

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
April 24, 2009

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on April 24, 2009, beginning at 10:00 a.m. The following record of that meeting was maintained.

Board Members Present

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

Board Members Absent

Shelly Boone
Jean Shepherd

Board Staff Present

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

Legal Counsel Present

Gloria Green, Special Assistant Attorney General

Others Present

Perry Smith, MAPA

I. General

1. The Board opened the meeting with an invocation from Willie Sims.
2. The Board members present unanimously approved the minutes from the March 23, 2009, meeting.
3. The Board members signed the CPA certificates of licensure from the March 23, 2009, meeting.
4. The Board members present set the start time for the next meeting and reviewed the tentative meeting dates and activities for the first of 2009:

| | | |
|------------|-----------|-------------------|
| May 29 | 8:30 a.m. | Meeting |
| June 3-5 | | NASBA W. Regional |
| June 17-19 | | NASBA E. Regional |
| June 25-28 | | MSCPA Annual |
| July 24 | | |
| August 21 | | |

I. General (Continued)

4. Continued

The Board also discussed holding the September 25, 2009, meeting at the University of Mississippi.

5. The Board discussed the submittal of the NASBA regional meeting registrations by May 1, 2009, and the MSCPA annual meeting registrations.

II. National Regulatory Concerns

1. The Board reviewed and discussed the March 2009 NASBA *State Board Report*.
2. The Board reviewed a NASBA March 30, 2009, email concerning Committee Interest forms which are due May 19, 2009.
3. The Board noted but took no action related to a NASBA March 24, 2009, email requesting recommendations for Nominating Committee Members, Directors at Large and Regional Directors. The Board also received a letter from the Alabama Board nominating Ken Odom for Southeast Regional Director.
4. The Board reviewed a March 24, 2009, NASBA letter to the Council of Inspectors General on Integrity and Efficiency, Department of Agriculture, in response to findings in the Report on National Single Audit Sampling Project.
5. The Board reviewed and discussed the Winter 2009 AICPA *Ethically Speaking* publication.
6. The Board reviewed Public Accounting Oversight Board (PCAOB) releases including:
 - *PCAOB Issues Concept Release on Possible Revisions to the Standard on Audit Confirmations*, and
 - *PCAOB Discloses Information Related to its International Inspections Program*.

III. Administration

1. The Board members present reviewed and discussed the SAAS Summary Trial Balances as of March 31, 2009 for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the nine months ended March 31, 2009.
2. The Board heard a report from Executive Director Susan Harris concerning the current status of the FY 2010 budget - Senate Bill 3249. The bill has passed the Senate with amendment from the House, waiting for return of the Legislature; 2009 Session deadlines are suspended.
3. The Board members present unanimously approved extra per diem days as follows:

| | | |
|------------|---------------------|--|
| Jim Burkes | April 26 - 27, 2009 | NASBA CAC (Compliance Assurance Committee) meeting |
| Rick Elam | May 13 - 15, 2009 | NASBA CLEC (CPA Licensing Examinations Committee) meeting. |

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously ratified the Window 1 - January - February 2009 CPA examination scores for 161 candidates, 207 examination sections. Thirteen (13) candidates completed all four examination sections.
2. The Board members unanimously accepted the listing of candidate applications for the computerized examination (15 initial, 56 reexam) received since the March 23, 2009, meeting.
3. The Board reviewed and discussed two special candidate situations related to good moral character - initial applicant numbers 12487 and 12523. Based on its careful evaluation of a criminal misdemeanor conviction and all other requirements being met, the Board members present unanimously approved applicant 12523 to sit for the examination as a Mississippi candidate. Due to a criminal felony conviction and a history of violations, the Board members present unanimously disapproved applicant 12487 examination application. Candidate 12487 will be offered an opportunity to appear before the Board at an administrative hearing as his opportunity to show cause why he should be permitted to sit for the examination.

IV. CPA Examination, Licensing and Firms (Continued)

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

| File | | | | |
|---------------|------------------------|---------------|-------------|-----------------|
| <u>Number</u> | <u>Name</u> | <u>Number</u> | <u>Date</u> | <u>Approved</u> |
| 11805 | Paul Wright Bresnahan | 5976 | 4/24/09 | Yes |
| 11492 | Mark Edward Prewitt | 5977 | 4/24/09 | Yes |
| 12138 | Joshua Jacob Shoemaker | 5978 | 4/24/09 | Yes |
| 07783 | Joseph Scott Speights | 5979 | 4/24/09 | Yes |

Applications for Reciprocal CPA Licenses

| File | | | | |
|---------------|------------------------|---------------|-------------|-----------------|
| <u>Number</u> | <u>Name</u> | <u>Number</u> | <u>Date</u> | <u>Approved</u> |
| 12514 | Karen Kammann Gurnik | R3434 | 4/24/09 | Yes |
| 12511 | Charles D. Lockwood | R3435 | 4/24/09 | Yes |
| 12522 | William J. Vanderbrook | R3436 | 4/24/09 | Yes |
| 12471 | Anne Marie Yancey | R3437 | 4/24/09 | Yes |

Applications for Reinstatement of CPA Licenses

| File | | | |
|---------------|----------------------|---------------|-----------------|
| <u>Number</u> | <u>Name</u> | <u>Number</u> | <u>Approved</u> |
| 12266 | Joshua Daniel Bogart | R3385 | Yes |

Applications for CPA Firm Permit to Practice

| <u>Name</u> | <u>Number</u> | <u>Approved</u> |
|--|---------------|-----------------|
| Horne, LLP Mobile, AL | F1218 | Yes |
| Horne, LLP Nashville, TN (2) | F1219 | Yes |
| William Vanderbrook, CPA Metairie, LA | F1220 | Yes |

IV. CPA Examination, Licensing and Firms (Continued)

5. The Board reviewed an amendment to a registered CPA firm, as follows:

| <u>Name</u> | <u>Number</u> | <u>Description</u> |
|-------------------------------------|---------------|---|
| SingerLewak, LLP Los Angeles, CA | FI 160 | Name changed from Singer Lewak Greenbaum & Goldstein, LLP |

6. The Board discussed the April 25, 2009 CPA Presentation Ceremony details and approved the ceremony program.
7. The Board reviewed requests from seven individual CPAs and one CPA firm for refunds of the \$150 late fees assessed due to late 2009 annual registration. The Board members present unanimously approved two refunds supported with proper documentation.
8. The Board members present reviewed but unanimously disapproved the request from candidate 12221 for an NTS extension for the FAR section due to insufficient justification.
9. The Board reviewed a NASBA summary report of candidate counts and testing events from May 2003 through calendar year 2008.
10. The Board discussed an April 20, 2009, letter from Bob Pearson, Chair, CPA Licensing Examinations Committee, requesting recommendations for the 2009 - 2010 committees including the AICPA Board of Examiners, Content Committee, State Board Committee, and Preparation Subcommittees.

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-Third Annual American Institute on Federal Taxation | 6/17-19/09 | 21 | Yes |

V. Continuing Professional Education

1. CPE Sponsor Applications: (Continued)

| | <u>Sponsor/Program Title</u> | <u>Dates</u> | <u>Hours</u> | <u>Approved</u> |
|----|--|--------------|-------------------------|-----------------|
| B. | American Society of Women Accts | | | |
| | 1. Peer Review: Areas Where Firms Are Having Recurring Deficiencies | 8/26/08 | 1 | Yes |
| | 2. Market Update | 9/23/08 | 1 | Yes |
| | 3. Investing During a Downturn | 10/28/08 | 1 | Yes |
| | 4. Tax Law Updates | 11/18/08 | 1 | Yes |
| C. | Association of Government Accts | | | |
| | 1. The Importance of Internal Controls | 4/8/09 | 1 | Yes |
| D. | Insightful Strategies | | | |
| | 1. Building an Effective Team | TBD | 1 | Yes |
| | 2. Leadership: Creating a Leader's Mind Set | TBD | 1 | Yes |
| E. | Office of the State Auditor | | | |
| | 1. Auditing for Fraud and Ethics, Nepotism and Related Party Issues for School Districts | 3/26/09 | 6 | Yes |
| F. | Patterson School of Accountancy | | | |
| | 1. Accountancy Weekend | 4/24/09 | 8 (2 General Ethics) | Yes |

VI .Rules and Regulations

1. The Board discussed necessary rule making for mobility law effective July 1, 2009. Board Attorney Onetta Whitley was not available to provide her legal counsel. Working with the Attorney, Executive Director Susan Harris will work with the committee to set a plan for future work on the Rules and Regulations.

VII .Legislation Task Force

1. The Board heard a report from David Clarke, Task Force Chair, concerning the planned timeline for working with the Mississippi Society of CPAs concerning 2010 legislation.

VIII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities from March 23, 2009 to April 24, 2009:

| <u>Activity</u> | <u>Number</u> |
|---------------------------|---------------|
| Cases Opened | 1 |
| Cases Closed | 6 |
| Cases referred to Members | 2 |
| Total Cases Open | 24 |

2. Cases closed:

Case 2006.30 - opened September 28, 2006. A licensee was referred to the Board by the U.S. Department of Education Office of the Inspector General for alleged violation of auditing standards on a school compliance audit. The Jim Burkes investigative committee determined that Board rules were violated and offered the licensee a consent order wherein the licensee shall obtain preissuance reviews of all audits and reviews. The order also required reimbursement of the disciplinary costs related to the complaint. The Trial Board approved the consent order at the March 2009 meeting; therefore, the case was closed. The licensee is subject to annual monitoring under the order.

Case 2007.27 - opened April 3, 2007. The Board became aware that a former licensee was illegally holding out as a CPA. The licensee's reinstatement application was approved by the Board at the March 2009 meeting.

Case 2008.16 - opened July 16, 2008. A former licensee was listed as a CPA in a newspaper article. The individual responded in a letter stating that he does not use the designation. The investigator noted that the individual's letterhead does not identify him as a CPA and the website of the bank where he is employed only lists him as President and CEO. The investigator closed the case with no probable cause to investigate further while notifying the non-registrant of the law and its consequences.

Case 2008.17 - opened July 16, 2008. A nonlicensee employee was listed as a CPA in the company's accounts receivable collection letter. The individual responded that a company clerk had prepared the letter and he had not reviewed it prior to signing it. He stated that he had corrected the problem. The investigator closed the case with no probable cause to investigate further while notifying the non-registrant of the law and its consequences.

VIII. Regulatory Matters (Continued)

2. Cases closed:(Continued)

Case 2008.24 - opened October 7, 2008. A Tennessee resident claimed that a Mississippi licensee allegedly lacked competence in a tax engagement. Jean Shepherd's investigative committee reviewed the complaint and the licensee's response and determined that there was no probable cause to investigate further.

Case 2009.01 - opened January 6, 2009. A licensee's former spouse filed a complaint with the Board which alleged that the licensee had committed a discreditable act in the practice of public accountancy. Shelly Boone's investigative committee reviewed the complaint and the licensee's response and determined that there was no probable cause investigate further.

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

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member