

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
August 3, 2018**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on August 3, 2018, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

Mark P. Peach, Chair
Willie B. Sims, Jr., Vice Chair
Angela L. Pannell
David Bridgers
William Kelly
Charles Prince

Board Member Absent

Rick Elam, Secretary

Board Staff Present

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

Legal Counsel Present

Gloria Green, Deputy Attorney General

Others Present

Ed Jones, MSCPA Representative
Karen Moody, MSCPA President/CEO
Stephanie Palmertree, State Auditor's Office
Derrick Garner, State Auditor's Office

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 June, 2018 meeting.
3. The Board members present signed the CPA certificates of licensure from the June, 2018 meeting.

I. General (Continued)

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

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

5. The Board members present approved travel by members, executive director and associate director to NASBA Annual Meeting in Arizona in October. It was also noted that the preauthorization travel form must be signed and submitted to the executive director.

6. The Executive Director noted the speaker for the November CPA Ceremony, Sam Britton, CPA, Southern District Public Service Commissioner.

II. National Regulatory Concerns

1. The Board members present discussed the NASBA *State Board Report* for June, 2018.

2. The Board members present discussed the NASBA *State Board Report* for July, 2018.

3. The Board members present discussed an open letter from CPAs on AICPA opening of ABV Credential to non-CPAs.

4. The Board reviewed the NASBA Legislative E-news.

III. Administration

1. The Board members present reviewed the MSBPA Balance Sheets, Funds 3845 and 3850, as of June 30, 2018.

2. The Board members present reviewed the FY 2018 Budget to Actual Comparison – Fund 3845, for the twelve months ended June 30, 2018.

3. The Board members present reviewed the Statement of Revenues and Expenditures, Fund 3845 for the twelve months ended June 30, 2018.

III. Administration(continued)

- 4. The Board members present heard from Stephanie Palmertree, State Auditor’s Office, detailing the final report of State Auditor’s findings from the Compliance Review for fiscal year 2017.
- 5. In other business:
 - The Board members approved one additional per diem day.

IV. CPA Examination, Licensing & Firms

- 1. The Board members present noted staff approval of 148 candidate applications (34 initial, 114 reexam) for 186 Sections of the computerized CPA examination received since the June 1, 2018 meeting.
- 2. The Board members present considered and approved a special request by candidate number 14608, related to special accommodations. The Board tabled a request from candidate number 09227 related to education requirements, pending advice from the Attorney General’s office.
- 3. The Board members present voted to accept Window 2 (April – June, 2018) examination scores for 175 candidates, 228 examination sections.
- 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

Name	Number	Action
Kayla Scharfenstein Alford	7580	Approved
Chun Chen	7581	Approved
Caitlin Suzanne Cruthird	7582	Approved
Kevin Lonergan Curren	7583	Approved
Nancy Francis Davis	7584	Approved

IV. CPA Examination, Licensing & Firms (Continued)

4. Applications (Continued)

Applications for Original CPA License(continued)

Name	Number	Action
Daniel Scott Drummond	7585	Approved
Jeremy Ross Epting	7586	Approved
Amanda E Gunderson	7587	Approved
Mary Melissa Hazlewood	7588	Approved
Jennifer Lynn Herrington	7589	Approved
Alexander Aldon Hobson	7590	Approved
Vernon Wesley Hulett	7591	Approved
Jenna Leigh Oakley	7592	Approved
Lauren Marie Oliver	7593	Approved
Jennifer Lynnette Owen	7594	Approved
Hayden Micah Putnam	7595	Approved
Joseph Alvin Rebentisch	7596	Approved
Tyler M Roberts	7597	Approved
Andrew Joseph Tanous	7598	Approved

Applications for Reciprocal CPA License

Name	Number	Action
Sheree Catherine Carty	R7599	Approved
Jeremy Douglas Hoskinson	R7600	Approved
Emily J Hunt	R7601	Approved
Joshua O S Hunt	R7602	Approved
Michael A Keim	R7603	Approved
Katlin E Lewis	R7604	Approved
Andrew Michael Williams	R7605	Approved

Applications for Reinstatement of CPA License

Name	Number	Action
Perry M. Byrd	R2842	Approved
Emmitt Lee King	2713	Approved
Stacy L. Orman	5395	Approved

IV. CPA Examination, Licensing & Firms (Continued)

4. Applications (Continued)

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Anthony J. Cuccia, CPA	Southaven, MS	7577	Approved
Mike A. Keim, CPA	Gulfport, MS	7578	Approved
Pittman & Company, Certified Public Accountants, PLLC	Brandon, MS	7579	Approved

Amendments to Registered Firms

No.	Name	City, State	Change
F1527	Barnett CPA LLC	Ellisville, MS	Address Change
F1351	Crowe LLP	Lexington, KY	Address Change
F0290	Edmondson Burchfield Hardy & Associates, PA	Cleveland, MS	Name Change from Edmondson & Burchfield PLLC
F0585	F. Ed Penton, Jr., PC	Pascagoula, MS	Address Change
F0313	Franks, Franks, Wilemon & Hagood P.A.	Tupelo, MS	Name Change from Franks, Franks, Jarrell & Wilemon, P.A.
F0561	TMH	Hattiesburg, MS	Name Change from Topp McWhorter Harvey, PLLC
F0704	Sharon P. Talbert, CPA PA	Bailey, MS	Address Change
F0895	Deborah Agner Widdows, CPA	Southaven, MS	Address Change

5. The Board members present took the following actions to approve requests for 2018 CPE extensions that include deficit and penalty hours:

<u>Name</u>	<u>Number</u>	<u>Total Hours</u>	<u>Extension Date</u>
Robert Adcock	3474	18	9/30/18
Ronnie Ashby	R2389	6	9/30/18
Deidra Bassi	3584	49	9/30/18
Garrard Brown	7194	16	9/30/18

IV. CPA Examination, Licensing & Firms (Continued)

5. 2018 CPE compliance granted extensions (continued)

<u>Name</u>	<u>Number</u>	<u>Total Hours</u>	<u>Extension Date</u>
Thomas Dowdle	2643	21.5	9/30/18
Thomas Clayton	4365	13	9/30/18
Jacob Daniel	7349	43	9/30/18
Louann Irby	3074	18.5	9/30/18
H.S. McMillan	4204	12.9	9/30/18
Lori Miller	R3024	3.5	9/30/18
Daniel Perry	6105	23.5	9/30/18
Giselle Stromgren	5856	12.2	9/30/18
Judson Vance	2585	2	9/30/18
Terry Varner	5027	12.5	9/30/18
Jonathan Whinery	6225	7	9/30/18
Doug Whittington	5796	.5	9/30/18

6. The Board members present unanimously approved requests from CPAs for waivers of the 2018 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2019 as follows:

<u>Name</u>	<u>Number</u>
Susan Bell	2357
James Betts	1119
Frank Boswell	2845
Billie Jean Cary	R7151
Kelly Chua	4987
James Davis, Jr.	1720
Maybelle Dove	5013
Thomas Ford	1168
David Fowler	2963
Wayne Gasson	3739
John Gilbert	3264
Stephen Gillis	3312
Ronnie Griffin	2366
Karen Howell	R2885
Walter Jagodinski	2167
Edward Joe, Sr.	1027
Gary Johnson	2246

IV. CPA Examination, Licensing & Firms (Continued)

6. Retirement Affidavits (continued)

<u>Name</u>	<u>Number</u>
Thaddeus Middlebrook	1452
David Nichols	2660
Kenneth Pace	1551
P. Gayle Reddien	R2618
Miriam Robinson	2813
Sandra Smith	R1785
Richard Spann	1827
Kimberly Tullos	4268
Ernest Turcotte, Jr.	1459
James Wilkerson	1408
Charlene Wilkinson	5623
Connie Young	3222

7. The Board members present took the following actions related to requests for amendments to the 2018 CPE compliance requirements and granted extensions with penalty waivers to the following:

<u>Name</u>	<u>Number</u>	<u>Total Hours</u>	<u>Extension Date</u>
William Iles	3836	37	12/31/18
Richard Sheerin	4244	13.5	12/31/18
Bruce Williams	5459	24	12/31/18

The Board members present approved Robert Kirkpatrick’s request to waive 6.8 CPE hours due to medical reasons pending receipt of documentation.

V. Continuing Professional Education

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

<u>Sponsor/Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Action</u>
Community Development Foundation 1. 2019 Ignite Leadership Conference	1/17/19	7	Approved
Ameriprise Financial/SW Chapter MSCPA 1. 2018 CPE Seminar	7/10/18	8 including 4 Ethics (3 Gen; 1 Rules)	Approved

V. Continuing Professional Education(continued)

1. CPE Sponsor Applications (continued)

Sponsor/Title	Dates	Hours	Action
Frances Rushton Memorial Scholarship Trust 1. 24th Annual CPE Seminar	5/24/18	8 including 4 Ethics (3 Gen; 1 Rules)	Approved
Grantham Poole 1. TCJA The Changed Landscape for Businesses and Individuals	6/15/18	4	Approved
Horne LLP 1. Tax Reform 2. Davis Bacon Wages Workshop	12/15/17 5/23/18	1.5 2	Approved Approved
Internal Revenue Service 1. Territory2 Training	6/24/18	2	Approved
Jones Walker LLP 1. New Federal Partnership Audit and Tax Collection Rules	TBD	1.5	Approved

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

Sponsor/Title	Dates	Hours	Action
Tennessee CPA Journal 1. Cyber Security is Critical When Outsourcing	Publication	20	Approved
Today's CPA 1. Reducing Outsourcing Cyber Risks <i>Requested by Paul Ashcroft</i>	Publication	18	Approved
Research in Accounting Regulation 1. Can clients of economically dependent auditors benefit from voluntary audit firm rotation? An experiment with lenders <i>Requested by Kayla Booker</i>	Publication	20	Approved
The CPA Journal 1. Clarifying Auditors' Responsibility for Fraud <i>Requested by Quinton Booker</i>	Publication	20	Approved
Journal of Banking and Finance 1. The relation between religiosity and private bank outcomes <i>Requested by Brett Cantrell</i>	Publication	10	Approved
Bender's 2018 Payroll Tax Guide 1. Chapters 5, 6 and 9.	Publication	18	Approved
Employee Benefit Compensation and Benefits Tax Guide 2018 1. Chapters 6, 7, 8, 11, 12, 13 and 15. <i>Requested By Bob Kilpatrick</i>	Publication	20	Approved

VI. Rules and Regulations

1. The Board members present heard an update on proposed Rules changes from Gloria Green.

VII. Regulatory Matters

The Board heard a report from Associate Director Sharee Brewer regarding the regulatory activities from June 2, 2018 to August 3, 2018:

Activity	Number
Cases Opened Beginning of Period	20
Cases Opened	7
Cases Closed ①	6
Cases Open End of Period	21
Open Cases Referred to Members	0

① *Cases Closed:*

Case 2017.76 Case opened August 22, 2017 after firm received a pass with deficiencies rating after accelerated peer review ordered by consent order. Board added a post issuance review to this firm until the firm received a pass rating. Firm agreed to a Consent order heard by the Board on June 1, 2018. Matter was closed.

Case 2017.182 Case opened March 23, 2018 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 June 1, 2018. Matter was closed.

Case 2018.02 Case opened February 6, 2018 after it was determined licensee completed a review report for the state Board of Contractors. The licensee admitted to making false statements on license and firm permit renewals to avoid peer review. In determining a resolution to the case, licensee offered to voluntarily surrender their license. A consent order was prepared with language that the license would be canceled as voluntary surrender is not a status of this Board. The order was presented to the full Board on June 1, 2018. Matter was closed.

Case 2018.04 Case opened February 27, 2018 after it was determined that the firm had failed to schedule their peer review. License and firm permit were canceled for failure to renew. After multiple attempts to locate the licensee with no success, it was determined that further effort was not going to be fruitful. All reasonable efforts had been made to determine the problem. Matter was closed.

VII. Regulatory Matters(continued)

Case 2018.05 Case opened February 2, 2018 after it was determined licensee completed a review report for the state Board of Contractors and issued a substandard report. Licensee responded and cooperated. Stipulation and Consent order was presented with a \$500 civil penalty. The order was presented to the full Board on June 1, 2018. Matter was closed.

Case 2018.19 Case opened April 25, 2018 after receiving a complaint from a firm client claiming licensee had not returned their tax documentation. Licensee responded immediately with documentation that the client had picked up their tax documentation. Matter was closed.

VII. Trial Board**Consent Orders for Board Approval:**

A Consent Order was approved in **Case 2017.75**, involving an out of state firm which failed to obtain a peer review for a period which contained government audits. Respondent agreed to cease performing engagements subject to peer review in Mississippi, cancel their firm permit, pay a civil penalty of \$1,000 and cost recovery of \$250.
(Kelly Investigative Committee)

A Consent Order in **Case 2018.10**, was presented involving a firm which avoided obtaining a peer review by making false statements to the Board. Investigation disclosed the Respondent completed 20 engagements subject to peer review. Respondent agreed to future peer review if required, document to the Board the receipt of ethics training from NASBA, pay a \$3,000 civil penalty and \$290 cost recovery. The Board discussed the case and declined to vote on the Consent Order. The members present voted unanimously to ask the CPA Firm owner to appear for an informal conference to discuss the Consent Order.
(Elam Investigative Committee)

A Consent Order was approved in **Case 2018.18**, involving a licensee who avoided obtaining a firm permit and peer review by making false statements to the Board. Investigation disclosed the Respondent completed 5 engagements subject to peer review. Respondent agreed to discontinue the practice of public accounting, document to the Board the receipt of ethics training from NASBA, pay a \$2,000 civil penalty and \$290 cost recovery.
(Prince Investigative Committee)

VII. Trial Board (continued)

Stipulation and Consent Orders for Board

Approval:

A Stipulation and Consent Order was approved in **Case 2016.18**, involving a licensee who issued a review report for the State Board of Contractors without a firm permit. The review report did not meet appropriate standards. Licensee has obtained a firm permit and completed a peer review. The licensee fully cooperated with the investigation. The order includes a \$500 civil penalty for practicing public accounting without a firm permit and issuing a substandard report.

(Prince Investigative Committee)

A Stipulation and Consent Order was approved in **Case 2017.69**, involving a firm with a fail rating on preparation engagements. 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 compilations, reviews or audits of financial statements in the future.

(Bridgers Investigative Committee)

A Stipulation and Consent Order was approved in **Case 2017.77**, involving a firm with a fail rating on review engagements. The firm fully cooperated with the investigation and peer review program. The order requires the firm to schedule an accelerated peer review with a due date of December 31, 2018.

(Pannell Investigative Committee)

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member