

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
December 7, 2018**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on December 7, 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
Rick Elam, Secretary
Angela L. Pannell – via telephone
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

Onetta Whitley, Deputy Attorney General
Bridgette Wiggins, Hearing Officer

Others Present

Ed Jones, MSCPA Representative
Karen Moody, MSCPA President/CEO
Tom Wiygul
Court Reporter

I. General

1. The Board opened the meeting with an invocation from Willie Sims.
2. The minutes from the November, 2018 meeting and Trial Board Hearing were unanimously approved, with Trial Board Hearing minutes subject to legal review.
3. The CPA certificates of licensure from the November, 2018 meeting were signed by the Board members.

I. General (Continued)

4. The Board reviewed tentative meeting/activity dates for 2019:

January 25	8:30 a.m. Board Meeting
March 22	8:30 a.m. Board Meeting
March 26-28	NASBA E.D. and Legal Counsel Conf., San Antonio, TX
April 26	10:00 a.m. Board Meeting
April 27	New CPA Ceremony
May 31	8:30 a.m. Board Meeting
June 11-13	NASBA Eastern Regional, Washington, DC
June 18-20	NASBA Western Regional, Salt Lake City, UT
June 20-23	MSCPA Annual Convention, Destin, FL
August 2	8:30 a.m. Board Meeting
September 20	8:30 a.m. Board Meeting
October 27-30	NASBA Annual Meeting, Boston, MA
November 1	10:00 a.m. Board Meeting
November 2	New CPA Ceremony
December 6	8:30 a.m. Board Meeting

II. National Regulatory Concerns

1. The NASBA *State Board Report* for November 2018 was discussed.
2. The NASBA October Board of Directors Meeting highlights were discussed.
3. The NASBA July Board of Directors Meeting highlights were discussed.
4. The proposed answers to NASBA focus questions were discussed.
5. NASBA and AICPA exploration of an evolving licensure model was discussed.

III. Administration

1. The MSBPA Balance Sheets, Funds 3845 and 3850, as of October 31, 2018 were reviewed.
2. The FY 2019 Budget to Actual Comparison – Fund 3845, for the four months ended October 31, 2018 was reviewed.
3. The Statement of Revenues and Expenditures, Fund 3845 for the four months ended October 31, 2018 was reviewed.
4. Additional per diem days and proposed salary realignments for staff were approved. Acquisition of property insurance was discussed by the Executive Director.
5. The Board members received and reviewed a report from Tom Wiygul on Peer Review Oversight. Upon unanimous vote, the report was accepted by the Board.

IV. CPA Examination, Licensing & Firms

1. The Board noted staff approval of 53 candidate applications (18 initial, 35 reexam) for 84 Sections of the computerized CPA examination received since the November 9 meeting.
2. The Board considered and approved a special request by candidate number 14722, related to special accommodations. They also considered and approved a grade extension request by candidate number 14307.
3. The following actions on applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits were unanimously approved by the Board unless otherwise noted:

Applications for Original CPA License

Name	Number	Action
Ben K. Brewer	7654	Approved
Chase Hejl Curlee	7655	Approved
Jefferson P. Rushing	7656	Approved

Applications for Reciprocal CPA License

Name	Number	Action
Anthony Stephen Haas	R7657	Approved
Shelby H. Johnson	R7658	Approved

IV. CPA Examination, Licensing & Firms (continued)

4. Applications (continued)

Applications for Reinstatement of CPA License

Name	Number	Action
George Edward Klenovich	R3208	Approved

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Perry M. Byrd, CPA	Gulfport, MS	7652	Approved
Russell Hawkins, CPA	Vicksburg, MS	7653	Approved

Amendments to Registered Firms

No.	Name	City, State	Change
F0125	Joshua E. Ashaka, CPA	Canton, MS	Address Chnage
7609	Chance, Gay & Cieglo, PLLC	Forest, MS	Name change from Gay & Cielgo, PLLC
F1415	Thomas E. King, CPA	Madison, MS	Address Change
F0520	McNorton-Ishee-Jones	Mobile, AL	Address Change
7033	Gish SEIDEN LLP	Woodland Hills, CA	Address Change
7110	Holly Renee Seymour, CPA	Hernando, MS	Address Change
F1600	William F. Taylor, CPA	Taylor, MS	Address Change
F1238	G. Edward Tucker, CPA	Brandon, MS	Address Change
F0901	WIPFLI LLP	Eau Claire, WI	Address Change

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
Baker Donelson Qualified Opportunity Zones	11/13/18 Various	1	Approved
Department of Revenue 2018 Regular Session of the Mississippi Legislature – DOR Legislative Summary	Various	1.5	Approved
MS HFMA MS HFMA 2019 Annual Meeting	4/26/19	4 Ethics (3 General 1 Rules)	Approved
NABA of Greater Jackson Maximize Your Personal Wealth	11/13/18	1.2	Approved
Petroleum Accountants Society of MS A Local and Regional Update of Oil and Gas Industry	9/26/18	1	Approved
T.E. Lott & Company Career Development on Professionalism 9/10, 9/24, 10/8, 10/22, 11/5, 11/19,12/3, 12/17/2018 <i>*Pre-recorded webinar with discussion(Stewart Greene facilitator/instructor)</i>	Various	12 total (1.5 hours for each class)	Approved

VI. Rules and Regulations

1. Status update on proposed Rules changes was discussed.
2. Proposed changes to UAA Model Rules were discussed.

VII. Regulatory Matters

The Board heard a report from Associate Director Sharee Brewer regarding the regulatory activities from November 10, 2018 to December 7, 2018:

Activity	Number
Cases Opened Beginning of Period	47
Cases Opened	5
Cases Closed ①	26
Cases Open End of Period	26
Open Cases Referred to Members	1

① *Cases Closed:*

Case 2018.10 Case opened February 28, 2018 after Board received a review report filed with the State Board of Contractors. Inquiry yielded 53 engagements performed over a number years which had not been reported through the annual firm permit renewal process allowing the firm to bypass two peer reviews (2013 and 2016). A formal trial board hearing was held on November 9, 2018 and the license and firm permit issued by this Board was suspended for 2 years and the licensee was fined \$5000 plus cost recovery. Matter was closed.

Case 2018.26 Case opened July 17, 2018, after a complaint was received that a licensee had not turned over an electronic bookkeeping file. Licensee had turned over all books printed out on paper and this was confirmed by complainant. After explaining the rule in a more detailed manner, and discussing that the record keeping had been paid for by the client, the licensee remitted the file in electronic format to the attorney for the client and the matter was closed.

Case 2018.79 and 2018.80 Case opened September 7, 2018 when licensees were granted extensions until October 31, 2018 to obtain their CPE and any penalty hours, and until November 15, 2018 to report that CPE to the Board without financial penalty. Both licensees complied with their granted extension requests and the cases were closed.

VII. Regulatory Matters (continued)

Case 2018.85, 2018.92, 2018.98, 2018.100, 2018.101, 2018.103, 2018.105, 2018.106, 2018.107, 2018.109, 2018.110, 2018.111, 2018.112, 2018.113, 2018.114, 2018.117, 2018.118, and 2018.120 Cases opened September 14, 2018 after determining these licensees had a CPE reporting deficiency of some sort. Notices of Hearing and Complaint were sent to all and they requested informal settlement of their cases. All cases were managed by Stipulation and Consent orders which were heard before the full Board on November 9, 2018. All cases were closed.

Case 2018.89 and 2018.90 Case opened September 14, 2018 after determining these licensees had a CPE reporting deficiency of some sort. Notices of Hearing and Complaint were sent to all and they made a decision to send in a retirement affidavit in settlement of their cases. Both cases were closed.

Case 2018.124 Cases opened on October 2, 2018 when it was learned the firm had been dropped from peer review. Inquiry yielded that the firm was dropped because they had ceased performing engagements subject to peer review. Matter was closed.

Case 2018.125 Cases opened on October 15, 2018 when a letter was received from a purported client of a firm permitted with this Board. Letter alleged the firm had not handled a matter before the IRS as the client had requested and they were being fined by the IRS. Before a letter opening the inquiry was mailed, the client contacted the Board office and claimed the firm had remedied the situation and they wished to withdraw their complaint. Matter was closed.

Ms. Brewer then discussed the open cases presented on the active cases log.

A proposed letter to out of state licensees with Mississippi addresses was discussed.

The Executive Director discussed his attendance at Alabama State Board of Accountancy meeting on November 15, 2018. He observed disciplinary matters related to CPE violations.

VIII. Trial Board

Case 2018.93; 2018.115 and 2018.119*

These cases are for individual licensees (File #03489, #12616 and #09815*) who did not report Continuing Professional Education for the 2017-2018 year and did not respond to multiple attempts made by the Board to reach them to pursue getting them to come into compliance. *Licensee for Case 2018.119 responded on November 16, 2018 but based on prior history of CPE deficiencies, lack of response and missed deadlines, the investigative committee no longer supported informal settlement. (Pannell Investigative Committee)

At 11am, the Board members present unanimously voted to convene as the Trial Board for the purpose of considering matters related to noncompliance with 2017-2018 Continuing Professional Education requirements and failure to respond to Notices of Hearing and Complaint. The Investigating Board Member, Angela Pannell, was recused and did not participate in the hearing. Onetta S. Whitley, Deputy Attorney General, was the presenting attorney. Bridgette Wiggins, Director of the Consumer Protection Division of the Attorney General's Office and Deputy Attorney General, served as the Hearing Officer.

Within the Trial Board, the Board heard evidence from Sharee Brewer, Associate Director – Investigations, concerning the respondents' alleged violations mentioned above. Ms. Brewer testified that legal and proper notice was delivered to the respondents at their address of record. The respondents did not attend the hearing. After hearing testimony, the Board, acting as a Trial Board, decided to hear the cases together to potentially deliberate all cases during one Executive Session.

In the closed meeting, the Board unanimously voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely to discuss the respondents' noncompliance with Board Rules and Regulations. Accordingly, the Board 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: The Board determined, based upon clear and convincing evidence, that the respondents had indeed violated the Board Rules and Regulations as charged and voted unanimously to revoke the respondents' CPA licenses (license numbers: 2734, R3473, and 5318) and assess fines (civil penalties) at \$700 each to be paid by check or money order within 30 days of the Trial Board order. Votes were – For: Unanimous; Against: None; Absent: None; and Recused: Pannell.

VIII. Trial Board (Continued)

Upon conclusion of this business, the Board, upon motion by Willie Sims with second by Bill Kelly, 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.

Consent Order for Board to Consider before Sending to Licensee for Signature:

The Board approved a Consent Order in **Case 2018.28** involving individual licensee selected at random during annual audit of CPE documentation. Licensee was on list of those whose documentation was requested to be reviewed in support of the hours reported for the 2017 compliance period. Investigation determined that licensee had falsified their report and had not obtained the hours. Licensee has agreed in principal to the Consent Order.

(Pannell Investigative Committee)

Stipulation and Consent Orders for Board Approval related to deficiencies noted in the performance of work subject to peer review:

The Board approved a Stipulation and Consent Order in **Case 2017.13** Involving a licensee who issued a review report for the State Board of Contractors with a false statement on one year of license renewals. The review report did not meet appropriate standards. Licensee obtained peer review at our instruction which received a fail rating. Licensee has no plans to continue doing work subject to peer review. The licensee fully cooperated with the investigation. The order includes a \$500 civil penalty for issuing a substandard report.

(Kelly Investigative Committee)

VIII. Trial Board (Continued)

Stipulation and Consent Orders for Board Approval related to Continuing Professional Education deficiencies:

The Board approved a Stipulation and Consent Order in **Case 2018.87** involving individual licensee who did not report Continuing Professional Education for the 2017-2018 year, but HAD obtained their required hours, and requested informal settlement of their case. Hours were documented to Board staff. Order has same language as those heard similarly at November meeting. All hours documented to Board staff. Additionally, the S&C calls for a \$250 civil penalty for failure to report.
(Pannell Investigative Committee)

Letter Received from Licensee Addressed to the Board Members RE: Case 2018.10

A copy of the letter was distributed to all Board Members. The Respondent requested in the letter that the Board rescind the suspension of his license. This request was presented as a motion to reconsider. The Board voted unanimously (with Rick Elam recused) not to reconsider the previous suspension of the license.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member