

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
March 23, 2012**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on March 23, 2012, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

Shelly B. Ford, Chair
Jim E. Burkes, Secretary
David E. Clarke
Rick Elam
David L. Miller
Angela L. Pannell

Board Members Absent

Willie B. Sims, Jr., Vice Chair

Board Staff Present

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

Legal Counsel Present

Patrick Beasley, Special Assistant Attorney General
Leyser Hayes, Special Assistant Attorney General

Others Present

Linda Wilson, Verbatim Court Reporting

I. General

1. The Board opened the meeting with an invocation from Jim Burkes.
2. The Board members present unanimously approved the minutes from the January 27, 2012, meeting.
3. The Board members present signed the CPA certificates of licensure from the January 27, 2012, meeting.

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 2012:

April 20	11:00 a.m.	Meeting
April 21		Ceremony
May 18		Meeting
June 13-15		NASBA E. Regional
June 27-29		NASBA W. Regional
June 21-24		MSCPA Annual
July 20		Meeting
5. The Board members present discussed the *Statement of Economic Interest Manual* due to the Mississippi Ethics Commission by May 1, 2012.
6. The Board members present unanimously approved attendance for members and staff to attend either the National Association of State Boards of Accountancy Western or Eastern Regional meetings to be held as listed above. The Board also unanimously approved members and staff to attend the annual meeting of the Mississippi Society of CPAs.

II. National Regulatory Concerns

1. The Board reviewed and discussed topics in the February & March 2012 NASBA *State Board Reports*.
2. The Board discussed the Quarterly Communications from the National Association of State Boards of Accountancy (NASBA) including the:
 - January 30, 2012, Memorandum,
 - Highlights of NASBA Jan 20 Board of Directors Meeting,
 - Revised CPE Standards as approved at Jan 20 Meeting, and
 - Regional Director's Focus Question Responses.
3. The Board members present answered the Regional Director's Focus Questions to be submitted to NASBA by April 4, 2012.

II. National Regulatory Concerns (Continued)

4. The Board discussed NASBA's notice regarding the request for recommendations for the Nominating Committee and Board of Directors. The members present unanimously determined to submit a recommendation for Jim Burkes to serve another term as the Southeast Regional Director. In addition the Board members present unanimously determined to submit a recommendation for Dr. Ray Johnson to serve at a Director-at-Large on the NASBA Board.
5. The Board members present noted the February 3, 2012, NASBA letter - Request for Committee Assignments, due April 9, 2012.
6. The Board reviewed the March 16, 2012, NASBA email - Urgent Request for Assistance on Federal Legislation and members present unanimously approved the issuance of a letter fo Congressmen Thad Cochran and Roger Wicker concerning the bill.
7. The Board reviewed and discussed topics in the NASBA Center for the Public Trust publication - *Ethics Matters*, Volume 5, Number 1.
8. The Board noted the Release: *NASBA Announces Accounting Education Research Grants Program*.
9. The Board reviewed and discussed the topics in the AICPA *State Regulatory Update*, Spring 2012.
10. The Board reviewed and discussed these Public Accounting Oversight Board (PCAOB) recent releases entitled:
 - *PCAOB Proposes Auditing Standard on Related Parties*, and
 - *PCAOB Proposes to Amend Rules and Firms Related to Auditors of Brokers and Dealers*.

III. Administration

1. The Board members reviewed the SAAS Summary Trial Balances as of February 29, 2012, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the eight months ended February 29, 2012.

III. Administration (Continued)

2. The Board reviewed Senate Bill 2994 documenting the Board's fiscal year 2013 proposed budget and noted the proposed spending authority for that year. The bill's deadline is within the appropriation timeline due out of conference by April 23, 2012. The Board also discussed proposed House Bill 1170 in which a proposed \$37,661 would be taken from the Board's funds.
3. The Board members present approved 19 extra per diem days for Board member David Miller, July 26, 2011 through January 25, 2012, related to his charge in an investigative matter.
4. The Board heard a report from the Executive Director concerning the IT project wherein the plan is to work with MS Interactive to have online annual registration up by the end of 2012. The plan continues for the data base update is to begin the Summer 2012, after the Engineering and Nursing Boards

IV. CPA Examination, Licensing and Firms

1. The Board members unanimously ratified the Window 1 - January - February 2012 CPA examination scores for 168 candidates, 208 examination sections. Sixteen candidates completed all four examination sections.
2. The Board members present unanimously accepted the listing of 70 candidate applications for the computerized examination (17 initial, 53 reexam) received since the January 2012 meeting.

The Board also reviewed and discussed four special candidate situations related to good moral character - initial applicant numbers 13243, 13253, 13255 and 13224. Based on its careful evaluation of criminal misdemeanor convictions and all other requirements being met, the Board members unanimously approved these four applicants to sit for the examination as Mississippi candidates.

IV. CPA Examination, Licensing and Firms (Continued)

3. 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 Number	Name	Number	Approved
12939	Mary Katherine Ball	6202	Yes
12864	Kara Nicole Blakeney	6203	Yes
12861	Alexander Howard Boyd	6204	Yes
12825	Jonathan A. Chapman	6205	Yes
11890	Jennifer Renfrow Compton	6206	Yes
12866	Anne Elizabeth Wilson Dedeaux	6207	Yes
12763	Sarah Poothullil Erwin	6208	Yes
11517	Christina Eaton Hathcock	6209	Yes
09913	Michael W. Joe	6210	Yes
13000	Jacquelin Danielle King	6211	Yes
13230	Siming Li		No (1)
12957	M. Danielle Perkins	6212	Yes
12668	Michael Allen Vandersteen	6213	Yes
12813	Tonya L. White	6214	Yes

(1) Pending satisfaction of the experience requirement.

Applications for Reciprocal CPA Licenses

File Number	Name	Number	Approved
13237	Rebecca Leake Craig	R3580	Yes
13236	Evelyn Jean Giles	R3581	Yes
13220	Karen Lee Livingston	R3582	Yes

IV. CPA Examination, Licensing and Firms (Continued)

3. Applications (Continued)

Applications for Reinstatement of CPA Licenses

<u>File</u>			
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
12752	Toijuan Anthony Bell	R3510	Yes
00871	William Lynn Loden	2139	Yes
11918	James Frederick Tapscott	R3232	Yes

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Ronald G. Applewhite, CPA Ridgeland, MS	F1517	Yes
Capin Crouse, LLP Lawrenceville, GA	F1518	Yes
Dennis and Company, PC Tulsa, OK	F1519	Yes
Dyer, Finison, Davidson PLLC Starkville, MS		No (1)
Godfrey CPA, PLLC Vicksburg, MS	F1520	Yes
Hartmann, Blackmon & Kilgore, PC Fairhope, AL	F1521	Yes
Debra S. Magee, CPA Leland, MS	F1522	Yes
Norman McLeod, CPA Brandon, MS	F1523	Yes
Susan R. Walker, CPA Madison, MS	F1524	Yes

(1) Does not satisfy regulatory requirements.

IV. CPA Examination, Licensing and Firms (Continued)

3. Applications (Continued)

Application for Reinstatement of a CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Bell & Associates, CPA Chicago, IL	F1275	Yes
Bettye B. Johnson, CPA Holly Springs, MS	F0417	Yes
William Murphy, CPA, PLLC Saucier, MS	F1121	Yes

Applications for Retired CPA Licenses

<u>File Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
1947	William H. Francisco	1791	Yes

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

<u>Name</u>	<u>Number</u>	<u>Description</u>
Thomas E King, CPA Madison, MS	F1415	Address Change
Warren Averett, LLC Birmingham, AL	F0878	Name Change from Warren, Averett, Kimbrough & Marino, LLC

5. The Board reviewed requests from ten individual CPAs for refunds of the \$150 late fees assessed due to late 2012 annual registration. The Board members present denied four of the refunds and approved six refunds for good cause.
6. The Board members discussed plans for the upcoming April 21, 2012, CPA presentation ceremony and noted the keynote speakers.
7. The Board members present reviewed and unanimously approved an ADA request for one extra hour on all exam sections for candidate 12082. The Board also reviewed and unanimously approved two NTS extension requests for candidate 13166 extending all four section NTSs to May 28, 2012, and candidate 13097 extending the BEC NTS until June 10, 2012, due to personal catastrophic events.

IV. CPA Examination, Licensing and Firms (Continued)

8. The Board members present reviewed the February 20, 2012, letter from Thames & Associates regarding the death of James W. Thames and unanimously approved the transition of the firm.
9. The Board members present reviewed the March 12, 2012, letter from Brumfield & Stringer regarding the death of Charles Brumfield and unanimously approved the transition of the firm.
10. The Board members present discussed the February 29, 2012, letter fro Robert Holman regarding his request for exemption from peer review; however, deferred action until related documentation is received.
11. The Board reviewed and discussed information related to the CPA examination including:
 - CBT Steering Group Quarterly Summary Report 4Q, 2011 and
 - NASBA Candidate Concerns 4Q, 2011.

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.	CCH (QAS provider)	Ongoing	4 Ethics	
	1. Ethics for Mississippi CPAs	self-study	(3 general 1 rules)	Yes
B.	Mississippi Department of Revenue			
	1. New Auditors Training Seminar	2/6/12	4	Yes
	2. Mars Overview	2/6/12	5	Yes
	3. Excel Refresher with Text Data Technique	2/6/12	1.5	Yes
	4. Password Management & TMS Research	2/7/12	1	Yes
	5. Overview of the Audit Process	2/7/12	3.5	Yes
	6. Audit Methods & Techniques	2/7/12	3.5	Yes
	7. Sales Tax Law, Structure, & Regulations	2/8/12	8	Yes
	8. Sales Tax Law & Application	2/9/12	2	Yes
	9. Exempt Sales & Credits	2/9/12	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>
B.	Mississippi Department of Revenue (Continued)			
	10. ARS (Activity Entries & Expenses, Update)	2/9/12	1	Yes
	11. Audit Working Papers	2/9/12	2	Yes
	12. Food Stamps - Internal Website	2/9/12	1	Yes
	13. Agency Overview	2/10/12	2.25	Yes
	14. Statute of Limitations	2/10/12	1	Yes
	15. Overview of Division Missions	2/10/12	.75	Yes
	16. Agency History	2/10/12	1	Yes
	17. Use Tax Law Synopsis & DPP Issues	2/10/12	1	Yes
	18. Techniques: Source & Application of funds-Snapshot View	2/13/12	2	Yes
	19. Tax Credit Applications	2/13/12	1	Yes
	20. Methods/Techniques: Comparison Overview	2/13/12	3	Yes
	21. Interest & Penalty Calculations	2/13/12	1	Yes
	22. City Diversion	2/14/12	1	Yes
	23. Account & Entity Relationships	2/14/12	7	Yes
	24. Audit Plan - Scheduling	2/15/12	1	Yes
	25. Audit Research, Setup & Selection	2/15/12	6.5	Yes
	26. Grocery Store Procedures	2/16/12	8	Yes
	27. Special Tax Levies	2/17/12	1	Yes
	28. 2007 Microsoft ACCESS	2/17/12	2	Yes
	29. Exempt Sales - Application & Analysis	2/17/12	2	Yes
	30. Auditor Comments	2/21/12	2	Yes
	31. Audit Report Package	2/21/12	5	Yes
	32. Special Tax & City Diversion Applications	2/17/12	2	Yes
	33. Sales Tax Law - Analysis & Application	2/22/12	2	Yes
	34. Audit Difficulty Factors	2/22/12	1	Yes
	35. Use Tax Law & Application	2/22/12	1	Yes
	36. Income Tax Law	2/23/12	1	Yes
	37. Practice Set Grocery	2/24/12	1	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>
B.	Mississippi Department of Revenue (Continued)			
	38. Confidentiality	2/24/12	.75	Yes
	39. Income Tax Audit Perspective	2/24/12	3	Yes
	40. Ethics	2/27/12	2	Yes
	41. Industry Issues Discussion - Restaurants & Department Stores	2/27/12	1	Yes
	42. Audit Approach with Role Play	2/28/12	3	Yes
	43. Analysis & Compilation of an Audit	2/28/12	4	Yes
C.	MACJC Business Managers			
	1. Helping Students Understand and Manage Their Finances	2/29/12	1	Yes
	2. Legal Expenditures/State Purchasing Laws	2/29/12	1	Yes
	3. The Power of Reserves Examining Sufficiency NACUBO Webinar	2/29/12	2	Yes
D.	May & Co., LLP			
	1. Annual Pre-Season Tax Meeting	1/20/12	4	Yes
E.	McArthur, Thames, Slay & Dews, PLLC			
	1. Accounting and Auditing Update - 2011	10/28/11	8	Yes
F.	MidSouth Institute of Accountancy			
	1. Spring 2012 Seminars	5/14/12	8	Yes
		5/25/12	8	Yes
			(4 ethics- 3 general 1 rules)	

V. Continuing Professional Education (Continued)

1. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
G.	Mississippi Hospital Association			
	1. RAC, MICS & ZIPs: External Audit Agencies You Need To Know	3/14/12	5.5	Yes
	2. Denials Management Workshop	3/15/12	5.5	Yes
	3. 4 th Annual MHA Health Law Conference	4/4/12	5.5	Yes
H.	Petroleum Accounting Society of MS			
	1. Non-Conventional Fuel Sources	1/26/11	1	Yes
I.	Smith Shellnut Wilson, LLC			
	1. Operations Seminar 2012 - Funds Management Essentials - Preparing for 2012 & Beyond	2/23/12	7	Yes
J.	University of Mississippi Patterson School of Accountancy			
	1. Accountancy Weekend	4/27/12	8 (2 ethics general)	Yes
K.	Watkins Ward and Stafford, PLLC			
	1. Annual Tax Update	1/20/12		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.	James R. Crockett			
	1. Professional Ethics and MSBPA Rules and Regulations <i>Requested by Dr. James R. Crockett</i>	Various	4 Ethics (3 general 1 rules)	Yes

V. Continuing Professional Education (Continued)

2. Individual CPE Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
B.	Clark Smith			
	1. Secular Markets <i>Requested by Clark Smith</i>		3	Yes
C.	William F. Taylor, CPA			
	1. Ethical Considerations for the Accounting Profession	4/27/12	2 Ethics general	Yes
	2. Ethics for MS CPAs <i>Requested by William Taylor</i>	5/2012 10/17/12	4 Ethics (3 general 1 rules)	Yes
D.	Alex Yarbrough			
	1. An Empirical Analysis of the Theory of Reasoned Action and its Impact on Auditor Decisions <i>Requested by Alex Yarbrough</i>	3/28/12	1 Ethics general	Yes

3. The Board members reviewed information related to the updated CPE standards established by NASBA.

VI. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities from January 27, 2012, to March 23, 2012:

<u>Activity</u>	<u>Number</u>
Cases Opened	1
Cases Closed	2
Cases referred to Members	0
Total Cases Open	17

VI. Regulatory Matters

2. The Investigator reviewed and discussed closed cases, as follows:

Case 2011.10 - opened October 4, 2011. A nonlicensee with an Alabama CPA license was listed in a newspaper advertisement for a Mississippi firm. The Investigator closed the case with no probable cause to investigate further after the Board issued the respondent a Mississippi reciprocal license January 27, 2012.

Case 2011.11 - opened October 10, 2011. A Mississippi-based CPA firm issued audited financial statements but did not obtain the required system peer review. The Board issued a Final Trial Board Order at the January 2012 Board meeting which required that the respondent obtain a system review for the three-year period ended January 31, 2012, include the skipped audit engagements in the peer review, provide the Board with copies of the system peer review reports, and pay a cost recovery fee to the Board. The Investigator closed the case with no probable cause to investigate further and will monitor the firm's compliance with the order.

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

VII. 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. Shelly Ford, Trial Board President, was the presiding officer. Leyser Hayes, Special Assistant Attorney General, was the hearing officer. Patrick Beasley, Special Assistant Attorney General, was the prosecuting officer. Jim Burkes was recused from the deliberations.
2. The Board continued as Trial Board for the purpose of hearing complaint 2009.17 concerning licensee R2545 and canceled CPA firm F0195 related to debarment of the US Department of Housing and Urban Development (HUD), failing to respond to the complaint, issuance of audit reports without the required firm registration and related actions.

Within the Trial Board the Board heard evidence from witness Ransom C. Jones, CPA Investigator. The respondent, Charles D. Buchanan did not appear. Jim Burkes was recused from the deliberations. The respondent allegedly failed to

VII. Trial Board (Continued)

2. (Continued)

comply with Mississippi Code Section 73-33-15(1) and Sections 3.1.1. of the Board Rules and Regulations which require the practice of public accounting be performed through an authorized and registered CPA firm; Section 6.15.1. which requires compliance with federal regulatory authority's laws and rules and names as a violation discipline by the federal agency; Section 6.15.2. and 6.17.13. due to disbarment by HUD; Section 6.17.17. failing to cooperate and fully respond to the Board in a timely manner; and Mississippi Code Section 73-33-11 subjecting a licensee to discipline for unprofessional conduct.

Following discussion and the administrative Trial Board hearing related to Charles D Buchanan, and upon motion by Angela Pannell with second from Rick Elam 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 Angela Pannell 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 Angela Pannell 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:

Upon motion by Rick Elam with second from David Miller, the Board determined that the respondent, Charles D. Buchanan, had indeed violated the laws, rules and regulations as outlined in the Notice of Hearing and Complaint. The record shall reflect that Charles D. Buchanan's CPA license number R2545 is revoked; Charles D. Buchanan is assessed a civil penalty in the amount of \$5,000 plus administrative, investigative, and legal costs of the hearing; and Executive Director Susan Harris is directed to send a letter to all jurisdictions where Respondent Charles D. Buchanan is licensed informing them of the Board actions. Votes were - For: Shelly Ford, David Clarke, Rick Elam, David Miller, Angela Pannell; Against: None; Absent: Willie Sims; and Recused: Jim Burkes.

VII. Trial Board (Continued)

2. (Continued)

Upon the conclusion of this business, the Board upon motion by Rick Elam with second from David Clarke 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