi and General Ethics Seminar (Ethics=Q. Booker)	6/12/12	4 Ethics (3 General 1 Rules)	Yes
F.	J D Clark & Company			
	1. 3 rd Annual J D Clark & Company Conference	3/28/12	5	Yes
G.	Medical Group Management Association of MS			
	1. MGMA 2012 Summer Conference	6/27-29/12	8	Yes
H.	Mississippi Association of Public Accountants			
	1. Annual Accounting Forum (Ethics=S. Warren)	5/21/12	8 w/ 3 Ethics (2 General 1 Rules)	Yes
I.	Mississippi Hospital Association			
	1. MHA's 81 st Annual Leadership Conference	6/7-8/12	5.5	Yes
J.	Mississippi Power Company			
	1. Wholesale Marketing	4/23/12	2	Yes
	2. Legal and Regulatory Overview - Who are our Regulators?	4/25/12	2	Yes
	3. Overview of Financial Reporting	5/16/12	2	Yes
	4. Overview of Closeout and Accounting Systems	5/17/12	2	Yes
	5. Account Number Logic and Account Segments	5/21/212	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>
J.	Mississippi Power Co (Continued)			
	6. Overview of Rate Making	5/22/12	2	Yes
	7. ICFR Business Cycles	5/23/12	2	Yes
	8. Procure to Pay-Non PO Process Training	6/18/12	4	Yes
	9. Customer Accounting Training	6/19/12	1	Yes
	10. Revenue Accounting Training	6/19/12	2	Yes
	11. Procure to Pay-Purchase Order Service Process-Training	6/21/12	4	Yes
	12. Joint Ownership-Training	6/25/12	1	Yes
	13. Non Fuel O&M -Training	6/25/12	2	Yes
	14. Below the Line Expenses-Training	6/25/12	1	Yes
	15. Financial Planning and Forecasting Training	6/26/12	2	Yes
	16. Procure to Pay-PO Material-Training	6/20/12	4	Yes
	17. Rating Agency Package	6/26/12	1	Yes
	18. Property-Training	6/27/12	4	Yes
	19. Fuel Accounting Training	6/28/12	2	Yes
	20. Tax Training	6/28/12	2	Yes
K.	MSCFE - Certified Fraud Examiners			
	1. Corporate Insecurity	5/10/12	8	Yes
L.	Mississippi Society of CPAs			
	1. Only Financial Officer - Skills for Smaller Company Financial Managers	5/24/12	8 w/ 2 Ethics General	Yes
	2. Corporate Accounting-Hone Your Skills	6/13/12	8 w/ 2 Ethics General	Yes
	3. Chief Financial Officer-Executive Level Skills for Financial Managers	6/14/12	8 w/ 2 Ethics General	Yes
	4. Cases in Corporate Ethics	6/15/12	4 Ethics (3 General 1 Rules)	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>
M.	MSCPA - Mississippi Young CPAs 1. 2012 Mississippi Young CPA 4 th Annual Conference	4/27/12	1.9	Yes
N.	North MS Public Power Accountant Association 1. Joint Meeting North Alabama, North Mississippi, Western & Central Districts	5/23-25/12	8	Yes
O.	Office of the State Auditor 1. Ethics, Rules and Regulations (Ethics= S. Clark)	4/29/11	4 Ethics (3 General 1 Rules)	Yes
P.	Pass Online/Thomson Reuters (QAS) 1. Ethics for Mississippi CPAs	Self Study	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.	Mississippi Technology Alliance 1. The 12 th Annual Conference on Technology Innovation	11/9/11	8	Yes

Requested by Tonya Klauser

V. Continuing Professional Education (Continued)

2. CPE Individual Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
B.	Internal Auditor Online			
	1. Fraud n Faith-Based Organizations	Published Article co-author	10	Yes
	Journal of Insurance Regulation			
	1. Enterprise Risk Management Can Assist Insurers in Complying with the Dodd-Frank Act	Published Article co-author	15	Yes
	Strategic Finance			
	2. Getting the Jump on IFRS	Published Article co-author	10	Yes

Requested by Deborah Seifert

3. The Board reviewed a release from NASBA discussing the *Statement on Standards for Continuing Professional Education (CPE) Programs* which is the framework for which CPE providers are measured on the National Registry of CPE Sponsors. These updated standards are effective July 1, 2012.

VI. Rules and Regulations

1. The Board heard a report from the committee concerning the review and possible amendments to the rules and regulations. Possible revisions include:
- Renumbering in accordance with new Secretary of State requirements,
 - Chapter 2 - clarification related to - retired status,
 - Chapter 2 - clarification related to - reinstatement requirements,
 - Chapter 4 - CPE requirements - add wording related to webinars and internet programs. Compare to new NASBA CPE standards for clarity and other changes,
 - Chapter 5 - Peer Review requirements - add wording to clarify confusion related to timing of peer reviews and notification to Board,
 - Automatic fees related to failures to abide by the rules (such as not notifying the Board concerning significant changes - address, firm ownership, etc.)

VII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities from April 20, 2012, to June 1, 2012:

<u>Activity</u>	<u>Number</u>
Cases Opened	2
Cases Closed	2
Cases referred to Members	0
Total Cases Open	17

2. The Investigator reviewed the open case log by general description and reported on the investigative activities.
3. The Investigator reviewed and discussed a closed case, as follows:

Case 2008.01 - opened January 4, 2008. A former licensee (revoked 10/18/2000) allegedly was holding out as a CPA and as a CPA Firm; issued agreed upon procedures reports on financial statements on his CPA firm letterhead and signed the reports as a CPA. A cease and desist letter was sent and the former licensee responded. He was erroneously listed as active CPA on a web site. After further investigation, the case was closed with no probable cause to continue investigation.

Case 2009.17 - opened December 16, 2009. The Board received a referral from the U. S. Department of Housing and Urban Development (HUD) wherein the licensee was debarred by HUD for three years. In addition, the licensee did not respond to the Board's complaint and was practicing without a firm permit. The respondent did not attend the Trial Board hearing and was revoked March 23, 2012, at the administrative hearing. In addition, the respondent was assessed a \$5,000 civil penalty and is required to reimburse the Board for the \$3,723 investigative and legal costs within 30 days of the Trial Board order.

VIII. Trial Board

1. The Board members present unanimously voted to convene as the Trial Board for the purpose of considering matters related to a disciplinary case.

VII. Trial Board (Continued)

2. The Board continued as Trial Board for the purpose of reviewing a request from attorney Minor Ferris Buchanan related to the minutes of May 25, 2011, recording the actions of the Trial Board and the August 5, 2011, minutes recording the closing of the cases number 2008.18, 2008.21 and 2008.25.

Following review of the written request and upon motion by Jim Burkes with second from Angela Pannell, the Board unanimously voted to close the meeting for the limited purpose of considering whether or not they had a proper subject matter to go into Executive Session.

In the closed meeting the Board upon motion by David Clarke with second from Jim Burkes voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely possible litigation raised by Attorney Minor Buchanan's letter of April 27, 2012, related to claims of damages by his client. Accordingly, the Board reopened the closed meeting and upon motion by David Clarke with second from Jim Burkes voted to go into Executive Session for the purpose set forth above. Having announced this stated purpose the Board then entered into Executive Session for this specific purpose. Within the Executive Session, the Board took the following actions:

The Board members present unanimously approved amendments to the May 25, 2011, and August 5, 2011, minutes related to the stipulation and consent order. Votes were - For: Willie Sims, Jim Burkes, David Clarke, Rick Elam, Angela Pannell; Against: None; Absent: Shelly Ford; and Recused: David Miller.

Upon the conclusion of this business, the Board members present voted to come out of Executive Session and resumed the open meeting. The Board came out of Executive Session and resumed the open meeting by announcing the actions and votes it had taken in Executive Session.

3. Upon conclusion of Trial Board business, the Board adjourned as Trial Board.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member