

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
November 8, 2013**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on November 8, 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
Mark P. Peach

Board Members Absent

Angela L. Pannell

Board Staff Present

Ransom C. Jones, Executive Director
Lane McNeal, Administrative Assistant

Legal Counsel Present

Gloria Green, Special Assistant Attorney General
Romaine Richards, Hearing Officer

Others Present

Ed Jones, MSCPA
Ella Hardwick, Court Reporter

I. General

1. The Board opened the meeting with an invocation from Willie Sims.
2. The Board members unanimously approved the minutes from the September 20 meeting.
3. The Board members signed the CPA certificates of licensure from the September 20, 2013, meeting.
4. The Board set the time for next meeting and reviewed the tentative meeting dates and activities for the first part of 2013:
November 9 CPA Presentation Ceremony
December 13 Meeting at 8:30 a.m.

I. General (Continued)

5. The Board set tentative meeting/activity dates for 2014:

January 10		June 26-29	MSCPA Annual Mtg
February 14		July 19	
March 3-6	NASBA Exec. Conf.	August 22	
March 21		September 19	
April 18		November 2-5	NASBA Annual Mtg
April 19	CPA Ceremony	November 14	
June 4-6	NASBA Eastern	November 15	CPA Ceremony
June 11-13	NASBA Western	December 12	

II. National Regulatory Concerns

1. The Board members present heard reports from the NASBA Annual Meeting attendees.
2. The Board members noted and discussed the NASBA *State Board Reports* for September and October 2013. The Board also noted the appointment of Ransom Jones to the ALD/CPA Verify Committee for the 2013-14 year.
3. The Board reviewed the AICPA Releases, Definition of Attest and Firm Mobility, and the October 23, 2013, Update on the status of the AICPA Ethics Codification Project.
4. The Board discussed the Exposure Draft: Uniform Accountancy Act, Seventh Edition.
5. The Board noted and discussed the *Accounting Today* article (October 17, 2013), *AICPA's FinREC Committee Weighs in on Leasing Proposal*.
6. The Board noted and discussed the following recent Public Accounting Oversight Board (PCAOB) release entitled *PCAOB Issues Staff Audit Practice Alert in Light of Deficiencies Observed in Audits of Internal Control Over Financial Reporting*. The Board noted a copy of an updated agreement between PCAOB and MSBPA.

III. Administration

1. The Board reviewed the SAAS Summary Trial Balances as of October 31, 2013, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the month ended October 31, 2013.
2. The Board members present discussed the status of the search for a CPA to fill the open Board Investigator position. A copy of the job notice was printed in the Society Newsletter and posted on the MSBPA website.
3. The Board discussed the release from Mississippi's Accountability System for Government Information and Collaboration (MAGIC). MAGIC is the replacement system(s) for the State's core applications (SAAS, SPAHRS, etc.)
4. The Board discussed the status of the Board's IT project.

IV. CPA Examination, Licensing and Firms

1. The Board members present held a 10:30 a.m. Show Cause Hearing in the matter of initial candidate application 13429 wherein the applicant was given an opportunity to show cause why he should be allowed to sit as a Mississippi candidate for the uniform CPA examination as related to a prior criminal offense. During the hearing, the Board reviewed documentary evidence from the applicant in addition to letters from character witnesses. The Board noted that although the applicant was properly noticed by certified mail to his address of record, he did not attend the hearing. David Clark moved that the Board should go into Executive Session to determine whether there was a need to go into Executive Session to discuss whether candidate application 13429 for the CPA examination should be approved or denied. Rick Elam seconded the motion. After a brief discussion, it was determined that the Board should go into Executive Session to discuss and consider whether candidate application 13429 for the CPA examination should be approved or denied, which discussion and consideration could lead to an appeal of a Board order or litigation against the Board.

The Board announced to the public that it was in Executive Session.

In Executive Session, David Clark, seconded by David Miller, made a Motion to deny candidate application 13429 to be allowed to sit for the CPA examination on the grounds that he violated Section 2.2.1 (c) of the Board Rules and Regulations and also because he admittedly, was no longer a resident of Mississippi. After much discussion, David Clark called the question and the motion was heard. By unanimous vote of the Board, the Motion was carried.

Rick Elam moved to go out of Executive Session which was seconded by Jim Burkes. Motion carried by unanimous vote of the Board.

2. The Board members present unanimously accepted the listing of 80 candidate applications for the computerized examination (21 initial, 59 reexam) received since the September meeting.
3. The Board also reviewed and discussed a special candidate situation for - initial applicant number 13482. The Board members present unanimously approved applicant 13482 to sit for the examination as a Mississippi candidate with special accommodations. The Board approved applicant number 13179 to attend ceremony once approved November 8. The Board approved two refund requests in regards to exam fees and one refund request in regards to a license fee.
4. 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 No</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
13158	Shondra Alita Baker	6333	Yes
13247	Laura McGarrh Barlow	6334	Yes
13179	Bridget G. Butler	6335	Yes
13308	Jordan Ryan Church	6336	Yes
12947	Lori Knight Crocker	6337	Yes
13402	Andrew Denton	6338	Yes
12793	Priscilla Grantham Hawkins	6339	Yes
13311	Cheryl Goodman Johnston	6340	Yes
13409	Andrew Paul Moroux	6341	Yes
13336	Nathan A. Reason	6342	Yes
13285	Briana Elise Russell	6343	Yes
13228	Brian Keith Strickland	6344	Yes
13021	Huiyuan Wang	6345	Yes

Applications for Reciprocal CPA Licenses

<u>File No</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
13524	Denise Howell	R3637	Yes
13541	Carrie C. Oakes	R3638	Yes
13519	Lindsey Marie Peresich	R3639	Yes

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IV. CPA Examination, Licensing and Firms (Continued)

4. **Applications (Continued)**

Applications for Reinstatement of CPA Licenses

<u>FileNo</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
00559	David R. Black	2310	Yes

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Eldridge CPA, PLLC Ocean Springs, MS	F1631	Yes
McQueen & Co., Ltd. Dermott, AR	F1632	Yes
D.L. Purvine, CPA, PLLC Clayton, NC	F1633	Yes
Vail & Knauth, LLP Dallas, TX	F1634	Yes
Wilson, CPA Vanceleave, MS	F1635	Yes

Application for Reinstatement of a CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
David R. Black, CPA Brandon, MS	F0160	Yes

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

<u>Name</u>	<u>Number</u>	<u>Description</u>
Bill King, CPA Abbeville, MS	F1231	Address Change
Rector, Reeder & Lofton, PC Lawrenceville, GA	F0814	Name Change from Rector & Reeder, PC

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IV. CPA Examination, Licensing and Firms (Continued)

5. The Board members discussed information related to the CPA Examination:

- NASBA Candidate Concerns July 1 - August 31, 2013
- AICPA Board of Examiners Meeting Highlights
- NASBA Extends Fall 2013 Testing Window
- Approved the use of electronic Scrip-Safe (official transcripts)

- The Board discussed the November 9th CPA Presentation Ceremony held at the State Capitol and approved the CPA Ceremony program.
- The Board members took the following actions related to requests for amendments to the 2013 CPE compliance requirements and granted extensions to December 31, 2013:

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
Charles Benvenuti 2526	25	CPE hours
Jimmie R. Blount	1675	6 hours including 4 Ethics
Timothy Brown	3995	1.5 including 1 MS Ethics
David Cork	R2820	1 MS Ethics CPE hour
Felecia Littleton	4545	60 CPE hours
Thomas G. Harvey	4472	6 hours including 4 Ethics
Sherman Pounds	4428	4.5 CPE hours
Sharon R. Stone	4538	6 hours including 4 Ethics
Carol Wright	3733	1 MS Ethics hour
Danny Ray Hart	1971	40 CPE hours by June 30, 2014

- The Board reviewed a listing of voluntary cancellations made by CPAs requested during the 2013 CPE reporting period:

<u>Name</u>	<u>Number</u>
David B. Blackburn	5591

- The Board members present unanimously approved requests from CPAs for waivers of the 2013 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2014 as follows:

<u>Name</u>	<u>Number</u>
Daniel Wayne Alexander	2960
Marilyn Webb Allen	5207
Nellie Foster Beard	3571
Cecil C. Brown, Jr.	1173

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IV. CPA Examination, Licensing and Firms (Continued)

- Retired Affidavits (Continued)

<u>Name</u>	<u>Number</u>
Carlton Crawley	1213
Robert Dugan	3139
George M. Harrigill	1741
Danny Ray Hart	1971 (Request Denied)
James Fred Johnson	1688
Joe D. Jones	1635
Jerry G. King	1320
Donna Stone Megginson	2854
Ralph R. Mills, Jr.	881
Paul D. Myers	1957
Donald J. Nester	3134
Jack Arthur Oppie	3766
Patricia F. Parrish	R3397
Howard D. Poarch	R2628
Paul A. Ray	1351
John M. Robinson	1230
William A. Simmons	369
Dennis W. Smith	2692
Michael D. Smith	4022
Nancy E. Tierce	4714
Julia P. Trawle	4771
Donald Lee Wade	2332

10. The Board approved two requests for CPA Retired status from licensee numbers R2876 and 3082 who reported CPE at June 30, 2013.
11. Rick Elam discussed the fact that a number of professors teaching at Mississippi universities may be holding out as CPAs without a valid license. After a discussion it was decided that the matter would be researched and placed on the December agenda for discussion and possible action.

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.	Alexander Van Loon Sloan Levens & Favre			
1.	14 th Annual Tax Update	11/15/13	8	Yes
B.	Business Professionals Network Inc.			
1.	The Civil Advantage - Workplace Ethics and Civility	Various	2	Yes
2.	Resolving Ethical Conflicts	Various	2	Yes
3.	The Trustworthy Leader	Various	2	Yes
4.	Ethics in the Real World	Various	2	Yes
5.	Cases in Corporate Ethics	Various	4	Yes
6.	Power, Influence and Ethics	Various	2	Yes
C.	Department of Revenue			
1.	Work Papers 1-2-3's	11/12/13	1	Yes
2.	Excel II Refresher	11/12/13	3.5	Yes
3.	Entity Analysis Review	11/13/13	1	Yes
4.	Accounting Records Analysis	11/13/13	3	Yes
5.	Motels and Trailer Parks	11/13/13	2	Yes
6.	Nexus Considerations for Sales, Tax and Interstate Sales	11/13/13	1	Yes
7.	Withholding Tax Law	11/13/13	1	Yes
8.	Audit Methods and Techniques	11/14/13	4	Yes
9.	Communication Skills and Safety Issues	11/14/13	2	Yes
10.	Auditor Comments	11/14/13	2	Yes
11.	Bankruptcy	11/15/13	2	Yes
12.	Withholding Tax Applications	11/15/13	4	Yes
13.	Contractors Tax Law	12/4/13	3	Yes
14.	Industry Issues/Electricians and Plumbers	12/4/13	3	Yes
15.	Taxpayer Preliminary Interview Analysis	12/5/13	1.5	Yes
16.	Contractors Tax-MPCs, Calculations and Terminology	12/5/13	3	Yes
17.	Industry Issues-Final Siding & Roof	12/5/13	3	Yes
18.	Income Tax 2	12/6/13	3	Yes
19.	General Construction - Law Applications	12/6/13	1.25	Yes
20.	MPC Comparisons-MPC Files, Sales Returns & Payments	12/6/13	2.5	Yes

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V. Continuing Professional Education

I. CPE Sponsors Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
D.	Division of Business Services, College of Business, MSU 1. 2013 Income Tax Course	12/9-10/13 12/10-11/13 12/12-13/13	15 inc. 2 Gen. Ethics	Yes
E.	Gleim Publications, Inc. 1. AICPA Professional Ethics	Online Self Study	4 Gen Ethics	Yes
F.	MACJC Business Managers 1. Using Business Intelligence to Make Decisions 2. New Markets Tax Credits	8/26/13 8/27/13	1 1	Yes Yes
G.	Medical Group Management Association 1. MGMA of MS Fall Conference	11/7-8/13	4	Yes
H.	Midsouth Institutes of Accountancy 1. Accounting & Tax Update 2. Ethics Program - Topics B	12/6/13 Various	8 4 ET (3 Gen 1 Rules)	Yes Yes
I.	Mississippi Association of Public Accountants 1. MDES Compliance & Access MS 2. Ethics - MS Law, Rules and Regulations (Sanford Warren) 3. Business Entities Seminar 4. Ethics (Sanford Warren) 5. Affordable Care Act Seminar	9/12/13 11/7/13 9/24/13 9/23/13 9/23/13	1 1 MS Rules 8 3 Gen Ethics 4	Yes Yes Yes Yes Yes
J.	Mississippi Power Company 1. Property II 2. Revenue and Sales Forecast	9/23/13 9/25/13	4 4	Yes Yes

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V. Continuing Professional Education

1. CPE Sponsors Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
K.	MSCPA			
	1. Governmental Accounting and Auditing Conference	6/12/13	16	Yes
	2. Mississippi Health Care Services Seminar	9/20/13	8	Yes
	3. The Community Banking Update	9/26/13	8	Yes
	4. Industry Conference	10/17/13	8	Yes
	5. Not-for-Profit Conference	11/1/13	8	Yes
L.	Molpus Timberlands Management			
	1. Financial Crimes in Woodland Operations	10/24/13	1	Yes
M.	Stewart Title Guaranty Company			
	1. 2013 Stewart Title Mississippi TIP Seminar	10/7/13	6	Yes
N.	The University of Alabama, CCS			
	1. Federal Tax Clinic	11/21-22/13	14	Yes
O.	Watkins Ward and Stafford PLLC			
	1. School Auditing Update	8/12/13	8	Yes
	2. 2013 Government Accounting and Auditing Update/Performing Effective and Efficient Audit Testing/COSO	9/16-17/13	16	Yes
	3. Ultra Tax CS Essentials	12/3-4/13 1/21-22/14	16	Yes
P.	Donna Ingram			
	1. Ethics and Professional Conduct	Various	4 ET 3 Gen 1 Rules	Yes

VI. Rules and Regulations

1. The Board reviewed and discussed a NASBA letter requesting information about the MSBPA laws and regulations regarding mobility.

VII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities from September 20, 2013, to November 8, 2013:

<u>Activity</u>	<u>Number</u>
Cases Opened	21
Cases Closed	1
Cases referred to Members	19
Total Cases Open	36

1. **Cases Closed:** Cases 2011.02 was opened in May 4, 2011, because the respondent licensee was accused by his former law firm employer of diverting the law firm's clients to respondent's law firm without permission. The Angela Pannell Investigative Committee made a preliminary determination that more evidence of violation of MSBPA laws and rules was needed. The Board case was placed on hold because there was a civil lawsuit and a Bar complaint pending against the respondent. The Committee wanted to let the civil court determine whether the respondent was guilty of any malfeasance or fraud. The MSBPA Investigator was unable to obtain any information from the Mississippi Bar about the status of the complaint against the respondent. The Case was closed because the civil suit against the respondent was dismissed with prejudice.
2. The Investigator reviewed the open case log by general description and reported on the investigative activities.

VIII. Trial Board

NONE

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member