

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY**  
**MINUTES**  
**April 26, 2013**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on April 26, 2013, beginning at 10:00 a.m. The following record of that meeting was maintained.

Board Members Present

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

Board Staff Present

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

Legal Counsel Present

Gloria Green, Special Assistant Attorney General  
Romaine Richardson, Special Assistant Attorney General

Others Present

Gary Walker, MSCPA  
Ella Hardwick, Brooks Court Reporting

---

**I. General**

1. The Board opened the meeting with an invocation from Board member, Angela Pannell.
2. The Board members unanimously approved the minutes from the March 22, 2013, meeting.
3. The Board members signed the CPA certificates of licensure from the January 18 and March 22, 2013, meetings.

**I. General (Continued)**

4. The Board set the time for next meeting and reviewed the tentative meeting dates and activities for the first part of 2013:  
April 27 CPA Presentation Ceremony  
~~May 24~~ Meeting (Canceled)  
June 5-7 NASBA W. Regional  
June 14 Meeting  
June 20-23 MSCPA Annual Meeting  
June 26-28 NASBA E. Regional  
~~July 19~~ Meeting (Canceled)  
August 23 Meeting
5. The Board discussed the arrival of registration forms the NASBA Eastern Regional Meeting and the MSCPA Annual Meeting.
6. The Board members noted the *Statement of Economic Interest Manual* that is due to the Mississippi Ethics Commission by May 1, 2013.

**II. National Regulatory Concerns**

1. The Board reviewed various topics from the March and April 2013 NASBA *State Board Reports*.
2. The Board discussed the NASBA Notice requesting recommendations to the Nominating Committee.
3. The Board noted and discussed the following recent Public Accounting Oversight Board (PCAOB) release entitled *PCAOB Issues a Proposal for the Reorganization of Auditing Standards*.
4. The Board heard from Board member, Jim Burkes, regarding the Financial Reporting Framework Standards(new OCBOA).
5. The Board members discussed a research grant to MSU (Dr. Shiner).
6. The Board members discussed the future of focus questions.

**III. Administration**

1. The Board reviewed the SAAS Summary Trial Balances as of March 31, 2013, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the nine months ended March 31, 2013.
2. The Board members present heard a report concerning Senate Bill 2888, the FY2014 Budget.
3. The Board members discussed the status of the Board's IT project, and additional per diem days.

**IV. CPA Examination, Licensing and Firms**

1. The Board members present unanimously accepted the listing of 62 candidate applications for the computerized examination (10 initial, 52 reexam) received since the March meeting.

The Board also reviewed and discussed a special candidate situation related to good moral character - initial applicant numbers 13429. Candidate 13429 is under further investigation.

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**

<u>File</u>			
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
12417	Brandi Nicole Bracey	6287	Yes
13097	Lori Benasco Brignac	6288	Yes
13213	Derrick Jerome Garner	6289	Yes
12626	Nathan Alan Holloway	6290	Yes
13130	Kristin Lanell Howard	6291	Yes
12824	Michael Edward Ketchum	6292	Yes
11066	Tracie Stephens Riffin	6293	Yes
13029	Holly Ott Savorgnan	6294	Yes
06050	Angela Lovell Sumrall	6295	Yes

## IV. CPA Examination, Licensing and Firms (Continued)

## 3. Applications (Continued)

Applications for Reciprocal CPA Licenses

File Number	Name	Number	Approved
13436	Leon Cord Campbell	R3620	Yes
13435	Henry Parker Smith	R3621	Yes

Applications for Reinstatement of CPA Licenses

File Number	Name	Number	Approved
13305	William Robert Clark	R3592	Yes
04746	Rebecca R. Engel	3311	Yes
05090	Carl Derrick Johnson	3583	Yes
09996	Mollie A. Murphey	5311	Yes

Applications for CPA Firm Permit to Practice

Name	Number	Approved
Bauknight Pietras & Stormer, PA Columbia, SC	F1613	Yes
BDO USA, LLP Houston, TX	F1614	Yes

Application for Reinstatement of a CPA Firm Permit to Practice

Name	Number	Approved
D.A. Harden, CPA Southaven, MS	F1479	Yes
Williams, Weiss, Hester & Co. Jackson, MS	F0772	Yes

**IV. CPA Examination, Licensing and Firms (Continued)**

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

<u>Name</u>	<u>Number</u>	<u>Description</u>
Barfield, Murphy, Shank & Smith, LLC Birmingham, AL	F1221	Name Change from Barfield, Murphy, Shank & Smith, PC
Jones and Tuggle, PLLC Memphis, TN	F0426	Name Change from Jones and Tuggle, CPAs
Laporte, APAC Metairie, LA	F0464	Name Change from Laporte, Sehrt, Romig & Hand
W.A. Peneguy and Associates, LLC Gulfport, MS	F0584	Name Change from William A. Peneguy, CPA
Jeannie Pyeatt, CPA, PLLC Brookhaven, MS	F1294	Name Change from Pyeatt & Adams, PLLC
Warren Averett, LLC Fort Walton Beach, FL	F0959	Name Change from O'Sullivan Creel, LLP

5. The Board members present discussed the plans for the April 27, 2013 CPA Presentation Ceremony and approved the CPA presentation program.
6. The Board members present discussed information related to the CPA examination including NASBA Candidate Concerns 13Q1 and CPA Examination Performance 2013 Q-1 released from NASBA

**V. Continuing Professional Education**

1. The Board members present unanimously authorized the following actions on CPE sponsor programs applications submitted for approval.

<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
A. Accountants Education Group 1. Mississippi Ethics	Self Study Online	4 Ethics (3 General 1 Rules)	Yes
B. Alexander, Van Loon, Sloan, Levens & Favre, PLLC 1. 15 <sup>th</sup> Annual Accounting and Auditing Update	5/23&24/ 2013	16	Yes

## V. Continuing Professional Education

### 1. CPE Sponsors Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
C.	BKD, LLP			
	1. Mississippi Ethics (Dr. Quinton Booker)	5/6/2013	4 Ethics (3 General 1 Rules)	Yes
D.	Beacon Hill Financial Educators, Inc. (QAS)			
	1. Ethics for Accountants: Mississippi	Self Study Online	4 Ethics (3 General 1 Rules)	Yes
E.	Center for Governmental Training and Technology - MS State University Extension Service			
	1. Municipal Clerks, Collectors and Deputies Certification Program - 2013 Spring Session	2/27-3/1/ 2013	20	Yes
F.	Financial Planning Association of Mississippi			
	1. Financial, Estate & Tax Planning with Current and Proposed Mississippi Legislation	5/1/2013	1	Yes
	2. The New Era of Financial and Fiduciary Regulation	5/1/2013	3	Yes
G.	Mississippi Casino Operators Association			
	Southern Gaming Summitt	5/8-9/2013		
	1. Free-Play! Doing the Math. What do Your Promotions Really Cost You?		1	Yes
	2. Slot Profitability Strategies		1	Yes
	3. Financial Roundtable		1	Yes
	4. Gaming Floor ROI: Making the Most of Your Space		1	Yes
H.	Mississippi Department of Revenue See Exhibit I			
I.	Mississippi Power Company			
	1. Recovery Clause Training	8/29/12	2	Yes
	2. Footnote Preparation Training	11/15/12	1	Yes

## V. Continuing Professional Education

### 1. CPE Sponsors Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
C.	BKD, LLP			
1.	General Ledger Essentials 1 - Thomson Reuters Creative Solutions Accounting	6/1/13	4	Yes
2.	Fixed Assets CS Essentials 1 - Thomson Reuters	6/21/13	4	Yes
3.	Engagement CS - Setup Essentials, Processing Essentials & In the Field Essentials Thomson Reuters	7/15-16/13	16	Yes

## VII. Regulatory Matters

- The Board heard a report from Investigator Ransom Jones and approved the regulatory activities from March 22, 2013, to April 26, 2013:

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

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

Case 2013.02 was opened February 4, 2013, because a non-licensee was using the CPA designation on business cards. The Board Investigator mailed a cease and desist letter and asked for a written response. The non-licensee said she ordered business cards and the printer erroneously included the CPA designation on them. She said she threw away the cards with CPA on them after 5 days when she received corrected business cards.

Case 2013.05 was opened March 27, 2013, because a person who passed the CPA exam but has not applied for a license was listed as a CPA in a wedding notice published in a newspaper. She responded to the Board Investigator's inquiry with an explanation that her mother had erroneously described her as a CPA in the wedding notice. She stated that she will not represent herself as a CPA until licensed by the Board.

### 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. Willie Sims, Trial Board President, was the presiding officer. Gloria Green, Special Assistant Attorney General, was the presenting attorney. Romaine Richardson, Special Assistant Attorney General, was the hearing officer.
2. At 10:30 a.m., the Board continued as Trial Board for the purpose of hearing complaint 2012.01 concerning Ralph A. Lee, Reciprocal CPA license R2877, CPA firm F1326. Jim Burkes was recused from deliberations.

Within the Trial Board the Board heard evidence from witness Ransom C. Jones, CPA Investigator. The respondent Ralph A. Lee did not attend the hearing. The respondent allegedly failed to comply with: Chapter 5 requirements related to peer review including Rules 5.3.2., and 5.6.1.; Chapter 6 requirements including Rule 6.8 related to Competence, Rule 6.9 related to Auditing Standards Rule 6.11. related to professional standards, and certain Prohibited Acts described under Rules 6.17.6., 6.17.8., 6.17.9. and 6.17.13..

Following discussion and the administrative Trial Board hearing and upon motion by David Miller 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 David Miller voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of Trial Board orders that could be appealed. Accordingly, the Board reopened the closed meeting and upon motion by David Clarke with second from David Miller 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.

**VII. Trial Board (Continued)**

2. Administrative Hearing (Continued)

Within the Executive Session, the Board took the following actions:

Upon motion by David Miller with second from David Clarke the Board determined that the respondent Ralph A. Lee had indeed violated the noted Board Rules and Regulations as charged. The Board ordered that Mr. Lee's license number R2877 and firm permit number F1326 be revoked. The Board also determined to assess to the respondent all investigative, legal, and hearing costs of this matter and assessed a civil penalty of \$5,000 both to be paid by check or money order within 30 days of the date of the Order. The Board also stated that Board staff will send a letter and a copy of the Order to the Federal Agency which filed the complaint. Votes were - For: Willie Sims, David Miller, David Clarke, Rick Elam, Angela Pannell, Mark Peach; Against: None; Absent: None; and Recused: Jim Burkes.

Upon the conclusion of this business and upon motion by David Clarke with second by David Miller, the Board members present unanimously 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

Exhibit 1  
 Department of Revenue - CPE Schedule  
 Mississippi State Board of Public Accountancy  
 April 26, 2013

	A	B	C	D
1	<b>Program Title</b>	<b>Program Date</b>	<b>Hours</b>	<b>Approved</b>
2	New Auditors Training Seminar: Overview of Division Missions	3/4/2013	1	Yes
3	New Auditors Training Seminar: TMS Legacy Tax Types	3/4/2013	2	Yes
4	New Auditors Training Seminar: TMS Legacy: Title	3/4/2013	1	Yes
5	New Auditors Training Seminar: TMS Research Applications	3/4/2013	1	Yes
6	New Auditors Training Seminar: Sales Tax Law, Structure & Regulations	3/5/2013	7.5	Yes
7	New Auditors Training Seminar: EXCEL I Refresher	3/6/2013	2.5	Yes
8	New Auditors Training Seminar: Audit Activities & Expenses	3/6/2013	1.5	Yes
9	New Auditors Training Seminar: Overview of the Audit Process	3/6/2013	3	Yes
10	New Auditors Training Seminar: Password Management	3/6/2013	0.5	Yes
11	New Auditors Training Seminar: Food Stamps - Internal	3/6/2013	0.5	Yes
12	New Auditors Training Seminar: TMS MARS Overview	3/7/2013	1	Yes
13	New Auditors Training Seminar: City Diversion	3/7/2013	0.75	Yes
14	New Auditors Training Seminar: Methods & Techniques: Invoice, Income Statement, Cash Flow & MU	3/7/2013	3	Yes
15	New Auditors Training Seminar: Working Papers	3/7/2013	3	Yes
16	New Auditors Training Seminar: Statute of Limitations	3/8/2013	2	Yes
17	New Auditors Training Seminar: Account & Entity Relationships - Theory	3/8/2013	5	Yes
18	New Auditors Training Seminar: Ethics	3/11/2013	2 General	Yes
19	New Auditors Training Seminar: Interest & Penalty Calculations	3/11/2013	2.5	Yes
20	New Auditors Training Seminar: Use Tax Law Synopsis & DPP Issues	3/11/2013	1.5	Yes
21	New Auditors Training Seminar: Exempt Sales & Credits	3/12/2013	2	Yes
22	New Auditors Training Seminar: Source & Application of Funds Snapshot View	3/12/2013	2	Yes
23	New Auditors Training Seminar: Methods & Techniques: Comparison Overview	3/12/2013	3	Yes
24	New Auditors Training Seminar: SEATA	3/12/2013	0.5	Yes
25	New Auditors Training Seminar: Special Tax Levies	3/13/2013	2	Yes
26	New Auditors Training Seminar: Special Levies & City Diversion Applications	3/13/2013	3	Yes

Exhibit 1  
 Department of Revenue - CPE Schedule  
 Mississippi State Board of Public Accountancy  
 April 26, 2013

	A	B	C	D
1	<b>Program Title</b>	<b>Program Date</b>	<b>Hours</b>	<b>Approved</b>
27	New Auditors Training Seminar: Account & Entity Analysis	3/13/2013	3	Yes
28	New Auditors Training Seminar: Evaluation Tips	3/14/2013	1	Yes
29	New Auditors Training Seminar: Audit Plan Scheduling	3/14/2013	1	Yes
30	New Auditors Training Seminar: Estimates & Verification Analysis	3/14/2013	2	Yes
31	New Auditors Training Seminar: Tax Credit Applications in Audits	3/14/2013	2	Yes
32	New Auditors Training Seminar: Industry Issues: Restaurants, Department Stores, Dry Cleaners	3/14/2013	1.5	Yes
33	New Auditors Training Seminar: Law Review & Application - 1st Review	3/15/2013	2	Yes
34	New Auditors Training Seminar: Microsoft ACCESS 2007	3/15/2013	2	Yes
35	New Auditors Training Seminar: Income Tax Law - Individual & SE Applications	3/15/2013	3	Yes
36	New Auditors Training Seminar: MARS - Basics, Rollouts 1 and 2	3/18-20/2013	15.25	Yes
37	New Auditors Training Seminar: Buy-Downs & Markups Applications	3/20/2013	4	Yes
38	New Auditors Training Seminar: Grocery Store Procedures & Comparisons of Data - Theory	3/21/2013	8	Yes
39	New Auditors Training Seminar: Audit Research & Setup - Theory	3/22/2013	2	Yes
40	New Auditors Training Seminar: Audit Approach	3/22/2013	3	Yes
41	New Auditors Training Seminar: Exempt Sales - Applications & Analysis	3/22/2013	2	Yes
42	New Auditors Training Seminar: Audit Report Package (Audit History, Review & Compilation)	3/25/2013	6	Yes
43	New Auditors Training Seminar: Law Review & Application - 2nd Review	3/26/2013	2	Yes
44	New Auditors Training Seminar: Audit Research & Setup Selection Applications	3/26/2013	6	Yes
45	New Auditors Training Seminar: Practice Set - Small Grocery	3/27-28/2013	15.5	Yes
46	New Auditors Training Seminar: Income Tax Audit Perspective	3/29/2013	3	Yes
47	New Auditors Training Seminar: Auditor Comments	3/29/2013	2	Yes
48	New Auditors Training Seminar: Agency History	4/1/2013	1	Yes
49	New Auditors Training Seminar: Analysis & Compilation of an Audit	4/1/2013	4.5	Yes
50	New Auditors Training Seminar: Use Tax Law & Applications	4/2/2013	5.5	Yes