

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
September 22, 2017**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on September 22, 2017, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

Angela L. Pannell, Chair
Mark P. Peach, Vice Chair
Willie B. Sims, Jr., Secretary
Rick Elam
David L. Miller – present via telephone for Trial Board votes

Board Members Absent

Jim E. Burkes
David Bridgers
David L. Miller

Board Staff Present

Andy Wright, Executive Director
Sharee Brewer, Associate Director, Investigations
Lane McNeal, Administrative Assistant

Legal Counsel Present

Gloria Green, Deputy Attorney General

Others Present

Bill Taylor, MSCPA Chairman
Josh Norris, MSCPA Representative

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 August 11, 2017 meeting.
3. The Board members present signed the CPA certificates of licensure from the August 11, 2017 meeting.
4. The Board reviewed tentative meeting/activity dates for 2017:

October 29 –Nov 1	NASBA Annual Meeting – New York, NY
November 17, 2017	10:00 a.m. Board Meeting
November 18, 2017	New CPA Ceremony
December 8, 2017	8:30 a.m. Board Meeting

II. National Regulatory Concerns

1. The Board members present reviewed the NASBA *State Board Report* for August 2017.
2. The Board members present discussed the NASBA *State Board Report* for September 2017.
3. The Board members present discussed the NASBA Legislative E-News for September 2017.
4. The Board members present discussed and approved, with changes, the NASBA Regional Directors' Focus Questions.
5. The Board members present discussed the NASBA request to designate a voting representative and approved Willie Sims to be the representative.

III. Administration

1. The Board members present reviewed the MSBPA Balance Sheets, Funds 3845 and 3850, as of August 31, 2017.
2. The Board reviewed the FY 2017 Budget to Actual Comparison – Fund 3845, for the Two months ended August 31, 2017 and two months ended August 31, 2016.
3. The Board reviewed the Statement of Revenues and Expenditures, Fund 3845 for the two months ended August 31, 2017.
4. In other business:
 - The Board members present approved one additional per diem day for Willie Sims.

IV. CPA Examination, Licensing & Firms

1. The Board members present considered and approved a special request by initial candidate number 13806 related to Good Moral character and special accommodations. The Board members present also considered and denied initial candidate number 14374; will reconsider in a Show Cause Hearing if requested by applicant.
2. The Board members present unanimously ratified staff approval of 92 candidate applications for 129 Sections of the computerized CPA examination (20 initial, 72 reexam) received since the August 2017 meeting.
3. The Board members present approved acceptance of the Window 2 (April – May 2017) examination scores for 154 candidates, 184 examination sections. Nine candidates completed the last of four examination sections.
4. The Board members present heard from the Executive Director regarding expired exam grade extensions (7 candidates, 8 extensions).
5. 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	Name	Number	Action
13930	John T. Clemmer	7451	Approved
13854	Robert Earl Groves	7452	Approved
14104	Alexandra Nicole Hancock	7453	Approved
14095	John Thomas Newell	7454	Approved

Applications for Reciprocal CPA License

File	Name	Number	Action
14385	William B. Galloway	R7455	Approved
14363	Katelyn K. Gottberg	R7456	Approved
14377	Blake Hamilton Magee	R7457	Approved

Applications for Reinstatement of CPA License

File	Name	Number	Action
08708	Kimberlie Deniece Allison	6276	Approved
09116	Anthony J. Cuccia	5078	Approved
08543	Shannon L. Jones *	4933	Approved
03212	Wiley Darron Kendrick	2984	Approved
07026	Robert Burton Murray	4556	Approved

*With refund of processing fee and late fee due to documented circumstances.

IV. CPA Examination, Licensing & Firms (Continued)

4. Applications: (Continued)

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Alexander Thompson Arnold PLLC	Tupelo, MS	7443	Approved
Anders Minkler Huber	St. Louis, MO	7444	Approved
Karen L Livingston, LLC	Madison, MS	7445	Approved
Belinda K McLain CPA PLLC	Laurel, MS	7446	Approved
Julie Melvin, CPA	Columbus, MS	7447	Approved
Daniel J Payne CPA, PLLC	Ocean Springs, MS	7448	Approved
David M Robinson, LLC	Moss Point, MS	7449	Approved
Walker & Company CPAs PC	Brandon, MS	7450	Approved

Amendments to Registered Firms

No.	Name	City, State	Change
F1708	Elliot Davis, LLC	Greenville, SC	Name Change from Elliot Davis Decosimo, LLC

Application for Reinstatement of a CPA Firm Permit to Practice

Number	Name	City, State	Action
F1726	Shannon Jones, CPA	Hattiesburg, MS	Approved

5. The Board members present took the following actions related to requests for amendments to the 2017 CPE compliance requirements and granted extensions to the following:

Name	Number	Total Hours	Extension Date
Susan Barrett	5256	55.5	10/31/17
Julie Baugh	5275	16.5	10/31/17
Keith Eleuterius	6252	60	10/31/17
BJ Huffstatler	6325	40.5	10/31/17
Warren Irons	3166	60	10/31/17
Jessica McCarthy	6166	24.5	10/31/17
Donna Smith	2129	24.5	10/31/17

IV. CPA Examination, Licensing & Firms (Continued)

6. The Board members present unanimously approved requests from CPAs for waivers of the 2017 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2018 as follows:

<u>Name</u>	<u>Number</u>
Robert Arnold	2428
Thomas Avent	2279
Robert Bryant	1334
Randall Cooley	2875
Robert Croft	2877
Stoddard Darwin	2011
T. Miller Dickson, Jr.	0839
Marion Cook Harrison	2131
Joe Hodge	1654
Kenneth Leggett	4337
Edwards Milam	1373

7. The Board members present took the following actions related to requests for amendments to the 2017 CPE compliance requirements and granted extensions with penalty waivers to the following:

<u>Name</u>	<u>Number</u>	<u>Total Hours</u>	<u>Extension Date</u>
Charles Keys	1979	36	1/31/18

8. The Board members present reviewed a listing of voluntary cancellations made by CPAs and Firms:

<u>Name</u>	<u>Number</u>
Carl Bolian	4604
Harold Edwards	4567
Betty Lou Reeves	R2025

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
Ameriprise Financial/SW Chapter MSCPA 1. 2017 CPE Seminar	8/8/17	8	Approved
Fred Pryor 1. Understanding Finance Basics	Online Self Study	9	Approved
Internal Revenue Service 1. Territory 2's Research Credit Workshop	9/27/17	3	Approved
Lamerbs, Inc. 1. Ethics for Accountants: Mississippi	Online Self Study	4 Ethics (3 General 1 MS Rules)	Approved
Nail McKinney Professional Association 1. 2017 Accounting and Auditing Update	8/16/17	8	Approved

VI. RULES AND REGULATIONS

1. The Board members present discussed the AICPA's plan for "Evolving Peer Review Administration to Enhance Audit Quality" and Supplement. Bill Taylor discussed the AICPA Benchmarks and impact on MS Society as an Administering Entity. The Board members present agreed that the discussion should be continued at the next Board Meeting.

VII. Regulatory Matters

The Board heard a report from Associate Director Sharee Brewer regarding the regulatory activities from August 12, 2017 to September 22, 2017:

Activity	Number
Cases Opened Beginning of Period	28
Cases Opened	165
Cases Closed ①	60
Cases Open End of Period	133
Open Cases Referred to Members ②	1

① *Cases Closed:*

Case 2011000001 Case opened 3/8/11 for holding out as a licensee when license was revoked December, 2010 for not reporting CPE. Initial contact with former licensee claimed multiple medical issues. Former licensee continued to hold open offices which clearly indicated he purported to the public his certification. There were various attempts to get him to cease holding out as a CPA and instructions even provided to pursue reinstatement. Local prosecuting attorney (PA) agreed to assist with criminal prosecution for holding out falsely prior to the PA's murder. At some point, the offices of the former licensee were closed. New PA informed investigator there was no indication the former licensee was still in business. Board member assigned to the investigative committee also went by the business addresses the board had on file and verified there is no longer any indication former licensee is in business, nor holding out as a CPA. No further efforts expected to be made so the case was closed.

Case 2014000033 Out of state firm performed an EBP audit on a MS client w/o firm permit. Certified letters returned undeliverable. Voice mail left was returned wherein firm claimed this audit was the only work performed in MS. Additionally, we informed of the need to have a firm permit and licensee indicated he would be obtaining one but never followed through. Multiple correspondence efforts have been unanswered. Out of state board contacted seeking information. Additional attempts were made to reach this individual through that contact information provided and letters have been returned to sender. All reasonable efforts were made to reach this individual. No further efforts expected to be made so the case was closed.

VII. Regulatory Matters (continued)

Case 2015000003 Former licensee had license revoked in November, 2012. PTIN listings of IRS data obtained revealed she was still holding out as a CPA in the 2013-2014 year period. Multiple attempts to reach this individual included letters returned to sender. Letters returned indicating the licensee had moved and not left a forwarding address. Potential new mailing address found from the former licensee making a property purchase but that letter too was returned to sender. All reasonable efforts were made to reach this individual. No further efforts expected to be made so the case was closed.

Case 2016000007 Firm failed to complete peer review by a deadline that was extended by the MSCPA. Peer Review was completed with a Fail rating and various follow-up conditions imposed. Firm was sold on July 1, 2017 at which time the firm permit was cancelled. No further efforts expected to be made so this case was closed.

Case 2017.04 Complaint received from a client of a firm permitted by board. The client sent a 1-inch thick complaint wherein he alleged many things but only one was even remotely something that would be of interest to this board: that the client was billed and paid for work the firm did not do. Through correspondence with the firm, the firm's lawyer, and attempted follow-up with the client, the investigator and Executive Director ("ED") believed this was a case of an unsatisfied client making baseless claims against a CPA firm. Follow-up attempt made to the client at the address provided giving him 30 days to tell us of a rule or law violation or we would consider the matter closed in 30 days. The letter was not returned to our office and nothing further was heard from this client. No further efforts expected to be made so this case was closed.

Case 2017.05 and 2017.06 These 2 cases were opened against employees of a CPA firm permitted by this board. This was done because the Ethics Charging Authority (ECA) {a joint effort comprised of the Ethics Executive Committees of the AICPA and the MSCPA} included follow-up conditions relevant to the individual licensees as well. The complaint stemmed from an EBP audit where these 2 licensees were assigned to do work by their firm. The case remains open against the firm itself but these two individuals have completed what was required of them in their individual agreements with the ECA.

Case 2017.14 Licensee listed his place of employment on the renewal application as himself yet stating he didn't practice public accounting. No firm permit for this individual was noted. Licensee furnished a contract signed with a hospital showing he was serving as the CFO. As an employee of the hospital, he wouldn't need a firm permit, but the contract claimed that he was a contractor performing this work full-time. Discussed this with the ED, and determined to notify licensee that if he takes on more than one client at any time in the future, he would need a firm permit. No further efforts expected to be made so this case was closed.

VII. Regulatory Matters (continued)

Case 2017.17 thru 2017.33 CPE deficiency at deadline, extension granted, matter closed.

Case 2017.34 thru 2017.51 CPE waivers granted because of licensee retiring, matter closed.

Case 2017.52 thru 2017.63 CPE waivers granted because of licensee voluntarily cancelling, matter closed.

Case 2017.64 and 2017.65 CPE waivers granted for health issues, matter closed.

Case 2017.66 – PCAOB Violation occurred in another jurisdiction, matter closed.

Case 2017.67 and 2017.68 Investigator error; cases opened in LARS under individual licensee rather than firm permits. Cases opened under firm permits subsequent to these closings.

② Cases Referred to Members:

Case 2017.03 assigned to Willie Sims, subject of Trial Board hearing today.

2. Sharee Brewer then discussed the active cases as presented on the *Open Case Log*.
3. The Board members present discussed the delayed Annual Report from Peer review Oversight Committee for the year end June 30, 2017.

VII. Trial Board

Stipulation and Consent Orders:

The Board approved a Stipulation and Consent Order in **Case 2016.09**, involving a firm with a second consecutive pass with deficiencies on a peer review report. The firm fully cooperated with the investigation and peer review program. The Order requires the Board be notified if the firm engages to perform any audits of financial statements. (Bridgers Investigative Committee)

The Board approved a Stipulation and Consent Order in **Case 2016.268**, involving a firm with a fail rating on a peer review report. The firm fully cooperated with the investigation and peer review program. The Order requires the Board be notified if the firm engages to perform any audits or reviews of financial statements and if so, to schedule an accelerated peer review with a due date acceptable to the board. (Miller Investigative Committee)

The Board approved a Stipulation and Consent Order in **Case 2016.269** involving a firm with a second consecutive pass with deficiencies on a peer review report. The firm fully cooperated with the investigation and peer review program. The Order requires the Board be notified if the firm engages to perform any audits or reviews of financial statements and if so, to schedule an accelerated peer review with a due date acceptable to the board. (Peach Investigative Committee)

Trial Board Hearing Continuance:

The Board approved an Order granting Motion for Continuance in **Case 2017.03** until November 17, 2017. (Sims Investigative Committee)

Note to Trial Board votes: The investigating Board member was recused from each of the above listed votes.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member