

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
May 30, 2007

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on May 30, 2007. The following record of that meeting was maintained.

Board Members Present

Jim E. Burkes, Chair
Willie B. Sims, Jr., Vice Chair
David E. Clarke
Angela L. Pannell
Jean T. Shepherd

Board Members Absent

Diane S. Day, Secretary
Rick Elam

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

I. General

1. The Board opened the meeting with the invocation by chairman Jim Burkes.
2. The Board members present unanimously approved the minutes from the April 27, 2007, meeting.
3. The Board members present signed the CPA certificates of licensure from the April 27 2007, meeting.

I. General (Continued)

4. The Board members set the start time for the next meeting and reviewed the tentative meeting dates and activities for the remainder of 2007.

June 6 - 8		NASBA Eastern Regional (Williamsburg, VA)
June 20 - 22		NASBA Western Regional (Colorado Springs, CO)
June 21 - 24		MSCPA Annual
July 27	8:30	Meeting
August 24		
September 28		
October 28 - 31		NASBA Annual Meeting (Maui, HI)
November 16		
November 17		CPA Presentation Ceremony
December 14		
5. The Board members discussed reports for NASBA Regional Meeting roll calls and MSCPA Annual Business Meeting, Saturday, June 23, 2007.
6. The Board members reviewed information from the Council on Licensure, Enforcement and Regulation (CLEAR) concerning its 2007 Annual Conference but took no action.

II. National Regulatory Concerns

1. The Board members present reviewed and discussed the May 2, 2007, NASBA memorandum from David Costello, forwarding Quarterly Communications including:
 - Highlights of the NASBA Board Meeting, April 27, 2007,
 - Minutes of NASBA Board Meeting January 19, 2007, and
 - NASBA Regional Directors' Report (Focus Responses).
2. The Board reviewed and discussed the April 2007 NASBA *State Board Report*.
3. The Board members noted the May 11, 2007, NASBA email concerning nominations for NASBA awards due July 13. As per the March 23, 2007, Board resolution, the Board is nominating Dr. Charles Taylor for the William H. Van Rensselaer Award.

II. National Regulatory Concerns (Continued)

4. The Board members present unanimously approved nomination of former Board member M. C. Princy Harrison for a NASBA Director-at-Large position to be immediately submitted to the National Association of State Boards of Accountancy.
5. The Board members present discussed but took no action concerning the AICPA Exposure Draft - *Proposal of Professional Ethics Division Interpretation [102-7 under Rule 102] and Proposal Framework for Meeting the Objectives of the Fundamental Principles*. Comments are due August 15, 2007
6. The Board members reviewed various releases from the Public Company Accounting Oversight Board (PCAOB) including:
 - *Board Approves New Audit Standard for Internal Control Over Financial Reporting and, Separately, Recommendations on Inspection Frequency Rule*, and
 - *PCAOB Conclude First International Auditor Regulatory Institute*.

III. Administration

1. The Board members present reviewed and discussed the SAAS Summary Trial Balances as of April 30, 2007, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the ten months ended April 30, 2007.

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of candidate applications for the computerized examination (17 initial, 21 reexam) received since the April meeting.
2. The Board members present unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for Original CPA License

<u>File</u> <u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
11678	James Isaac Byrd	5851	5/30/07	Yes
11783	Jeremy David Jones	5852	5/30/07	Yes
10583	Karen M. Neely			No (1)
10965	John Boswell Nichols	5853	5/30/07	Yes
10592	Adam Beauvais Spence	5854	5/30/07	Yes
11815	Clifford Prentiss Stewart	5855	5/30/07	Yes
11786	Giselle G. Stromgren	5856	5/30/07	Yes
11702	Amie Therese Whittington	5857	5/30/07	Yes
10898	Ashley Nicole Wicks	5858	5/30/07	Yes

(1) Deferred for additional information.

Applications for Reciprocal CPA Licenses

<u>File</u> <u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12068	Joseph Britt Babb	R3295	5/30/07	Yes
12063	Eric Eugene Bosch	R3296	5/30/07	Yes
12070	Amy Howell Carney	R3297	5/30/07	Yes
12055	John Marshall Lee	R3298	5/30/07	Yes
12014	Corinna Iris May	R3299	5/30/07	Yes
12073	Susan Marie Miller	R3300	5/30/07	Yes
12069	Lance Christopher Moran	R3301	5/30/07	Yes
12056	Brent A. Mudd	R3302	5/30/07	Yes
12054	Jonathan M. Wilke	R3303	5/30/07	Yes

IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for Reinstatement of CPA Licenses

<u>File</u> <u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
10063	Gregory E. Barnes	R2647	Yes
7960	Bethany Dalton Bruce	4395	Yes
2341	Philip J. Kolman III	1316	Yes

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Madelyn A. Leckie, CPA Natchez, MS	F1139	Yes
Mudd Lee, LLC Alpharetta, GA	F1140	Yes

Application for Reinstatement of a CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Dalton & Bruce, CPA's Oxford, MS	F0254	Yes
Rebecca L. Niemeyer, CPA PC Brandon, MS	F0564	Yes

3. In considering the final reinstatement order from the April 27, 2007, for Jeffrey R. Dortch, the Board members present unanimously voted to reconsider the order as presented at that meeting. Upon motion by Angela Pannell with second by David Clarke, the Board approved the amendment of the order requiring the payment of the cost reimbursement by June 30, 2007. Votes were for: Jim Burkes, Willie Sims, David Clarke, Angela Pannell, Jean Shepherd; Absent: Diane Day and Rick Elam.

IV. CPA Examination, Licensing and Firms (Continued)

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

<u>Name</u>	<u>Number</u>	<u>Description</u>
KPMG, LLP Raleigh, NC	F1074	Cancelled firm office permit
LarsonAllen LLP Minneapolis, MN	F1023	Name change from Larson Allen Weishair & Co., LLP
LarsonAllen LLP St. Louis, MO	F1046	Name change from Larson Allen Weishair & Co., LLP

5. The Board reviewed and accepted a letter from Crowe Chizek and Company LLC announcing a possible name change to Crowe Horwarth LLP. The firm will submit a formal amendment at a later date.
6. The Board noted the CPE reporting forms for the compliance period June 30, 2007, were mailed May 11, 2007. The submittal deadline is August 1, 2007.
7. The Board discussed information related to CPA examination including the:
- May 1, 2007, NASBA letter, providing a follow-up to the AICPA Board of Examiners April 26, letter concerning the rescoring issue, and
 - April 30, 2007, NASBA letter, requesting recommendations for the AICPA Board of Examiners.
8. The Board heard a report from Executive Director Susan Harris concerning the nationwide 2007 increase in examination fees that will be implemented beginning with the applications received August 1, 2007, or later. The Board also reviewed the history of the examination fees since implementation of the computerized CPA examination:

	<u>AUD</u>	<u>BEC</u>	<u>FAR</u>	<u>REG</u>	<u>TOTAL</u>
August 1, 2007	\$209.33	\$161.63	\$197.40	\$173.55	\$741.91
August 1, 2006 - July 31, 2007	187.00	140.78	175.44	152.33	655.55
June 1, 2005 - July 31, 2006	159.25	114.25	148.00	125.50	547.00
April 2004 - May 31, 2005	134.50	100.50	126.00	109.00	470.00

The Board application fees have not changed since implemented.

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>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
A.	Alexander, Van Loon, Sloan, Levens & Favre				
	1. Ninth Annual Accounting & Auditing update	5/30/07	A&A	8	Yes
	2. Special Topics in Small Business	5/31/07	A&A	8	Yes
B.	American Society of Women Accts.				
	1. What Can Life Insurance Do for You	10/24/06	Other	1	Yes
	2. What Every CPA Should Know About Serving Not-for-Profit Organizations	3/27/07	Other	1	Yes
C.	Beta Alpha Psi/USM				
	1. Accounting and Auditing Update	5/15/07	A&A	8	Yes
D.	Central MS Chapter of ACFE				
	1. Fraud Schemes - Committed Then Found	6/1/07	A&A	8	Yes
E.	Delta Chapter of CPAs				
	1. Accounting and Auditing Update	5/15/07	A&A	8	Yes
F.	Estate Planning Council				
	1. Homestead Exemption Issue in Estate Planning and Real Property Issues Regarding Decedent's Estates	9/12/06	Other	1	Yes
	2. Current Developments in Retirement Plans	10/10/06	Other	1	Yes
	3. The New medicaid Rules Under the Deficit Reduction Act of 05	11/14/06	Other	1	Yes
	4. Selected Issues in Trust Administration from A trust Officer's Perspective	1/9/07	Other	1	Yes
	5. Planning for Incapacity	2/13/07	Other	1	Yes

V. Continuing Professional Education (Continued)

1. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
F.	Estate Planning Council (Continued)				
	6. Mississippi Legislative update and Planning for Vacation Property/Conservation Easements	3/13/07	Other	1	Yes
	7. The Gulf Opportunity Zone Act of 2005	4/10/07	Other	1	Yes
	8. Providing for Your Pets in Wills	5/8/07	Other	1	Yes
G.	May & Company, LLP				
	1. 2006 Tax Update	12/20/06	Tax	8	Yes
	2. Annual Pre-Tax Season Update	1/12/07	Tax	4	Yes
H.	MEDS-PDN				
	1. Medicaid & Medicaid Planning in Mississippi	9/20/07	Other	6.6	Yes
I.	Mississippi Chapter of HFMA				
	1. 2006 Spring Workshop	3/23-24/07	A&A Other Ethics - General	4.5 3.75 2	Yes
	2. 2007 Ethics, Auditing and Accounting Workshop	6/7-8/07	A&A Ethics - General	8 4	Yes
J.	MSCPA-Central Chapter				
	1. Auditing Standards Update-Risk Assessment and Risk Response	8/17/06	A&A	1	Yes
	2. Retirement Plan Update	2/15/07	Other	1	Yes
	3. Update on 2007 Legislative Session	4/19/07	Other	1	Yes
	4. Navigating the Landmines in Planning for IRAs	5/17/07	Other	1	Yes
K.	Nail McKinney Professional Assn.				
	1. Accounting and Auditing Update	7/19/07	A&A	8	Yes
	2. Risk Assessment Standards	7/20/07	A&A	8	Yes

V. Continuing Professional Education (Continued)

I. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
L.	Office of the State Auditor				
	1. Investigative Auditor Training	4/17/07	A&A	8	Yes
	2. OMB Circulars A-87, A-133 and the Compliance Supplement	4/18/07	A&A	8	Yes
	3. Recent Auditing Standards Board Pronouncements-2007 Governmental Auditing Update	4/19/07	A&A	4	Yes
	4. Planning a Governmental Audit Engagement	4/19/07	A&A	4	Yes
	5. Performance Auditor Training- Introduction to Performance Auditing for New Staff Auditor	4/20/07	A&A	4	Yes
	6. Education Audit Training- Sixteenth Section Land Leases	4/20/07	A&A	2.5	Yes
	7. County Audit Training				
	8. Update on Property Accounting/State Purchasing Problems and Update/Mississippi Legal Update	4/20/07 4/20/07	A&A A&A	2 4	Yes Yes
	9. Agency Audit Training				
	10. AICPA SAS 112-On Internal Control Implications and Impacts	4/20/07 4/26/27/07	A&A A&A	4 2	Yes Yes
M.	Watkins Ward and Stafford PLLC				
	1. Accounting and Auditing Update	5/18/07	A&A	8	Yes
N.	Steve Wells				
	1. Ethics, Statute, Miss. Rules and Regulations	6/30/07	Ethics- General Ethics - Rules	2 1	Yes

V. Continuing Professional Education (Continued)

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

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
A.	Mississippi Bar of General Counsel & CLE				
	1. Legal Ethics, Professional Responsibility and Malpractice Prevention Requested by N. Craig Brewer, III	8/11/06	Ethics - General	7.5	Yes
B.	Jackson Public School District				
	1. Business Educators Professional Development Requested by Michele Harris	2/9/07	Other	4	Yes
C.	Arvin Meritor				
	1. Ethics is Good Business and Integrity is the Bottom Line Requested by Steve Maki	2-3/2005	Ethics - General	2	Yes
D.	Dallas CPA Society				
	1. Ethics and Texas CPAs-Doing the Right Thing Requested by Timothy Morgan	11/13/06	Ethics - General	4	Yes
E.	Vanderbilt University Law School				
	1. Ethics and Legal Professionalism Requested by John G. Roberts	1-5/2007 College Course	Ethics - General	45	Yes

VI. Rules and Regulations

1. The Board noted that no comment letters have been received since notice of the proposed amendments to Chapter 3, CPA Firm Permits. Therefore, the Board members present unanimously approved amendments to Chapter 3 as previously released to the public and effective July 1, 2007.
2. The Board discussed the needed renumbering of all Rules and Regulations to comply with the Secretary of State's administrative procedures. Attorney Gloria Green proposed before renumbering all rules to submit a proposal to the Secretary of State for their final acceptance in accordance with their requirements.

VII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from April 27, 2007, to May 30, 2007:

<u>Activity</u>	<u>Number</u>
Cases Opened	1
Cases Closed	7
Cases referred to Members	none
Total Cases Open	22

2. Cases closed

Case 2006.21 - opened June 22, 2006; Case 2006.28 - opened September 18, 2006; Case 2007.19 - opened February 19, 2007; and Case 2007.29 - opened April 13, 2007, related to an applicant for reinstatement. The Board held a hearing for the applicant to show-cause why he should be reinstated as a licensed CPA. The cases were consolidated for the hearing. The Investigator closed these cases after the show-cause hearing wherein the individual was provided reinstatement contingent upon his compliance with the specifics in the order.

Case 2006.22 - opened June 22, 2006. A complaining party alleged that a licensee exhibited unprofessional behavior and a lack of knowledge in a tax matter. The investigative committee closed the case with no probable cause to investigate further due to lack of evidence of a statutory or regulatory violation.

Case 2007.05 - opened June 22, 2006. A former licensee was using the CPA-retired designation. A cease and desist letter was sent and the Investigator closed the case with no probable cause to investigate further.

Case 2007.25 - opened March 20, 2007. A licensee failed to comply with the Board's CPE extension requirements for the year ended June 30, 2006. The Board had granted an extension to February 28, 2007, to obtain 8 hours + 50% penalty of 4 hours. The licensee earned and reported the hours after the deadline. The Diane Day investigative committee closed the case with no probable cause to investigate further and sent a strong close letter to the licensee.

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

VIII. Trial Board

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

 2. The Board did convene as Trial Board for the purpose of reviewing a consent order from the Diane Day investigative committee for approval and release related to Robert C. Holman, CPA 1774, Case 2007.02. The consent order related to a self-reported Alabama Board action and wherein the committee accepted Alabama's disciplinary action. Upon motion by Jean Shepherd with second from Angela Pannell, the Trial Board approved the order and the release. Votes were - For: Jim Burkes, Willie Sims, David Clarke, Angela Pannell, Jean Shepherd; Against: None; Absent: Diane Day and Rick Elam.
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APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member