

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
January 30, 2015**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on January 30, 2015, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

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

Board Staff Present

Ransom C. Jones, Executive Director
Andy Wright, Board Investigator
Lane McNeal, Administrative Assistant

Others Present

Ed Jones, MSCPA

I. General

1. The Board opened the meeting with an invocation from Willie Sims.
2. The Board elected the following officers to serve for calendar year 2012:

Chair -	David Clarke
Vice Chair -	David Miller
Secretary -	Angela Pannell
3. The Board members unanimously approved the minutes from the December 12, 2014 meeting.

I. General (Continued)

4. The Board members signed the CPA certificates of licensure from the December 2014, meeting.
5. The Board members noted their committee and task force assignments for 2012 assigned by incoming Chair Shelly Ford, as follows:

National Regulatory Concerns

Jim Burkes, Chair
David Miller
Mark Peach

Administration

David Clarke, Chair
David Miller
Angela Pannell

CPA Examination, Licensing and Firms

David Miller, Chair
Rick Elam
Angela Pannell

Continuing Professional Education

Angela Pannell, Chair
Willie Sims
Jim Burkes

Rules and Regulations

Mark Peach
Willie Sims
David Miller

Regulatory matters are discussed by all members and investigative matters are handled by members on a rotating basis. The Trial Board President is served by the Board Chair and the Trial Board Clerk is served by the Board Secretary.

I. General (Continued)

6. The Board set next and tentative meeting/activity dates for 2015:

March 20	8:30 a.m. Board Meeting
March 24-26	NASBA Executive Directors Conference
April 17	10 a.m. Board Meeting
April 18	CPA Ceremony Presentation
June 5	8:30 a.m. Board Meeting
June 17-19	NASBA Western Regional Meeting, Coronado, CA
June 24-26	NASBA Eastern Regional Meeting, Baltimore, MD
June 25-28	MSCPA Convention, Destin, FL
August 14	8:30 a.m. Board Meeting

7. The Board noted a letter from Governor Bryant dated December 16, 2014, re-appointing Rick Elam to the Board of Accountancy for a five year term ending December 31, 2019.

II. National Regulatory Concerns

1. The Board noted a NASBA letter of comments dated January 15, 2015, on the Working Draft of the Strategic Plan for the FAF, the FASB, and the GASB.
2. The Board reviewed and discussed the December 2014 and January 2015, NASBA State Board Reports.
3. The Board noted the Board Permission form dated January 12, 2015, granting NASBA permission to utilize data from ALD and NCD.
4. The Board heard from Jim Burkes regarding Lifetime Learning Credit and discussed current issues and concerns. Board members also discussed concerns about CPE “nano” credits given for ten minute learning segments. This may lead to requiring competency testing for CPE credits.

III. Administration

1. The Board reviewed Cash Balance as of January 20, 2015, Fund 3845 and 3850; and Projection of Fund 3845 Cash balance at November 30, 2015.
2. The Board reviewed the Fund 3845 Statement of Revenues and Expenditures and Budget to Actual for the Seven Months ended January 20, 2015 and Projected Revenues and Expenditures as of June 30, 2015.
3. The Board discussed MSBPA IT project status: Updates on ITS LARS Licensing Database Progress. The Board discussed timeline for development, testing and implementing the MSBPA (ITS) LARS Licensing Database System. The Board reviewed complaint letter from three licensees who did not want to renew the CPA license or pay online.
4. The Board discussed the January 2015 legislative budget hearings and process. MSBPA asks for “Escalation Authority” in the FY2016 budget to allow payment to ITS for LARS development cost incurred in FY2015. Meetings scheduled with Senate and House Appropriations Committee Chairs on January 27, 2015.
5. The Board discussed current office space and possibility of moving to another location.
6. The Board approved additional per diem days at \$40 per day, for Board members Angela Pannell, David Clarke and Willie Sims.

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of 107 candidate applications for the computerized examination (28 initial, 79 reexam) received since the December meeting.
2. The Board reviewed 2 special considerations:
 - Approved two refund requests for examination fees, File #13718 and File #13766.

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IV. CPA Examination, Licensing and Firms (Continued)

2. 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>
13608	Sara Elizabeth Bearrows	7014	Yes
13385	Melinda Pixley Bruscato	7015	Yes
13460	Shaunesey Lee Collins	7016	Yes
13741	Cassidy Stogner Errington	7017	Yes
13253	Richard Viera Harvey	7018	Yes
13589	Hannah Elizabeth Hurt	7019	Yes
13775	Charles William Kinslow IV	7020	Yes
13668	Nicholas A. Kollath	7021	Yes
13352	Scicile Dawn Lindsay	7022	Yes
13416	Catherine Robinson McLeod	7023	Yes
13621	David James Osborn	7024	Yes
13453	Thomas Michael Steeno	7025	Yes
13550	Lydia Samantha Windham	7026	Yes

Applications for Reciprocal CPA Licenses

<u>File No</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
13769	Alvin G. Damron	7043	Yes
13770	Robert Dean Jennings III	7044	Yes
13767	Jonathan Mark Legner	7046	Yes
13800	Daniel Edgar Mayfield	7045	Yes
13765	Jason Harkins McDavid	7047	Yes
13793	Wendy Jackson Wood	7048	Yes
13786	Emily M. Zizzi	7049	Yes

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IV. CPA Examination, Licensing and Firms (Continued)

Applications for Reinstatement of CPA Licenses

<u>FileNo</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
00859	William E. Walker	2915	Yes

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
James P. Angle, CPA Madison, MS	7027	Yes
Arnett Carbis Toothman, LLP Charleston, WV	7028	Yes
W.F. Baird, Jr., PLLC Madison, MS	7029	Yes
Devon Boykin, CPA Ocean Springs, MS	7030	Yes
Alvin Damron CPA Olive Branch, MS	7031	Yes
David L. Gladden, CPA Cleveland, MS	7032	Yes
gish SEIDEN, LLP Woodland Hills, CA	7033	Yes
Jennings CPA, PLLC Southaven, MS	7034	Yes
Nancy J. Kilpatrick, CPA Tupelo, MS	7035	Yes
Lindsay CPA Firm, LLC Kosciusko, MS	7036	Yes
Lindsey, Parker & Martin, PA Jackson, MS	7037	Yes
McPhillips, Roberts & Deans, PLC Norfolk, VA	7038	Yes
H.S. McMillan, CPA Madison, MS	7039	Yes

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
H.S. McMillan, CPA Madison, MS	7039	Yes
Joe H. Morgan, CPA Laurel, MS	7040	Yes
Brenda G. Nichols, CPA Glen, MS	7041	Yes
Jack W. Palmer, CPA Flowood, MS	7042	Yes

Amendments to Registered Firms

<u>Name</u>	<u>Number</u>	<u>Description</u>
Arnett Cabvis Toothman LLP New Castle, PA	F1217	Name Change from Carbis Walker, LLP
Byrne Zizzi CPA, PLLC Houston, MS	F0205	Name Change from The Byrne CPA, PLLC
Byrne Zizzi CPA, PLLC Tupelo, MS	F1723	Name Change from The Byrne CPA, PLLC
Byrne Zizzi CPA, PLLC Aberdeen, MS	F1724	Name Change from The Byrne CPA, PLLC
Cherry Bekaert, LLP Charlotte, NC	F1068	Name change from Cherry Bekaert & Holland LLP
Cherry Bekaert, LLP Atlanta, GA	F1040	Name change from Cherry Bekaert & Holland LLP
Cherry Bekaert, LLP Richmond, VA	F0912	Name change from Cherry Bekaert & Holland LLP
Clinton CPA Firm, PLLC Hattiesburg, MS	F0210	Name change from Carpenter & Carpenter, CPA PA

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IV. CPA Examination, Licensing and Firms (Continued)

Amendments to Registered Firms

<u>Name</u>	<u>Number</u>	<u>Description</u>
Jones CPA Firm, PLLC Pascagoula, MS	F0429	Name change from Jones & Hemenway, CPA, PLLC
Kcoe Isom, LLP Oxford, MS	F1667	Name change from Kennedy and Coe, LLC
Kcoe Isom, LLP Clarksdale, MS	F1144	Name change from Watts & Associates PA
Curtis W. Lindsey, CPA Jackson, MS	F0475	Cancel (Merged with Firm #7037)
Timothy W. Martin, CPA Jackson, MS	F0500	Cancel (Merged with Firm #7037)
Wm Christopher Parker PLLC Jackson, MS	F0893	Cancel (Merged with Firm #7037)
MJD & Associates Gulfport, MS	F1100	Name change from Durlak & Perkins, LLC
McNeel, CPA Louisville, MS	F0519	Name change from Billy G. McNeel, CPA

Application for Reinstatement of a CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
W. Patrick Harmon, CPA Brandon, MS	F0356	Yes

3. The Board reviewed a listing of voluntary cancellations made by CPAs and CPA Firms requested during 2015 License Registration:

<u>Name</u>	<u>Number</u>
Robert Bobo	R2942
Uvonne Brewer	R2958
Thomas Eichelberger	R2649
Michael Facer	R2503
Stacey Ferrara	R3389
Robert Fratesi	1156
Richard Hill	R3222
Robert Healea	R2137
Debbie Hylander	R3522
Michael McKenzie	5704
Bob Robinson	1714
Sarah Sims	5974
Joseph Vincent	R2142
Sharon Weber	3645
Monica Zumo	R3464
Bizzell, Neff & Galloway PA	F1539
Hannis T. Bourgeois LLP	F0948
Linda Caver, CPA	F0213
Crowe Horwath, LLP	F1350
G.T. Dethloff, CPA, PLLC	F0869
Draffin & Tucker, LLP	F0869
Randal E. Ellzey, CPA, PC	F1155
Giles CPA	F1588
Hylander CPA Firm	F1301
Klauser, PLLC	F0882
Murphy, Whalen & Broussard LLC	F0550
Bob T. Robinson, CPA	F0629
Ada Cecile Rodrigue, CPA	F0879

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IV. CPA Examination, Licensing and Firms (Continued)

3. Voluntary Cancellation for CPAs and CPA Permits (continued)

<u>Name</u>	<u>Number</u>
Chris Savage, CPA	F0990
D. Start, PC	F1143
The Mirinov Group, LLC	F1270
Joseph P. Vincent, Jr., CPA, APAC	F0740
Steve C. Wells, CPA	F0755

4. The Board members present unanimously approved requests from CPAs for waivers of the 2014 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2015 as follows:

<u>Name</u>	<u>Number</u>
Hazel Yates Akers	2698 (CPE compliant)
Keith Atkinson	1858 (CPE compliant)
Valerie Majors Box	2225 (Affidavit)
William K. Carter	1896 (CPE compliant)
Linda Caver	2293 (CPE compliant)
Margaret D. Closson	1923 (CPE compliant)
Barney L. Cooke	4800 (CPE compliant)
M. Larry Daniels	2145 (CPE compliant)
Linda P. Duckworth	3225 (CPE compliant)
Rudolph F. Franks	822 (Affidavit)
Shannon R. Gatlin	2010 (Affidavit)
James T. Grantham, Jr.	1543 (Affidavit)
Dorothy Gray	1711 (CPE compliant)
Robert E. Harper	2983 (Affidavit)
Kenneth E. Hicks	1258 (CPE compliant)
Ramona F. Hill	1417 (CPE compliant)
Bettye B. Johnson	2076 (CPE compliant)
Thomas A. Jones	5212 (CPE compliant)

IV. CPA Examination, Licensing and Firms (Continued)

4. Applications for Initial Retired Status (Continued)

<u>Name</u>	<u>Number</u>
Wiley D. Kendrick	2984 (CPE compliant)
Mary Kincaid	4594 (Affidavit)
Jack Dunn Lawley, Jr.	R1713 (CPE compliant)
John K. Lindsey	4047 (CPE compliant)
Linda W. McFall	2479 (Affidavit)
N. Keith McKey	2032 (CPE compliant)
Linda P. McLaurin	3846 (CPE compliant)
Guy W. Moore	1575 (Affidavit)
Theodore D. Morrison	3390 (CPE compliant)
Mary Ann Mosal	3708 (CPE compliant)
Cheryl M. Nelson	2060 (Affidavit)
John W. Newman	1951 (Affidavit)
Rhonda Norris	2371 (Affidavit)
Philip M. Pela	2255 (Affidavit)
David C. Rainey	2691 (CPE compliant)
Marlin B. Rains	R1366 (Affidavit)
Michael A. Roberts	R2174 (CPE compliant)
Ronald D. Robinson	2188 (Affidavit)
Ada C. Rodriguez	990 (Affidavit)
Martha Scarborough	2579 (CPE compliant)
Joseph J. Schultz, Jr.	1134 (Affidavit)
Robert Hill Scott	900 (Affidavit)
John Serafin	3771 (CPE compliant)
Dennis Ray Switzer	1312 (CPE compliant)
James Roy Taylor	1035 (Affidavit)
Dianne Williams	3374 (Affidavit)

5. The Board reviewed and discussed a letter dated January 27, 2015, from AICPA/Prometric/NASBA regarding Candidate fees.

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. MS Dept of Revenue			
1. Auditors Advanced Training Seminar	11/5-7/14 11/19-21/14	39.75	Yes
B. May & Company			
1. AICPA's Annual Federal Tax Update	1/9/15	8	Yes
C. Western CPA (QAS)			
1. Real World Ethics for MS CPAs	Self Study Online	4 Ethics (3 General 1 Rules)	Yes

VI. Rules and Regulations

1. The Board heard Andy Wright's presentation of pending state legislation and the possible effects the bills might have on the Board.
2. The Board heard a discussion by the Executive Director regarding possible changes to Board Rules and Regulations. No action was taken.
3. The Board reviewed a Board staff presentation on a need for a fee increase due to inflation. The Board requested Board staff to prepare a cash flow projection for the March 2015 meeting.

II. Regulatory Matters

1. The Board heard a report from Investigator Andy Wright and approved the regulatory activities from December 13, 2014, to January 30, 2015:

<u>Activity</u>	<u>Number</u>
Cases Opened	2
Cases Closed	13
Cases referred to Members	2
Total Cases Open	22

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

① ***Cases Closed:***

Case 2014.05 was opened January 23, 2014, based on discovery of CPA's address in MS per IRS PTIN listing. The Tennessee CPA had a secondary address listed on his website that was his residence in MS; the business office address was in Memphis, TN. After the website was disabled the case was closed without discipline.

Case 2014.39 was opened August 7, 2014, based on CPA's failure to obtain or report CPE for last two years. The CPA had previously been granted disabled status, but had been told in 2013 that retired status would be appropriate for him and that he needed to apply for it. He failed to apply due to concerns about losing AICPA life insurance. When those concerns were addressed, he supplied application for retired status with the CPE deficiency outstanding. The Board approved closure of the case at December meeting without discipline, but with CPE deficiency remanded to the file.

VII. Regulatory Matters (Continued)

Case 2014.50 was opened September 25, 2014, based on apparent practice without a firm permit by the CPA. The CPA had requested and been granted cancellation of firm permit in 2013, but indicated on 2014 license renewal that he was practicing public accounting. Licensee responded that this was an error on his part; he answered yes since he anticipated preparing a compiled financial statement in the future, but this was not done. Investigator verified this through the licensee prepared schedule of engagements. Licensee represented that he had been working solely in industry for last two years. Case was closed without discipline after CPA submitted application for retired status and executed an affidavit.

Cases 2014.53-19, and .53-23 were opened October 2, 2014, based on non-submission of CPE report for year ended June 30, 2014. The licensees requested cancellation of CPA license with outstanding CPE deficiency. The Board approved the request and closure of cases with the CPE deficiency remanded to the files.

Cases 2014.53-30, .53-36, .53-41, .53-45, and .53-59 were opened October 2, 2014, based on non-submission of CPE report for year ended June 30, 2014. Notices of Hearing for December trial board were mailed. None replied and trial board hearing proceeded with revocation of licenses and assessment of fines and costs approved. Cases closed with mailing of letter and copy of consolidated board order to each former licensee.

Case 2014.53-35 was opened October 2, 2014, based on non-submission of CPE report for year ended June 30, 2014. The licensee submitted proof of sufficient CPE obtained, but with 7 of the hours be obtained on July 1, 2014. He requested a one day extension to obtain the CPE, which was approved by the Board at December meeting.

Case 2014.53-62 was opened October 2, 2014, based on non-submission of CPE report for year ended June 30, 2014. The licensee submitted proof of sufficient CPE obtained per other state's rules where she also maintains a license. She requested cancellation of her MS license in good standing which was approved by the Board at December meeting.

Case 2014.54 was opened October 28, 2014, based on discovery of TN CPA firm performing an employee benefit plan audit for a MS based plan without a firm permit. Firm permit obtained and executed a Stipulation and Consent agreement.

VIII. Trial Board

1. At 9:30 a.m., the Board approved an Order granting Motion for Continuance related to Complaint 2014.35, License Number R3510 and Firm Permit # F1275. Hearing originally scheduled for 9:30 am, January 30, 2015. (Investigating Board Member: David Miller)
2. At 9:30 a.m., the Board reviewed the Investigative committee recommendation for Board approval of an Order to close case # 2013.09. An Executed Stipulation and Consent Order was approved by the Trial Board. Andy Wright commented that all Costs and assessments required by the Order had been paid. The Case involved a CPA and his Firm that failed to timely respond to inquiries made in connection with case arising from a complaint regarding a payroll tax engagement. The CPA clarified he attempted further contact with the former client but had no further contact. (Investigating Board Member: David Clarke).
3. The Board heard Andy Wright's presentation of proposed investigative techniques. Mr. Wright handed out a confidential list of the proposed procedures.

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