

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
April 27, 2018

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on April 27, 2018, beginning at 10:00 a.m. The following record of that meeting was maintained.

Board Members Present

Mark Peach, Chair
Willie B. Sims, Jr., Vice Chair
Rick Elam, Secretary
Angela Pannell
David Bridgers
William Kelly
Charles Prince

Board Staff Present

Andy Wright, Executive Director
Sharee Brewer, Associate Director, Investigations
Lane McNeal, Administrative Assistant

Legal Counsel Present

Jeff Jernigan, Deputy Attorney General

Others Present

Ed Jones, MSCPA Representative

I. General

1. The Board opened the meeting with an invocation from Ed Jones.
2. The Board members present unanimously approved the minutes from the March, 2018 meeting.
3. The Board members present signed the CPA certificates of licensure from the March, 2018 meeting.

I. General (Continued)

- 4. The Board reviewed tentative meeting/activity dates for 2018:

April 28, 2018	New CPA Ceremony
June 1, 2018	8:30 a.m. Board Meeting
June 5-7, 2018	NASBA Eastern Regional, Orlando, FL
June 21-24, 2018	MSCPA Annual Convention, Destin, FL*
June 27-29, 2018	NASBA Western Regional, Olympic Valley, CA
August 3, 2018	8:30 a.m. Board Meeting
September 7, 2018	8:30 a.m. Board Meeting
November 9, 2018	10:30 a.m. Board Meeting
November 10, 2018	New CPA Ceremony
October 28-31, 2018	NASBA Annual Meeting, Scottsdale, AZ
December 7, 2018	8:30 a.m. Board Meeting

*The Executive Director is requesting to speak at the MSCPA Convention and will discuss tentative plans which are mentioned in the Regulatory Matters Section.

II. National Regulatory Concerns

- 1. The Board members discussed the NASBA *State Board Report* for April, 2018.
- 2. The Board reviewed the NASBA Legislative E-news for April 2018.
- 3. The Board discussed the NASBA Chair message regarding the “technology pathway” to CPA.
- 4. The Board heard a report from the Executive Director about the Executive Director’s Conference.
- 5. The Board approved the Final draft of the letter removing preparation engagement inclusion as “must selects” in the Peer Review Program.

III. Administration

1. The Board pre-approved proposed travel for events in June. Additionally, the Board ratified the Executive Director's internal budget reclassification of \$10,000 from "contractual services" to "travel".
2. The Board members present reviewed the MSBPA Balance Sheets, Funds 3845 and 3850, as of March 31, 2018.
3. The Board reviewed the FY 2018 Budget to Actual Comparison – Fund 3845, for the nine months ended March 31, 2018 and nine months ended March 31, 2017.
4. The Board reviewed the Statement of Revenues and Expenditures, Fund 3845 for the nine months ended March 31, 2018.
5. The Board reviewed State Auditor's compliance audit preliminary findings and the Executive Director's responses.
6. In other business:
 - The Board members present approved additional per diem days.

IV. CPA Examination, Licensing & Firms

1. The Board members noted staff approval of 84 candidate applications (12 initial, 72 reexam) for 127 Sections of the computerized CPA examination received since the March 23, 2018 meeting.
2. The Board members unanimously ratified Window 1 (January – March, 2018) examination scores for 208 candidates, 264 examination sections.
3. The Board members present considered and approved a special request by candidate number 13986, related to extension of an expired score.

IV. CPA Examination, Licensing & Firms (Continued)

4. 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	Name	Number	Action
13248	Ashley Nicole Berry	7556	Approved
13913	George Leonard Cain, III	7557	Approved
14237	Charles Jubal Chandler	7558	Approved
14258	Robert W. Clark	7559	Approved
13506	Ashley Rigby Dedeaux	7560	Approved
14083	Jessica M. Jordan	7561	Approved
14278	Peyton Cooper Lee	7562	Approved
14290	Jon Austin McCormick	7563	Approved
14203	Justin Allen Williams	7564	Approved

Applications for Reciprocal CPA License

File	Name	Number	Action
14521	Christopher Drew Edwards	R7565	Approved
14510	Molly Margaret Hadden	R7566	Approved
14524	Daniel J. Kutch	R7567	Approved

Applications for Reinstatement of CPA License

File	Name	Number	Action
08543	Shannon L. Jones	4933	Approved
08154	William Daniel McCaskill	R2406	Approved

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Callian Robinson, CPA	Long Beach, MS	7554	Approved
John Schultz, CPA	Ridgeland, MS	7555	Approved

Amendments to Registered Firms

No.	Name	City, State	Change
7449	David M. Robinson, LLC	Gulfport, MS	Address Change

Application for Reinstatement of a CPA Firm Permit to Practice

Number	Name	City, State	Action
7210	Karen Brown, CPA	Ocean Springs, MS	Yes
F1620	McCarthy, CPA	Hattiesburg, MS	Yes

IV. CPA Examination, Licensing & Firms (Continued)

5. The Board noted the CPA license trends in Mississippi and neighboring states.
6. The Board reviewed and discussed the proposed “Expanded (or Tech) Pathway to CPA”.
7. The Executive Director briefly discussed ongoing NASBA Exam Gateway 2.0 Issues.

V. Continuing Professional Education

1. The Board members unanimously authorized the following actions on CPE sponsor programs applications submitted for approval.

Sponsor/Title	Dates	Hours	Action
Alexander Van Loon Sloan Levens & Favre 1. 20 th Annual Accounting & Auditing Update	6/1/18	8	Approved
Beta Alpha Psi, School of Accountancy, USM 1. Accounting and Auditing Update	5/23/18	8	Approved
Patterson School of Accountancy 1. Accountancy Weekend	4/27/18	2 General Ethics	Approved
University of South Alabama 1. 2018 Gulf Coast Real Estate Education & Economic Development	8/8/18	8.4	Approved
WebCE Inc. 1. Personal and Professional Ethics for Mississippi CPAs	Online Self Study	4 Ethics (3 General 1 Rules)	Approved

2. The Board members present unanimously authorized the following actions concerning CPE request from individuals.

Sponsor/Title	Dates	Hours	Action
Warren Ladner 1. Blocking & Tackling for the Hospital CFO: A Practical Guide <i>Requested by Warren Ladner</i>	Various	1.5	Approved

3. The Board members discussed tentative plans for changes to CPE reporting deadlines and processes.

VI. RULES AND REGULATIONS

1. The Board members reviewed Adopted Legislation – MS Senate Bill 2526.
2. The Board members discussed board authority to compel production of documents. The Board consensus was to not pursue this as an investigative technique at this time.
3. The Board members discussed proposed Rules changes.

VII. Regulatory Matters

The Board heard a report from Associate Director Sharee Brewer regarding the regulatory activities from March 24, 2018 to April 27, 2018:

Activity	Number
Cases Opened Beginning of Period	31
Cases Opened	2
Cases Closed ①	9
Cases Open End of Period	24
Open Cases Referred to Members	3

① Cases Closed:

Case 2016.278 Case opened October 10, 2016 after licensee issued a review report with no firm permit and an answer of “No” to performing public accounting on individual license renewal. Licensee agreed to a Stipulation and Consent order which included a civil penalty. Stipulation and Consent order was presented to the full Board on January 26, 2018. Matter was closed.

Case 2016.288 Case opened November 30, 2016 after firm received a second pass with deficiencies rating on a system review in the peer review program. Firm agreed to a Stipulation and Consent order which included a penalty of Yellow Book CPE hours assessed by the Board which was above and beyond the requirements of the peer review program. Stipulation and Consent order was presented to the full Board on January 26, 2018. Matter was closed.

Case 2017.71 Case opened August 17, 2017 after firm received a fail rating on compilation engagements in the peer review program. Firm complied with all follow-up requirements of the program. Firm agreed to a Stipulation and Consent order. The order was presented to the full Board on March 23, 2018. Matter was closed.

VII. Regulatory Matters(continued)

Case 2017.181 Case opened November 3, 2017 after firm received a fail rating on preparation engagements in the peer review program. Firm complied with all follow-up requirements of the program. Firm agreed to a Stipulation and Consent order. The order was presented to the full Board on March 23, 2018. Matter was closed.

Case 2018.12 Case opened February 28, 2018 after it was determined a non-accounting firm issued a review report for the State Board of Contractors. Firm was contacted and informed of the state law and opinion that the firm should not be performing such engagements. Firm responded back that they would not perform anymore such services. Matter was closed.

Case 2018.14 Case opened March 5, 2018 against a CPA firm as an offshoot to another case which was opened against the individual. During the review of the case against the licensee, it was determined the firm was operating on an expired firm permit. Upon recommendation by the Executive Director, the firm was allowed to reinstate their license and approval will be before the full Board on April 27, 2018. Matter was closed.

Case 2018.15 Case opened March 7, 2018 after it was determined a non-accounting firm issued a compilation report for the State Auditor's Office on a municipality. Report did not have "safe-harbor" language. Firm was contacted and informed of the language. Firm responded the safe-harbor language would be used in the future. Matter was closed.

Case 2018.16 Case opened March 8, 2018 after it was determined a non-accounting firm issued a compilation report for the State Auditor's Office on a municipality. Report did not have "safe-harbor" language. Firm was contacted and informed of the language. Firm responded the safe-harbor language would be used in the future. Matter was closed.

Case 2018.17 Case opened March 8, 2018 after it was determined a non-accounting firm issued a compilation report for the State Auditor's Office on a municipality. Report did not have "safe-harbor" language. Firm was contacted and informed of the language. Firm responded the safe-harbor language would be used in the future. Matter was closed.

Sharee Brewer then discussed the active cases as presented on the *Open Case Log*.

The Board discussed tentative plans to address firms not enrolling in Peer Review Program.

VII. TRIAL BOARD

Trial Board Hearing Continuance:

An Order granting motion for Continuance was approved in **Case 2017.75**
(Kelly Investigative Committee)

Stipulation and Consent Orders for Board Approval related to deficient peer review report:

A Stipulation and Consent Order was approved in **Case 2017.16**, involving a firm with a fail on a peer review report. The firm fully cooperated with the investigation and peer review program. The order requires the firm to schedule an accelerated peer review with a date acceptable to the board if they become engaged to perform reviews or audits of financial statements.

(Elam Investigative Committee)

A Stipulation and Consent Order was approved in **Case 2017.216**, involving a firm with a fail on a peer review report. The firm fully cooperated with the investigation and peer review program. The order requires the firm to schedule an accelerated peer review with a date acceptable to the board if they become engaged to perform reviews or audits of financial statements.

(Pannell Investigative Committee)

A Stipulation and Consent Order was approved in **Case 2018.13**, involving an individual licensee who had the Continuing Professional Education hours for the 2016-2017 year, but did not timely report the hours nor comply with an Extension of time provided by the Board. Licensee has now reported CPE hours to the Board in full. Additionally, the S&C calls for a \$250 civil penalty and \$250 cost recovery.

(Elam Investigative Committee)

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member