

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
March 18, 2005**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on March 18, 2005. The following record of that meeting was maintained.

Board Members Present

John P. Quon, Chairman
Jim E. Burkes, Vice Chairman
Willie B. Sims, Jr., Secretary
Diane S. Day
Angela L. Pannell
Jean T. Shepherd

Board Members Absent

Al Rick Elam (telephone)

Board Staff Present

Susan M. Harris, Executive Director
Ransom C. Jones, Investigator

Legal Counsel Present

Onetta Whitley, Special Assistant AG

Others Present

Gary Walker, MSCPA (a.m.)
Jack Coppenbarger, MSCPA (p.m.)

I. General

1. The Board opened the meeting with the invocation by Diane Day.
2. The Board acknowledged and accepted the oath of office for the new Board member appointed by Governor Haley Barbour and for the following term: Al Rick Elam, Oxford (2005 - 2009).
3. The Board members present unanimously approved the minutes from the January 28, 2005, meeting.
4. The Board members signed the certificates of licensure from the January 28, 2005, meeting.

I. General (Continued)

5. The Board members acknowledged the next meeting time and reviewed the 2005 dates. Due to conflicts with the May meeting, the Board members changed the May 27 meeting date to June 1, 2005. The 2005 meeting and activity dates are as follows:

March 18	10:00 a.m.	Meeting
April 29		Meeting
April 30		CPA Presentation Ceremony
June 1		Meeting
June 8 - 10		NASBA Eastern Regional
June 23-26		MSCPA Annual
July 29		Meeting
August 26		Meeting
September 30		Meeting
Oct. 30 - Nov. 2		NASBA Annual
November 18		Meeting
November 19		Ceremony
December 16		Meeting

6. The Board members unanimously approved attendance of members and the Executive Director for the NASBA Eastern Regional Meeting, June 8 - 10, 2005, Baltimore, Maryland. The Board will request that NASBA fund Rick Elam's registration and travel, as a new Board member to attend the orientation program the day before the regional meeting.
7. The Board members noted that the *Statement of Economic Interest Manual* is due to the Mississippi Ethics Commission by May 1, 2005.

II. National Regulatory Concerns

1. The Board members reviewed and answered the NASBA Focus Questions as forwarded from Sandy Wilson, Chair Committee on Relations with Member Boards, for response by April 11, 2005.
2. The Board members reviewed and discussed the NASBA March 4, 2005, memorandum from Diane Rubin, Vice Chair, forwarding forms to express interest in serving on one of NASBA's sixteen committees for 2005-2006. The forms are due by May 2, 2005.

II. National Regulatory Concerns (Continued)

3. The Board members discussed the March 1, 2005, memorandum from Kathleen Smith, NASBA Education Committee, concerning *Exposure Draft for Amendments to UAA Rules 5-1 and 5-2*. Comments are due by June 30, 2005. The Board unanimously agreed to review the exposure draft and bring comments back to the April 29, 2005, meeting for discussion.
4. The Board noted the February 24, 2005, email from Donnie Roland, Southeast Regional Director, concerning possibly holding a special meeting of the southeast states to discuss substantial equivalence.
5. The Board reviewed a letter from the Georgia State Board of Accountancy recommending Donald Roland for NASBA 2005-2006 Vice Chair. The Board voted unanimously to support Mr. Roland for that position.
6. The Board members read a February 28, 2005, memorandum from the NASBA Accountancy Licensee Data Base (ALD) Task Force requesting each jurisdiction's legal opinion for inclusion of CPA data including social security numbers (SSN) in the ALD. During discussions Board Attorney Onetta Whitley expressed her concern for providing SSNs for the ALD. The Board directed the staff and attorney to respond that the Mississippi Board would not want to disclose CPAs' SSNs. It was also discussed that insufficient information has been provided from the task force or NASBA concerning the ALD and that a detailed contractual arrangement would be required if supplying NASBA any data for the ALD.
7. The Board reviewed and discussed the February 2005 NASBA *State Board Report* including in particular concerns that California Governor Schwarzenegger is proposing elimination of Boards and assignment of duties to the CA Department of Consumer Affairs.
8. The Board reviewed activity of the Public Company Accounting Oversight Board since the January Board meeting which included its forums on auditing in the small business environment.

III. Administration

1. The Board members present reviewed and discussed the SAAS Summary Trial Balances as of February 28, 2005, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the eight months ended February 28, 2005.
2. The Board reviewed and discussed Senate Bill 3093 and the Legislative process related to approval of the budget for fiscal year 2006. The current deadline for conference reports to be filed on appropriation bills is March 26. The Legislative session is scheduled to close April 3, 2005, unless extended.
3. The Board members noted the mileage rate increase to \$.405 per mile effective February 4, 2005, and changes to the State travel manual. The travel manual can be found at the Mississippi Department of Finance and Administration's web site http://www.dfa.state.ms.us/Purchasing/Travel/travel_manual.pdf.
4. The Board members discussed requests from various CPE providers to receive CPA address lists in electronic format. The Board policy has been to not provide lists in other than paper or label format in order to at least prevent alteration and/or sale of data. The Board members unanimously voted to not change from the current policy.

IV. CPA Examination, Licensing and Firms

1. The Board members unanimously ratified the listing of candidate applications for the computerized examination (11 initial, 52 reexam) received since the January 2005 meeting.
2. The Board members unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

Applications for Original CPA Licenses

<u>File</u>				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
11067	William C. Boutwell III	5707	3/18/05	Yes
11214	Julie Bradley Gregory	5708	3/18/05	Yes
11017	Lisa M. Hanson	5709	3/18/05	Yes

IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for Original CPA Licenses (Continued)

File Number	Name	Number	Date	Approved
11588	Brian Walker Lambiotte	5710	3/18/05	Yes
10778	Else' A. Marie	5711	3/18/05	Yes
11593	Marcus Drake Mobley	5712	3/18/05	Yes
11144	Kimberley S. Rogers	5713	3/18/05	Yes
11338	Daniel Stephen Wright	5714	3/18/05	Yes

Applications for Reciprocal CPA Licenses

File Number	Name	Number	Date	Approved
11548	Fred Allen, Jr.	R3070	3/18/05	Yes
11582	Anthony B. Baglio	R3071	3/18/05	Yes
11529	Michael Anthony Belk	R3072	3/18/05	Yes
11597	Peter T. Cangany, Jr.	R3073	3/18/05	Yes
11591	Ronald Barry Dean	R3074	3/18/05	Yes
11578	Keith L. Gabel	R3075	3/18/05	Yes
11592	Roy W. Henderson, Jr.	R3076	3/18/05	Yes
11575	Rhett Henry Inabinet	R3077	3/18/05	Yes
11590	David S. Jamieson, Jr.	R3078	3/18/05	Yes
11574	Donald S. Kinney, Jr.	R3079	3/18/05	Yes
11598	Dennis William Meyer	R3080	3/18/05	Yes
11577	Marcus Eugene Parr	R3081	3/18/05	Yes (1)
11580	Lissa T. Perez	R3082	3/18/05	Yes
11599	Melanie B. Sasser	R3083	3/18/05	Yes
11571	Lori Lynn Snodgrass	R3084	3/18/05	Yes
11566	William Scott Telhiard	R3085	3/18/05	Yes

(1) Pending registration or CPA firm permit.

IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for Reinstatement of CPA Licenses

File			
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
0654	Susan S. Bell	2357	Yes
7960	Bethany Dalton Bruce	4395	Yes
8348	Kevin Alan Croft	5033	Yes
1824	Ellen Little Dabbs	1644	Yes
4439	Elias Kyriakides	2931	No (1)
6399	Robert D. Miller	3704	Yes
5359	Patricia Polk Munn	3203	Yes
0267	Keith N. Polk	1927	Yes
6702	James M. Tuttle	4407	Yes

(1) Additional information needed for CPE and intent of practice.

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Fred Allen, Jr., CPA Starkville, MS	F1017	Yes
Anthony B. Baglio, CPA Hammond, LA	F1018	Yes
Michael A. Belk, CPA Lenexa, KS	F1019	Yes
Ernst & Young, LLP Seattle, WA	F1020	Yes
Frasier, Dean & Howard, PLLC Nashville, TN	F1021	Yes
Henderson & Cummings, LLC Birmingham, AL	F1022	Yes
Larson, Allen, Weishair & Co., LLP Minneapolis, MN	F1023	Yes
Lorie McCann, CPA Hernando, MS	F1024	Yes

IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
John McMurray, PLLC, CPA Starkville, MS	F1025	Yes
Robert C. Morgan & Co., P.A. Winston-Salem, NC	F1026	Yes
Michael K. Whalen, CPA Metairie, LA	F1027	Yes

Amendments to Registered CPA Firms

<u>Name</u>	<u>Number</u>	<u>Description</u>
Bailey, Kaufman, & Scheibelhut, PPLC Cordova, TN	F0810	Name change from Bailey, Kaufman, and Associates
Baker-Patrick-Miller-White Brookhaven, MS	F0132	Name change from Baker, Patrick & Co.
Horne, LLP Jackson, MS	F0397	Name change from Horne CPA Group
Kraft CPAs, PLLC Nashville, TN	F0961	Name change from Kraft Bors, Esstman, Patton & Harell, PLLC
Lavender & Yoder, PLLC Collierville, TN	F0467	Name change from James M. Lavender, CPA
Little & Associates, LLC Monroe, LA	F0746	Name change from Little & Banks, LLC
David & Jeffrey Moyle, CPAs LLC Slidell, LA	F0935	Name Change from David E. Moyle, CPA
Wm Christopher Parker, CPA, P.A. Jackson, MS	F0893	Org. form change from Wm C Parker, PLLC
Tina W. Perkins, CPA, P.A. Biloxi, MS	F0588	Org. form change from T.W. Perkins, CPA
James R. Peters Saltillo, MS	F0100	Cancelled firm permit
Prichard & Dewberry, P.C. Spanish Fort, AL	F0973	Name change from Dewberry & Co., P.C.
James M. Tillman, CPA Franklin, TN	F0719	Name change from Tillman & Co CPAs

IV. CPA Examination, Licensing and Firms (Continued)

3. The Board discussed the April 30, 2005, CPA presentation ceremony and proposed attendance. The ceremony is still scheduled to be held in the Old Supreme Court Chamber in the State Capitol. Also, Dr. Dora Herring has agreed to provide the keynote speech for the ceremony. Dr Clyde Herring, MSCPA President will make a presentation on behalf of the Society.
4. The Board discussed the Prometric error with Window 2 CPA examinations given to Window 1 candidates and the affect on MS candidates. Eleven candidates were affected on February 24, 2005; two have decided to retake the sections and not wait for their grades. The Board formally acknowledged and discussed the extension provisions in the *Rules and Regulations* Sections 2.2.10.(d)(1) and 2.2.10.(g). Because the nine that did not retest will not receive the subject exam scores until after Window 2 (July), they could be affected by losing a window or opportunity within their eighteen month rolling period. By motion of Jean Shepherd with second by Willie Sims, the Board voted to extend the available testing time for the nine that did not retest to the exact related day of the window that followed the normal eighteen month cut-off. Jim Burkes abstained from the vote. The nine candidates and the examination sections are:

<u>File No.</u>	<u>Name</u>	<u>Section</u>
11440	Jason Brooks	AUD
10895	Michelle Crowe	AUD
11463	Koffi Dodor	AUD
10808	Patty Hays	AUD
11570	April King	AUD
10990	Carley Moore	BEC
11293	Michael Rhodus	AUD
10996	Louisa Russell	BEC
7668	Leslie Van Vulpen	BEC

5. The Board reviewed and discussed information concerning computerized CPA examination fee increases, as follows:
 - February 22, 2005, NASBA Directors Resolution,
 - March 1, 2005 AICPA letter,
 - February 1, 2005, letter from New York Board, and
 - February 23, 2005, letter from Maryland Board.

IV. CPA Examination, Licensing and Firms (Continued)

6. As Prometric is increasing sit fee from \$17.00 to \$22.50 per hour effective April 1, 2005, the AICPA has agreed to absorb the increase until Authorizations to Tests (ATTs) are entered into the Gateway national data base on or after July 1, 2005. Due to the necessary timing of receiving and processing applications before ATTs are input into the Gateway, the Board members upon motion by Angela Pannell with second by Jean Shepherd unanimously voted to set the cut-off for examination applications at May 31, 2005, for a candidate to receive the prior examination fee of \$17.00 per hour. Therefore, any examination application received June 1, 2005, or after must include the new examination fees plus application fee. The new examination fees are as follows:

	<u>AUD</u>	<u>FAR</u>	<u>REG</u>	<u>BEC</u>
AICPA	\$ 45.00	\$45.00	\$45.00	\$45.00
Prometric	104.50	93.00	70.50	59.25
NASBA	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
	<u>\$159.50</u>	<u>\$148.00</u>	<u>\$125.50</u>	<u>\$114.50</u>

7. The Board reviewed and discussed other information related to CPA computerized exam, as follows:
- NASBA March 7, 2005, email, re: Archived webcast: *Candidates and Students: Strategies for Taking the Uniform CPA Exam*,
 - NASBA February 1, 2005, email, re: CBT Status Report,
 - March 4, 2005, email, re: Gateway survey, and
 - February 28, 2005, email, release: *University Accounting Professors Endorse Newly Computerized Uniform CPA Exam*.
8. The Board noted a February 24, 2005, NASBA letter from John Katzenmeyer requesting recommendations for the AICPA Board of Examiners, International Uniform CPA Qualifications Examination Committee, and other related committees.

V. Continuing Professional Education

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

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
A.	Association of Government Accountants -Jackson Chapter				
	1. State Tax Commission's Compliance Program	2/16/05	Tax	2	Yes
B.	Association of Government Accountants -Jackson Chapter				
	1. Governmental Fraud and Embezzlement	3/16/05	Other	2	Yes
C.	Community Foundation of Greater Jackson				
	1. Building Strong and Ethical Foundations	4/20/05	Other	3	Yes
D.	Division of Academic Outreach and Continuing Education - MSU				
	1. An Insider's Approach to Federal Estate and Gift Taxation - Levels 1 & 2	6/13/05	Tax	8	Yes
	2. Ins & Outs of IRS Practice and Procedure and Tax Preparers' Liability	6/15/05	Tax	8	Yes
	3. What Every Practitioner Should Know About the Tax and Non Tax Aspects of Life Insurance	6/17/05	Other Tax	3 4.2	Yes
E.	Estate Planning Council of MS				
	1. Compliance Update	9/14/04	Other	1	Yes
	2. Dealing with the GST Tax	10/12/04	Tax	1	Yes
	3. Navigating the Current Economic Environment	11/9/04	Other	1	Yes
	4. What to Look for When Reviewing Wills and Trusts	1/11/05	Other	1	Yes
	5. Charitable Giving Techniques	2/8/05	Other	1	Yes

V. Continuing Professional Education (Continued)

1. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
F.	Fox-Everett Inc.				
	1. Health Savings Accounts	2/21/05 2/22/05	Other	2	Yes
G.	Mississippi Association of Public Accountants				
	1. Accounting Forum (Warren)	5/26/05	Ethics- General Other	2 6	Yes
	2. Accounting Forum (Clark)	6/1/05	Ethics- Rules Ethics- General Other	1 1 6	Yes
H.	Mississippi Society of CPAs				
	1. MAP Conference	5/12/05	Other	4	Yes
I.	Patterson School of Accountancy University of Mississippi				
	1. Accountancy Weekend	4/29/05	Ethics- General A&A Tax	2 4 2	No (1)
J.	Professional Education Systems Institute, LLC				
	1. MS/Federal Estate and Gift Tax Workshop	5/19/05 5/20/05	Tax	8	Yes

(1) Additional content information needed.

V. Continuing Professional Education (Continued)

2. The Board members present unanimously authorized the following actions on CPE requests from individuals.

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
A.	Communication Information Technology Organization of MS	11/10/04	Other	5.5	Yes
	1. Conference on High Technology				

Requested by Tonya Klauser

3. The Board heard a report from Executive Director Harris concerning CPE program information referred to the NASBA CPE Compliance Services for evaluation.
4. New Board member Rick Elam addressed the Board concerning CPE matters and guidance related to CPE program approvals or disapprovals. The Board discussed the process and the requirements and as defined by Chapter 4 of the *Rules and Regulations*.

VI. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from January 28 to March 18, 2005:

<u>Activity</u>	<u>Number</u>
Cases Opened	11
Cases Closed	10
Cases referred to Members	3
Total Cases Open	16

2. Cases closed:

Cases 2004.20-25, 2004.20-39, 2004.20-71, and 2004.20-114 - opened September 28, 2004. Licensees did not send in the 2004 CPE reporting forms by the reporting deadline. The licensees responded to the Board Notices of Hearing and Complaint with letters and submitted the 2004 CPE reporting forms reporting CPE deficits. The Jim Burkes Investigative Committee recommended

VI. Regulatory Matters (Continued)

2. Cases closed: (Continued)

consent orders with 50% penalty including reimbursement of administrative costs totaling \$150. The Trial Board accepted the executed orders, noted the licensees' compliance and released them from the orders at the January 2005 meeting.

Case 2004.20 -69 - opened September 28, 2004. A licensee did not send in the 2004 CPE reporting form by the reporting deadline. The licensee responded to the Board Notice of Hearing and Complaint with a letter describing her illness and submitted the 2004 CPE reporting form reporting compliance. The Jim Burkes Investigative Committee recommended closing the case and determined no probable cause to investigate further.

Case 2004.22 - opened November 16, 2004. A nonlicensee established a CPA firm prior to obtaining a license and firm permit. The Board sent him a Notice to Show Cause related to his application for a CPA license which asked him to appear before the Board at the January 28, 2005, meeting. At the meeting after responding to Board members' inquiries, the respondent was granted a CPA license and CPA firm permit.

Case 2005.03 - opened February 22, 2005. A nonlicensee was described as a *certified public accountant* in a newspaper article concerning a speech presentation. She responded to a Board letter that she was licensed in Georgia and the article should have explained that fact. She said that she will apply for a reciprocal license to hold-out or practice in the future.

Case 2005.05-02 - opened March 2, 2005. A nonlicensee was described as a *CPA* in a newspaper advertisement for a CPA firm. The firm partner telephoned the Board office and reported that this individual was a licensee but the ad had listed his nickname only. The Board office also received a letter from the licensee. The Board investigator closed the case with no probable cause to investigate further after verifying a valid license with the Board records.

Cases 2005.05-03 and 2005.05-04 - opened March 2, 2005. Nonlicensees were described as *CPAs* in an advertisement for a CPA firm. The firm partner provided copies of the draft ad which showed that the firm did not list these persons as CPAs. He stated that the newspaper assumed that all individuals listed were CPAs. The Board office also received letters from the individuals which stated that they were not aware that the ad listed them as CPAs and it was printed without their permission. The Board investigator closed the case with no probable cause to investigate further.

VI. Regulatory Matters (Continued)

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

APPROVED:

Chairman

Board Member

Vice Chairman

Board Member

Secretary

Board Member

Board Member