

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
May 8, 2020

The Mississippi State Board of Public Accountancy met telephonically on May 8, 2020, beginning at 10:00 a.m. The following record of that meeting was maintained.

Board Members Present by Telephone

Rick Elam, Chair
David Bridgers, Vice Chair
William Kelly, Secretary
Willie Sims, Jr.
Angela Pannell
Mark Peach
Charles Prince

Board Staff Present at Board Office

Andy Wright, Executive Director
Sharee Brewer, Associate Director, Investigations

Legal Counsel Present at Board Office

Ed Wiggins, Deputy Attorney General

Others Present by Telephone

Karen Moody, MSCPA President
Ed Jones, MSCPA Representative
Vicki Snowden, MSBPA Licensing Administrator

I. General

1. The Board opened the meeting with an invocation from Charles Prince.
2. The minutes from the March 5 and March 26, 2020 meetings were approved.

I. General (Continued)

- 3. The Board reviewed and approved tentative meeting/activity dates for 2020:

May 9	New CPA Ceremony Cancelled
June 3-4	NASBA West Regional (virtual format)
June 10-11	NASBA East Regional (virtual format)
June 18	10:00 a.m. Board Meeting
June 25-28	MSCPA Annual Convention Cancelled
August 7 (Friday)	10:00 a.m. Board Meeting
September 17	10:00 a.m. Board Meeting
October 16	10:00 a.m. Board Meeting
October 17	New CPA Ceremony
November 1-4	NASBA Annual Meeting
December 17	10:00 a.m. Board Meeting

II. National Regulatory Concerns

- 1. The NASBA *State Board Report* for March 2020 was discussed.
- 2. The NASBA Legislative E-news was discussed.
- 3. The Impact of Covid-19 on Peer Review was discussed.
- 4. The AICPA Ethics Interpretations – Covid-19 PPP Loan Applications was discussed.

III. Administration

- 1. The MSBPA Balance Sheets, Funds 3845 and 3850, as of March 31, 2020 were reviewed.
- 2. The FY 2020 Budget to Actual Comparison – Fund 3845, for the nine months ended March 31, 2020 was reviewed.
- 3. The Statement of Revenues and Expenditures Fund 3845, for the nine months ended March 31, 2020 was reviewed.
- 4. Additional per diem days were approved.

IV. CPA Examination, Licensing & Firms

1. The Board noted staff approval of 70 candidate applications (8 initial, 62 reexam) for 99 Sections of the computerized CPA examination received since the March 5, 2020 meeting.
2. Window 1 (Jan – Mar, 2020) examination scores for 194 candidates, 253 examination sections were accepted by the Board.
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
Cameron Scott Arndt	7926	Approved
Bidusha Aryal	7927	Approved
Taylor Elaine Bennett	7928	Approved
James Henry Brown, III	7929	Approved
Rachel A. Cross	7930	Approved
Luiza D. Dobbins	7931	Approved
James Dylan Edwards	7932	Approved
Mashurna Q. Grantham	7933	Approved
Sita Victoria Harrigill	7934	Approved
Patricia Jan Hildebrand	7935	Approved
Jeffrey C. Holt	7936	Approved
Baxter Allen Howell	7937	Approved
Colbee Burch Lloyd	7938	Approved
Hugh Devin Mills	7939	Approved
John Kyle Murphree	7940	Approved
Taylor Jordan Newton	7941	Approved
Megan J. Tidwell	7942	Approved

Applications for Reciprocal CPA License

Name	Number	Action
Christopher Casey Cade	R7943	Approved
Christine Sims Nielson	R7944	Approved

IV. CPA Examination, Licensing & Firms (continued)

3. Applications (continued)

Applications for Reinstatement of CPA License

Name	Number	Action
Daniel J. Barfield	4658	Approved
Stacey T. Earnest	3310	Approved
Geneva C. Lampton	5213	Approved

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Daigrepoint & Brian, APAC	Baton Rouge, LA	7924	Approved
S E Fleming CPA, LLC	Ridgeland, MS	7925	Approved

Amendments to Registered Firms

No.	Name	City, State	Change
F1134	UHY LLP	New York, NY	Address Change

Application for Reinstatement of a CPA Firm Permit to Practice

Number	Name	City, State	Action
7568	Banks, Finley, White & Co., PC	Memphis, TN	Approved

4. COVID-19 Issues Impacting Exam and Licensing were discussed.

5. The Board members approved the following Motion:

That the MS State Board of Public Accountancy follow NASBA’s recommendation for CPA Exam Candidates with Notices to Schedule (NTS) and grade credits expiring between April 1, 2020 and December 30, 2020 to extend the expirations to December 31, 2020.

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
Epicor University 1.Epicor/LumberTrack/Dynamics GP User Conference (Requested by Hood Industries)	11/5-6/19	9	Approved
Harper, Rains, Knight & Company 1. Compliance and Risk Management 2020 Update	5/27-29/20	20	Approved
University of South Alabama 1. 2020 Gulf Coast Real Estate & Economic Education Conference	8/6/2020	6 (including 1 General Ethics)	Approved
Wolters Kluwer 1. A Basic Ethics Guidebook for Mississippi CPAs	Online Self Study	4 Ethics (3 General 1 Rules)	Approved
T. E. Lott & Company 1. Enhancing Your Communication Skills	Various – September – December, 2019	12 Personal Development	Approved

2. NASBA’s Recommended Flexibility for CPE Presentation Methods was discussed and approved.

VI. Rules and Regulations

1. Recommended correction to Rule 4.1.8 to conform to Rule 2.4.4 was discussed and approved.

VII. Regulatory Matters

1. The Board heard a report from Associate Director Sharee Brewer regarding the regulatory activities from March 6, 2020 to May 7, 2020:

Activity	Number
Cases Opened Beginning of Period	28
Cases Opened	11
Cases Closed ①	8
Cases Open End of Period	31
Open Cases Referred to Members	8

① Cases Closed:

Case **2019.32** involved an individual licensee and firm permit holder who completed one review engagement which was not disclosed on a renewal application. This false statement also resulted in noncompliance with the peer review program. Consent Order called for a \$500 financial penalty and was approved at the March, 2020 Board meeting. The financial penalty has been paid. The matter was then closed.

Case **2019.36** involved an individual licensee and firm permit holder who completed six review engagements, two compilation engagements and multiple preparation engagements which were not disclosed on renewal applications filed for the 2017-2018 and 2018-2019 periods. The firm did complete their peer review and received a pass rating. Consent Order called for a \$2,000 financial penalty and was approved at the March, 2020 Board meeting. The financial penalty has been paid. The matter was then closed.

Case **2019.229** involved a non-CPA firm who had public business license information on the Secretary of State’s office website claiming to be a CPA. Investigation was unable to determine who put the information on the site and business owner denied it was them but stated they would correct it. The publicly available information was corrected and the matter was then closed with a sternly worded letter.

Case **2020.002** involved a non-CPA firm who completed a review report for the State Board of Contractors. BOC was notified this was not a firm at the time of submission of the report and the report was rejected by the BOC. The non-CPA firm expressed they were not aware they were not allowed to do attest work and stated in writing they would not do so again. The matter was then closed with a sternly worded letter.

VII. Regulatory Matters (continued)

Case **2020.008** involved a firm that had dropped out of the peer review program. A case was opened to determine the validity of the reason for this action. Reason appeared acceptable. The matter was then closed.

Case **2020.011; 2020.012; 2020.013** involved sole proprietor firms receiving discipline at March, 2020 Board meeting. These cases were opened and closed in LARS to report the case outcome against the individual license in ALD as well as what is reported in ALD against the firm permit.

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

VIII. Trial Board

Trial Board Hearing:

A Continuance Order was approved on **Case 2019.217**.
(Kelly Investigative Committee)

Consent Order:

A Consent Order was approved on **Case 2018.127** involving an individual licensee and firm permit holder who received a peer review report with a fail rating on the firm's system peer review. The peer review report contained substantial deficiencies on audits performed under *Government Auditing Standards* including compliance with the Single Audit Act. The deficiencies noted were significant enough to lead the investigative committee to support this settlement as reported discipline. Consent Order includes a restriction on the firm's practice as follows: the firm may issue audits only after being subjected to pre-issuance reviews until the firm receives a pass rating on their peer review. The Board shall approve the pre-issuance reviewer.
(Prince Investigative Committee)

Stipulation and Consent Orders related to deficiencies noted in the performance of work subject to Peer Review:

A Stipulation and Consent Order in **Case 2018.123** was approved involving an individual licensee and firm permit holder who received a peer review report with a fail rating on the firm's engagement review of reviews issued. 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 reviews or audits of financial statements in the future.
(Bridgers Investigative Committee)

A Stipulation and Consent Order in **Case 2019.024** was approved involving an individual licensee and firm permit holder who received a peer review report with a fail rating on the firm's engagement review of compilations issued. 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 reviews or audits of financial statements in the future.
(Prince Investigative Committee)

VIII. Trial Board (continued)

Stipulation and Consent Orders related to deficiencies noted in the performance of work subject to Peer Review: (Cont.)

A Stipulation and Consent Order in **Case 2019.239** was approved involving an individual licensee and firm permit holder who received a peer review report with a fail rating on the firm's engagement review of preparations issued. The peer review was in process prior to the recent Board rule change. 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.

(Kelly Investigative Committee)

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member