

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY**  
**MINUTES**  
**July 24, 2009**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on July 24, 2009, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

Rick Elam, Chair  
David E. Clarke, Vice Chair  
David L. Miller, Secretary  
Shelly B. Boone  
Willie B. Sims, Jr.

Board Members Absent

Jim E. Burkes  
Jean T. Shepherd

Board Staff Present

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

Legal Counsel Present

Onetta Whitley, Deputy Attorney General

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**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 May 29, 2009, meeting.
3. The Board members present signed the CPA certificates of licensure from the May 29, 2009, meeting.
4. The Board set the start time for the next meetings and reviewed the tentative meeting dates for 2009. The Board canceled the August 21 meeting.

September 25	8:30 a.m.	Meeting - University of Mississippi
November 1 - 4		NASBA Annual
November 13	10:00 a.m.	Meeting
November 14		CPA Ceremony
December 11	8:30 a.m.	Meeting

**I. General (Continued)**

5. The Board members had a general discussion related to meetings and conferences attended including the:
  - NASBA Regional Meetings, June 2009, and
  - MSCPA Annual Meeting, June 2009.
6. The Board members present approved attendance of the Executive Director and one member to attend the NASBA Forum of International Accountancy Regulators, September 9- 11, 2009, San Francisco. The Board members present also approved attendance for members, Executive Director, Investigator, and Attorney for the NASBA Annual Meeting to be held November 1 - 4, 2009, in Phoenix.

**II. National Regulatory Concerns**

1. The Board reviewed and discussed the June and July 2009 NASBA *State Board Reports*.
2. The Board discussed the NASBA June 29, 2009, memorandum from its Nominating Committee forwarding the listing of Director Nominees.
3. The Board discussed the NASBA June 25, 2009, letter to the AICPA Accounting and Review Services Committee regarding the Exposure Draft - *Proposed Statement on Standards for Accounting and Review Services*.
4. The Board members received the Second Edition - *ALD News - US Accountancy Licensee Database*.
5. The Board members received the April 2009 Uniform Accountancy Act Model Rules Revisions and the May 27, 2009, NASBA memorandum.
6. The Board reviewed the Summer 2009 AICPA *State Regulatory Update*.
7. The Board noted that the AICPA Peer Review Board open meeting is to be held August 5, 2009.

## II. National Regulatory Concerns (continued)

8. The Board reviewed Public Accounting Oversight Board (PCAOB) recent releases including:
  - *PCAOB Adopts Rule Amendment on the Timing of Certain Non-US Inspections*, and
  - *PCAOB Provide Update on Reporting Requirements - Annual Reports or Annual Fees due in 2009*.
9. The Board discussed the Council on Licensure Enforcement and Regulation (CLEAR) May and June 2009 News.

## III. Administration

1. The Board members present reviewed and discussed the SAAS Summary Trial Balances as of June 30, 2009 for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the twelve months ended June 30, 2009 (before lapse period closure).
2. The Board heard a report from Executive Director Susan Harris concerning the current status of the FY 2010 budget - Senate Bill 2013.
3. The Board members present reviewed and unanimously approved the draft budget request for the fiscal year ended June 30, 2011, for submittal to the Legislature and the Governor by August 17, 2009. The Board also heard a report from the Executive Director concerning the *5-Year Strategic Plan for the Fiscal Years 2011 - 2015*. The plan is due to the Legislature and the Governor's Office August 31.
4. The Board noted that a draft agreement concerning the Accountancy Licensee Database was received from NASBA. The staff and attorney will review the ALD proposed agreement and provide comments for the Board.
5. The Board members present approved extra per diem days as follows;
 

Jim Burkes	Jul 29, 2008 Aug 7, 2008 Aug 18, 2008 Aug 28, 2008 Sep 17, 2008 Sep 21-22, 2008 Jan 14, 2009	NASBA Compliance Assurance Committee
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III. Administration (Continued)

5. Extra Per Diem Days (Continued)

Jim Burkes Dec 3, 2008 NASBA Regulatory Response Committee  
 Dec 17, 2008  
 Feb 6, 2009  
 Feb 17, 2009  
 Mar 19, 2009  
 May 11, 2009  
 Jun 22, 2009

Willie Sims Jul 9, 2009 NASBA CPE Committee

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously ratified the Window 2 - April - May 2009 CPA examination scores for 156 candidates, 206 examination sections. Seventeen (17) candidates completed all four examination sections.
2. The Board reviewed and discussed two special candidate situations related to good moral character - initial applicant numbers 12627 and 12646. Based on their careful evaluations of criminal misdemeanor convictions and all other requirements being met, the Board members present unanimously approved applicants 12627 and 12646 to sit for the examination as Mississippi candidates.
3. The Board members present unanimously accepted the listing of candidate applications for the computerized examination (29 initial, 87 reexam) received since the May 29, 2009, meeting.
4. The Board members present unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

Applications for Original CPA License

File				
Number	Name	Number	Date	Approved
12377	Frank Joseph Bradshaw	5984	7/24/09	Yes
12095	Justin Erik Doggett	5985	7/24/09	Yes

## IV. CPA Examination, Licensing and Firms

## 4. Applications (Continued)

Applications for Original CPA License (Continued)

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12004	James Russell Gainspoletti	5986	7/24/09	Yes
11564	Jamie M. Hearn	5987	7/24/09	Yes
12362	Ben Ryland Hester	5988	7/24/09	Yes
12364	William Wesley Hill	5989	7/24/09	Yes
12385	Brandi Lauren Holley	5990	7/24/09	Yes
11191	Jeffery Wayne Horner	5991	7/24/09	Yes
12520	Lesley Lynn Johnson			No (1)
12375	Jessica Brooke Pierce	5992	7/24/09	Yes
12295	Karen Allred Ray			No (2)
11330	Daniel Hardin Scarbrough	5993	7/24/09	Yes

(1) Does not satisfy Mississippi's education requirement.

(2) Pending satisfaction of the experience requirement.

Applications for Reciprocal CPA Licenses

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12634	Scott Allan Brown	R3465	7/24/09	Yes
12617	Lynne Ann Burkart	R3466	7/24/09	Yes
12543	David Wendell Carter	R3467	7/24/09	Yes
12460	Brandon Joshua Cox	R3468	7/24/09	Yes
12642	David Holly Kloess	R3469	7/24/09	Yes
12639	Jerald David Reed	R3470	7/24/09	Yes
12615	Albert Joey Richard, III	R3471	7/24/09	Yes
12636	Anthony C. Rispoli	R3472	7/24/09	Yes
12616	Todd Michael Toumillon	R3473	7/24/09	Yes

## IV. CPA Examination, Licensing and Firms (Continued)

## 4. Applications (Continued)

**Applications for Reinstatement of CPA Licenses**

<u>File</u> <u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
01623	Gregory J. Bouthilet	1707	Yes
05309	Nina Lowery Morgan	3973	Yes
09607	Suzanne Strong Willis	5161	Yes

**Applications for CPA Firm Permit to Practice**

<u>Name</u>	<u>Number</u>	<u>Approved</u>
BDO Seidman, LLP Grand Rapids, MI	F1227	Yes
H. Allen Associates, PLLC Jackson, MS	F1228	Yes
Jensen & Spiller, LLP Obispo, CA	F1229	Yes
Katz, Sapper & Miller LLP Indianapolis, IN	F1230	Yes
Bill King, CPA Oxford, MS	F1231	Yes
Kathryn M. Moore, CPA Picayune, MS	F1232	Yes
Milton C. Neyman, CPA Columbus, MS	F1233	Yes
Postlethwaite & Netterville, APAC Metairie, LA	F1234	Yes
Schavey and Associates CPAs, LLC Noblesville, IN	F1235	Yes
Schwefler, LLP Pismo Beach, CA	F1236	Yes
TT, LLC Vicksburg, MS	F1237	Yes
G. Edward Tucker, CPA Petal, MS	F1238	Yes
Windham Brannon Atlanta, GA	F1239	Yes

## IV. CPA Examination, Licensing and Firms (Continued)

5. The Board noted a reported amendment to a registered CPA firm, as follows:

<u>Name</u>	<u>Number</u>	<u>Description</u>
The Dwight L. Young Group Oxford, MS	F0787	Name Change from Young & Garrett

6. The Board discussed the November 14, 2009, CPA Ceremony and potential key speaker.
7. The Board members present unanimously took the following actions related to requests for amendments to the 2009 CPE compliance requirements:

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
Charlotte K. Hutchison	4171	Extension to 9/30/09 - 9 CPE hours
Dennis Greg Jones	2599	Extension to 9/30/09 - 57 CPE hours
Austin E. Joyner	5437	Extension to 9/30/09 - 18 CPE hours
Sean P. Spratt	5403	Extension to 9/30/09 - 43 CPE hours
Malcolm K. Whitfield	3662	Extension to 9/30/09 - 30 CPE hours
James B. Young	1136	Waiver - Medical

8. The Board members present unanimously approved requests from CPAs for waivers of the 2009 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2010, as follows:

<u>Name</u>	<u>Number</u>
Susan D. Barnes	1920
Amy M. Boruszak	2022
Thomas E. Clifford	1615
Clarence E. Foreman	R0858
Tommy L. Hawkins	1219
Amye W. Kelly	3791
Dianne S. Langley	2714
Brian K. Miller	2065
Roderick A. Moore	1192
H. B. Ross	1285
Bettye B. Sledge	R2376

#### IV. CPA Examination, Licensing and Firms (Continued)

9. The Board reviewed a listing of voluntary cancellations made by CPAs with CPE deficits and requested during the 2009 CPE reporting period:

<u>Name</u>	<u>Number</u>
Brian Y. Gibbs	R2865 (compliant)
Rhett H. Inabinet	R3077
Frank P. Leggio, Jr.	R3061 (compliant)
Betty C. Sellers	5129

10. The Board reviewed and discussed a letter from David Lynch (#11431 passed exam 2005) requesting consideration of his experience in the aggregate. After review of his information, the Board members present approved processing of this application for CPA licensure for substantiation of his experience.
11. The Board reviewed, discussed, and took no action related to various information related to the CPA examination:
- CBT Steering Group *CPA Exam Quarterly Summary Report to the State Boards - First Quarter 2009*,
  - Release - Computerized CPA Exam Reaches One Million Mark, and
  - AICPA Board of Examiners - Meeting Highlights May 2009.

#### 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>Dates</u>	<u>Hours</u>	<u>Approved</u>
A.	Booke Seminars			
	1. Investment Accounting and Reporting	TBD	14	Yes
B.	Brunini, Grantham, Grower & Hewes, PLLC	8/19/09	4	Yes
	1. Brunini Tax Forum	8/20/09		

## V. Continuing Professional Education (Continued)

## I. CPE Sponsor Applications: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
C.	Butler Snow Law Firm/KPMG			
	1. Executive Seminar: Fraud and Misconduct-Schemes and Local Impact	4/23/09	2.5	Yes
D.	Delta Chapter - MSCPA			
	1. 2009 Accounting and Auditing Update	5/14/09	8	Yes
E.	Electric Power Associations			
	1. EPAs of Mississippi Accounting and Finance Meeting-Work Order Procedures	5/28-29/09	12	Yes
F.	Estate Planning Council of MS			
	1. 2009 Tax Update	2/10/09	1	Yes
	2. Secretary of State Update	3/10/09	1	Yes
	3. Update on Development in Family Limited Partnerships	4/14/09	1	Yes
	4. Top Estate Planning Techniques	5/12/09	1	Yes
G.	Horne LLP			
	1. Capstone: Creating Value	5/12/09 8/10/09	7	Yes
	2. Capstone: Business Development	5/13/09 8/11/09	7	Yes
	3. Capstone: Client Service	5/12/09 8/10/09	7	Yes
	4. Capstone: Leading the Generation	5/13/09 8/11/09	7	Yes
H.	May & Company, LLP			
	1. Ethics Update with MS Rules and Regulations (Dr. Quinton Booker)	7/09/09	4 Ethics (3 General 1 Rules)	Yes

## V. Continuing Professional Education (Continued)

## 1. CPE Sponsor Applications: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
I.	Mississippi Association of Public Accountants			
	1. MAPA & TAA Joint Convention	6/24-27/09	10 (2 Ethics General)	Yes
	2. Gear Up Business Entities Seminar	9/21-22/09	16	Yes
	3. Gear Up 1040 Individual Income Tax Seminar	11/2-3/09	16	Yes
J.	Mississippi Bankers Association			
	1. 2008 Security Conference	8/6-7/09	8	Yes
	2. MBA Security Conference	8/26-27/09	8	Yes
K.	Mississippi Institutions of Higher Learning			
	1. Universities Internal Control Training	6/24/09	4.5	Yes
	2. Financial Statement Disclosures	6/25/09	8.4	Yes
L.	Mississippi Power Company			
	1. Regulatory Accounting	7/31/08 8/28/08	2	Yes
	2. PEP-Performance Evaluation Plan	9/17/08 9/25/08	2	Yes
	3. Environmental Compliance Overview (ECO) Plan	9/23/08 9/30/08	2	Yes
M.	MSCPA - Central Chapter			
	1. Wall Street Ethics: A Litigators Perspective	5/21/09	1 Ethics general	Yes
N.	Mississippi Society of CPAs			
	1. Ethics Rules and Regulations (Dr. Quinton Booker)	6/25/09	4 Ethics (3 General 1 Rules)	Yes
	2. Accounting and Auditing Update	6/25/09	4	Yes

## V. Continuing Professional Education (Continued)

## I. CPE Sponsor Applications: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
O.	Mississippi State Tax Commission			
	1. Tax Information Security Training & Confidentiality/Ethics	5/28/09 6/4/09 6/11/09 6/18/09 6/25/09	1 Ethics general	Yes
P.	Morgan Keegan			
	1. 2009 Morgan Keegan CPA Seminar	6/16/09	9	Yes
Q.	Nail McKinney Professional Association			
	1. Developments in Accounting 2009	7/22/09	8	Yes
	2. Nut & Bolts of Estate Planning	7/23/09	8	Yes
R.	Office of the State Auditor			
	1. Auditing Related Party Transactions and Other Conflicts of Interest in State and Local Government in MS and 2009 Purchase Law Update	4/28/09	4	Yes
	2. Government A&A Update	4/29&30/09	16	Yes
	3. Electronic Audit Working Paper Software Training	5/1/09	3	Yes
	4. Agency Audit Section Training	6/5/09	8	Yes
	5. Education Division Training	6/24/09	6	Yes
S.	Regions Morgan Keegan Trust			
	1. For Estate Planners-The Big Bang	8/18/09 8/19/09	7	Yes
T.	T. E. Lott & Company, PA			
	1. Accounting and Auditing Update	5/26/09	8	Yes

## V. Continuing Professional Education (Continued)

## 1. CPE Sponsor Applications: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
U.	Watkins Ward and Stafford			
	1. Ethics and Excel Forum (Dr. Stan Clark)	5/15/09	8 (including 4 ethics 3 general 1 rules)	Yes
	2. 2009 Governmental A&A Update/2009 A&A Update	5/27-28/09	16	Yes

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

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
A.	The CPA Journal			
	1. Bank Loan Officers' Perceptions of Audit Firm Rotation Requested by Quinton Booker	Published Article co-author	18	Yes
B.	American Public Human Services Association			
	1. National Spring Conference Requested by Genevieve Eley	4/5-7/09	21.5	Yes
C.	Mississippi Technology Conference			
	1. Ninth Annual Conference on High Technology Requested by Tonya Klauser	12/9-10/08	9	Yes
D.	National Association of Corporate Directors			
	1. NACD Corporate Governance Conference Requested by Gary Patterson	10/19-21/08	13 including 11 general ethics	Yes

## V. Continuing Professional Education (Continued)

### 2. CPE Individual Requests: (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
E.	The CPA Journal			
	1. New Tax Implications	Published Article co-author	22	Yes
	2. Is it a Loan, Tax Credit or Hybrid? Requested by Richard Russell	Published Article co-author	15	Yes
F.	Research in Professional Responsibility and Ethics in Accounting, Volume 13			
	1. Moral Identity as a Moderator of Perceived Whistle Blowing under the Threat of Retaliation, No Protection and No Reward Requested by Deborah Seifert and William Stammerjohan	Published Manuscript co-authors	40 each including 3 general ethics each	Yes

3. The Board members reviewed a June 11, 2009, letter from Dr. William Morehead, wherein he requests the Board's consideration of adding all NASBA approved sponsors ethics courses as Board approved or automatic approval of the AGA (Association of Government Accountants) programs for general ethics. The Board members present unanimously approved the following response:
- No, a sponsor approved by NASBA is not considered a State Board program and is not automatically approved as qualifying general ethics,
  - The Board denies the request for all NASBA approved sponsors as automatically approved for general ethics.
  - There is insufficient information to automatically approve AGA programs as general ethics; therefore, the Board denies that request.

## VI. Legislation Task Force

- The Board heard a report from Task Force Chair David Clarke concerning the planned timeline for working with the Mississippi Society of CPAs concerning the 2010 legislative session and the mobility legislation.

## VII. Rules and Regulations

- The Board members present unanimously approved for exposure the proposed changes to the *Rules and Regulations* as a result of mobility statutory amendments and to the following Chapters:

Chapter 1	Restrictions on Use of the Title of Certified Public Accountant
Chapter 2	Licenses
Chapter 3	CPA Firm Permits
Chapter 4	Continuing Professional Education (CPE)
Chapter 6	Rules of Professional Conduct

The Board will submit the Notice of Proposed Amendments to the Secretary of State and notices to licensees for adoption at its September 25, 2009, Board meeting.

## VIII. Regulatory Matters

- The Board heard a report from Investigator Ransom Jones and approved the regulatory activities from May 29, 2009 to July 24, 2009:

<u>Activity</u>	<u>Number</u>
Cases Opened	2
Cases Closed	6
Cases referred to Members	3
Total Cases Open	19

- Cases closed:

Case 2007.12 - opened January 22, 2007. A former licensee was allegedly holding out as a CPA and was engaged to perform an audit of a city government. The city subsequently fired the individual from the engagement and hired a licensed CPA to perform the audit. The investigative case was closed with no probable cause to investigate further after receiving evidence that the individual is not holding-out as a CPA or practicing without a license.

Case 2008.09 - opened April 24, 2008. The Board received a complaint from a former minority shareholder of a corporation alleging that a licensee violated Board rules related to independence, auditing standards, and client records concerning accounting, tax, and audit services provided to the corporation. David

**VIII. Regulatory Matters (Continued)**

## 2. Cases closed: (Continued)

Clarke's investigative committee determined that there was insufficient evidence to establish probable cause concerning the alleged violations. The Investigative Committee closed the case after noting that the parties signed a mutual release and settlement agreement.

Case 2009.03 - opened March 5, 2009. The former wife of a licensee's client filed a complaint alleging numerous rules violations by the licensee in a tax engagement. After reviewing all documentation, the Shelly Boone investigative committee determined there was no evidence to support the allegations contained in the complaint. The investigative committee closed the case and remanded the matter to the file "without prejudice". The case will only be reopened if additional documentation is provided which shows a rules violation.

Case 2009.05 - opened April 6, 2009. A nonlicensee was allegedly holding out as a CPA. The investigator closed the case with no probable cause to investigate further after receiving documentation with AT&T concerning an error in the yellow page ads.

Case 2009.06 - opened April 29, 2009. A nonlicensee was allegedly holding out as a CPA. The investigator closed the case with no probable cause to investigate further after receiving documentation with the yellow page company concerning the error.

Case 2009.07 - opened May 13, 2009. A licensee allegedly operated his firm in Hattiesburg without a permit. The case was closed after the Board approved the firm permit at the May meeting.

3. The Board discussed proposed procedures for handling late CPE reporting forms and CPE deficits for June 30, 2009, compliance year.
4. The Board members received a listing from the Mississippi Society of CPAs of CPA firms that are enrolled in the AICPA peer review program at June 30, 2009.
5. The Board discussed current Peer Oversight Members and expiration of term for South Mississippi member. The Southern Mississippi representative -Darrell Galey's term expires this year and in accordance with the agreement, a member can not serve more than two terms.

IX. Trial Board

1. The Board members unanimously voted to convene as the Trial Board for the purpose of considering matters related to disciplinary cases.
  2. The Board did convene as Trial Board for the purpose of reviewing for release from consent order Gregory B. Barron, CPA 2384 because of his complete satisfaction of the ordered requirements as issued by the Board. Upon motion by Willie Sims with second from David Clarke, the Trial Board approved release of the aforementioned licensee from the consent order. Votes were - For: Rick Elam, David Clarke, David Miller, Shelly Boone, Willie Sims; Against: None; Absent: Jim Burkes, Jean Shepherd; and Recused: None.
  3. Upon conclusion of Trial Board business, the Board adjourned as Trial Board and adjourned the Board meeting..
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APPROVED:

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Chair

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Board Member

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Vice Chair

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Board Member

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Secretary

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Board Member

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Board Member