

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
December 9, 2016

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on December 9, 2016, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

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

Board Staff Present

Ransom C. Jones, Executive Director
Andy Wright, Associate Director - Investigations

Legal Counsel Present

Onetta Whitley, Deputy Attorney General

Others Present

Karen Moody, MSCPA, President
Ed Jones, MSCPA Representative

I. General

1. The Board opened the meeting with an invocation from Willie Sims.
2. The Board members discussed the Governor's appointment to the Board for the 2nd Congressional District. The Board noted that the Governor had not appointed a replacement yet.
3. The Board members present unanimously approved the minutes from the November 18, 2016 meeting, except for Angela Pannell who abstained.
4. The Board members signed the CPA certificates of licensure from the November 2016 meeting.

I. General (Continued)

5. The Board reviewed tentative meeting/activity dates for 2017:

January 27, 2017	8:30 a.m. Board Meeting
March 14 -16, 2017	NASBA E.D. and Legal Conference, New Orleans, LA
March 24, 2017	8:30 a.m. Board Meeting
April 28, 2017	10:00 a.m. Board Meeting
April 29, 2017	New CPA Ceremony
June 2, 2017	8:30 a.m. Board Meeting
June 6-8, 2017	NASBA Western Regional – Couer d’Alene, ID
June 22-25, 2017	MSCPA Annual Convention, Destin, FL
June 27-29, 2017	NASBA Eastern Regional – Newport, RI
August 11, 2017	8:30 a.m. Board Meeting
September 22, 2017	8:30 a.m. Board Meeting
November 17, 2017	10:00 a.m. Board Meeting
November 18, 2017	New CPA Ceremony
December 8, 2017	8:30 a.m. Board Meeting

6. The Board approved travel to the NASBA Executive Directors’ and Legal Conference, New Orleans, LA, March 14–16, 2017, for the Executive Director, Associate Director – Investigations, and the Board attorney.

II. National Regulatory Concerns

1. The Board reviewed the NASBA *State Board Report*, November 2016.
2. The Board reviewed the document on CGMA.org website titled *The CGMA Designation and the Practice of Public Accounting in the United States*.

III. Administration

1. The Board reviewed the MSBPA Balance Sheets, Funds 3845 and 3850, as of November 30, 2016 (FY2017).
2. The Board reviewed the FY2017 Budget to Actual Comparison – Fund 3845, for the Five Month Period ended November 30, 2016. The Board asked Board staff to present comparative financial statements on future Board agendas for the budget comparison.
3. The Board reviewed the Statement of Revenues and Expenditures, Fund 3845 for the Five Month period ended November 30, 2016.
4. The Board noted an Email dated November 23, 2016, from the Mississippi State Personnel Board – *Update – FLSA Overtime Rule Injunction*.

III. Administration - continued

5. The Board approved additional per diem days for Rick Elam (1) and Jim Burkes.
6. The Board entered into an Executive Session for purpose of discussion of the timing of the retirement of the current Executive Director, and the promotion of the current Associate Director-Investigations to fill the Executive Director position. The Board came out of Executive Session and resumed the open meeting by announcing the actions and votes it had taken in Executive Session.

IV. CPA Examination, Licensing & Firms

1. The Board considered one special request by initial candidate number 14195 related to good moral character. Based on its careful review, the Board approved initial candidate number 14195 to sit for the examination.
2. The Board members unanimously approved the listing of 46 candidate applications for the computerized CPA examination (11 initial, 35 reexam) received since the November 2016 meeting.
3. The Board members present unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

Applications for Reciprocal CPA License

File	Name	Number	Action
14179	Katelyn I. Watts	R7335	Yes

Applications for Reinstatement of CPA License

File	Name	Number	Action
07756	Tony M. Greer	R2336	Yes

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Clark, Schaefer, Hackett & Co.	Miamisburg, OH	7331	Yes
Glen Hughes, CPA	Gulfport, MS	7332	Yes
Darla Mirth, CPA	Hernando, MS	7333	Yes
Brittney M. Williams, CPA	Jackson, MS	7334	Yes

IV. CPA Examination, Licensing & Firms (Continued)

Amendments to Registered Firms

Number	Name	City, State	Change
7139	Rycki Haas, CPA	Kiln, MS	Address Change

4. The Board reviewed a listing of voluntary cancellations made by CPAs and Firms requested during the 2017 registration period:

<u>Name</u>	<u>Number</u>
Gerald Grisham	R2279
William Murphy, CPA PLLC	F1121

5. The Board members took the following actions related to requests for amendments to the 2016 CPE compliance requirements and granted extensions to the following:

<u>Name</u>	<u>Number</u>	<u>Total Hours</u>	<u>Extension Date</u>
William Murphy	1143	6 (4 Ethics)	12/31/16

6. The Board members unanimously approved requests from CPAs for waivers of the 2016 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2017 as follows:

<u>Name</u>	<u>Number</u>
Charlie Blank	2312

7. The Board reviewed and discussed a letter dated December 6, 2016, from attorney Louis Fuller on behalf of PWC Denmark regarding practice privilege and firm permit. The Executive Director will draft the Board response.
8. The Board discussed an excerpt from MS Contractor Board license application regarding requirement for audited financial statements.
9. The Board discussed MSBPA staff emails to Onetta Whitley regarding PWC Denmark request.

V. Continuing Professional Education

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

Sponsor/Title	Dates	Hours	Action
Association of Government Accountants 1. Communicating with Class	11/17/16	1	Yes
HUB International 1. Nonprofit Retirement Plan Best Practices	12/14/16	1.5	Yes
Millsaps College 1. Commercial Real Investment Seminar	5/9-10/17	16	Yes
Office of the State Auditor 1. GASB Update: Governmental Accounting, Financial Reporting & Auditing Federal Governmental Update	10/12-13/16	16	Yes
University of Alabama – CCS 1. 70 th Annual Fed Tax Clinic	11/17-18/16	16.8	Yes

VI. RULES AND REGULATIONS

1. The Board discussed an email dated November 21, 2016 from Karen Moody.
2. The Board noted Senator Buck Clarke’s PowerPoint Presentation.
3. The Board noted Senator Buck Clarke’s Survey related to possible restructuring board and commissions.
4. The Board reviewed the first draft of proposed MSBPA response to Senator Clarke’s Survey.
5. The Board discussed the draft NASBA response and comments on Senator Clarke’s efforts to streamline government.

VII. Regulatory Matters

The Board heard a report from Associate Director - Investigations Andy Wright and approved the regulatory activities from November 18, 2016 to December 9, 2016:

Activity	Number
Cases Opened	12
Cases Closed ①	28
Cases referred to Members ②	9*
Total Cases Open- End of Period	26

① *Cases Closed:*

Cases 2015.185 and 2016.08 were opened based on staff discovery of a failed peer review or two consecutive pass with deficiency peer reviews. Both firms cooperated fully with the peer review program and Board staff and neither firm was performing audit work. After acceptance and completion of peer review process by the peer review program, the firms agreed to a Stipulation and Consent with the Board that required notification to the Board if performing any reviews or audits before next peer review. Cases were closed without discipline.

Case 2016.32 was opened August 3, 2016 based on Board Staff discovery of an apparent audit of a Mississippi based employee benefit plan by an unlicensed out-of-state firm. After communication with the firm, the Investigate Committee recommended a Stipulation and Consent for closure, with the firm agreeing to \$500.00 administrative costs and \$500.00 civil penalty. After Board acceptance of the Stipulation and Consent on November 18, 2016, the case was closed without discipline.

Cases 2016.264 and 2016.265 were opened September 1, 2016 based on Board Staff discovery of apparent “yellow book” audits of Mississippi based non-profit organizations by the unlicensed out-of-state firms. After communication with the firms, the Investigate Committee recommended a Stipulation and Consent for closure, with the firm agreeing to \$500.00 administrative costs and \$500.00 civil penalty. After Board acceptance of the Stipulation and Consent on November 18, 2016, the case was closed without discipline.

Various Cases in the range 2016.115 through 2016.262 (a total of 148 cases, 14 closed) were opened on August 24, 2016 based on non-receipt of a CPE reporting form for CPE year ended June 30, 2016. The 14 cases were closed based on licensee’s request for retirement or cancellation of license or for an extension of time to file a report and/or obtain hours. The licensees requesting extensions were offered Stipulation and Consent agreements for closure with \$250.00 cost recovery, and a \$250.00 civil penalty only if deficient in hours. All were closed without discipline.

VII. Regulatory Matters (continued)

Case 2016.279 was opened October 13, 2016 based on Board Staff discovery of a review report on contractor financial statements issued by a non-licensed firm. The firm owner replied that he'd never done any work for that contractor and had attempted to contact the contractor. With approval of the accounting firm owner, the Board Investigator sent the owner's letter to the Mississippi Board of Contractors for follow-up with the contractor.

Case 2016.281 through 2016.287 (7 cases) were opened November 21, 2016. These represented requests for CPE extensions or waivers based on retirement, cancellation or medical conditions. The requests were approved at the November 18, 2016 Board Meeting. All cases were closed without discipline.

Case 2016.289 was opened November 30, 2016 based on Board Staff discovery of a non-licensed person being represented in a local newspaper news article as a CPA. After speaking with the person represented as a CPA, it was determined that she held a Tennessee license. Since she is not practicing public accounting in Mississippi, the case was closed without discipline.

② **Cases Referred to Members:** **Case 2016.33** was assigned to Willie Sims. **Case 2016.277** was assigned to Rick Elam.

* New CPE cases (extension/waivers not already assigned) were assigned to Angela Pannell (7).

Andy Wright then discussed the active cases as presented on the *Open Case Log*.

Mr. Wright then discussed licensees with Ethics CPE deficiencies recently discovered by Board staff. The Board approved resolution of these deficiencies by offering the licensees until January 31, 2017 to make up the deficient hours plus 50% penalty hours, without discipline against their license.

VIII. Trial Board

1. The Board reviewed the status of the *Appeal of Order of Revocation* filed August 18, 2015, by Respondent's lawyer in the Circuit Court of Hinds County, MS, with regard to CPA License #5356, and Firm Permit #F1207. The Board attorney discussed the status of court filings.
2. The Board approved a motion to reconsider and dismiss Case #2016.240 (File #2943 - CPE matter). Certain facts became available the day of November 18, 2016 hearing, but subsequent to the hearing. The affected licensee obtained necessary hours, but became severely ill on or about June 29, 2016, and is now under hospice care.
3. A Stipulation and Consent Order was approved by the Board in Case # 2016.30. The out of state CPA firm performed an audit of Mississippi based entity, without a firm permit. The firm has applied for a permit and paid \$500.00 civil penalty and \$500.00 cost recovery.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member