

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

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on November 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  
Rick Elam  
Angela L. Pannell  
Jean T. Shepherd

Board Staff Present

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

Legal Counsel Present

Onetta Whitley, Deputy Attorney General

Others Present

Jimmy Boyd, MAPA  
Wallace Collins, CPA, Peer Oversight Committee  
Darrell Galey, CPA, Peer Oversight Committee  
Cecil Harper, CPA, Peer Oversight Committee  
David Miller, CPA, Peer Oversight Committee & MSCPA

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**I. General**

1. The Board opened the meeting with the invocation by Angela Pannell.
2. The Board members present unanimously approved the minutes from the September 30, 2005, meeting.
3. The Board members signed the certificates of licensure from the September 30, 2005, meeting.

**I. General (Continued)**

4. The Board members reviewed the schedule for the remainder of the year, as follows:

November 19	9:30	Ceremony
December 16	8:30	Meeting

5. The Board members reviewed the tentative meeting dates and activities for 2006. The tentative dates are as follows:

January 27	Meeting	June 22-25	MSCPA Annual
February 24	Meeting	July 28	Meeting
March 24	Meeting	August 25	Meeting
April 28	Meeting	September 29	Meeting
April 29	Ceremony	Oct 29-Nov 1	NASBA Annual
May 26	Meeting	November 17	Meeting
May31-June 2	NASBA W. Regional	November 18	Ceremony
June 21-23	NASBA E. Regional	December 15	Meeting

6. The Board members heard a report and discussed the topics of the NASBA Annual Meeting held October 30 - November 2, 2005.
7. The Board noted information related to the 2006 NASBA Executive Directors and State Board Staff Conference (February 13-16), and State Board Legal Counsel Conference (February 13-15) and unanimously approved the attendance of the Executive Director and one staff member to attend the Executive Director and Staff Conference and the Attorney to attend the Legal Counsel Conference.

**II. National Regulatory Concerns**

1. The Board members acknowledged its September 30, 2005, responses to the NASBA Regional Directors' focus questions.
2. The Board reviewed and discussed a few responses from various other Boards concerning the proposed amendments the Uniform Accountancy Act (UAA) as presented in the August 3, 2005, AICPA/NASBA UAA exposure draft. The letters were from the California, Colorado, Idaho, and New Mexico Boards. The deadline had been extended to November 3, but still did not provide this Board sufficient time to review and respond to proposed amendments. It was noted that many other Boards had expressed a need for additional time at least until January 2006 to respond.

## II. National Regulatory Concerns (Continued)

3. The Board members reviewed an October 18, 2005 letter from the NASBA Center for Public Trust as sent to attendees to the CPT conference. The letter requests the use of \$10 for a good cause and to share the story with NASBA.
4. The Board members reviewed and discussed the September 2005 issue of AICPA *Ethically Speaking*.
5. The Board noted the release from the Public Company Accounting Oversight Board (PCAOB) entitled Standing Advisory Group Discusses Standards Priorities.
6. The Board reviewed and discussed the October 24, 2005, email from the U.S. Government Accountability Office requesting comments concerning the Comptroller General of the United States temporary exemptions from the requirements due to hardships caused by Hurricanes Katrina and Rita. Executive Director Susan Harris had discussed the Board's actions with Michael Hrapsky, GAO Senior Project Manager, and he identified some of the considerations that GAO is considering including removal of certain restrictions related to independence, CPE exemptions, peer review exemptions, and guidance for lost or destroyed records.
7. The Board reviewed and discussed an October 28, 2005, email from the AICPA Accounting and Review Services Committee, requesting members' input to a survey related to the *Need for Independence in Compilation Engagements*. The input is requested by May 19, 2006.
8. The Board reviewed and discussed various information forwarded by David Costello's Quarterly NASBA Communications memorandum, including:
  - NASBA Regional Director's Report,
  - Highlights of the October 28<sup>th</sup> Board of Directors meeting, and
  - July 22<sup>nd</sup> Board of Directors meeting minutes.

## III. Administration

1. The Board reviewed and discussed the SAAS Summary Trial Balances as of October 31, 2005, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the four months ended October 31, 2005.

**III. Administration (Continued)**

2. The Board members noted the October 25, 2005, email from the Department of Finance and Administration concerning various travel related information.
3. The Board heard a request from Investigator Ransom Jones concerning payment of fees to maintain the Certified Government Financial Manager designation. Board Attorney Onetta Whitley stated that generally fees can be paid only if the designation is required for the position. She indicated that she can check further to see if there has been a different opinion issued.

**IV. CPA Examination, Licensing and Firms**

1. The Board members present unanimously accepted the listing of candidate applications for the computerized examination (16 initial, 69 reexam) received since the September meeting.

With no public present the Board did not go into executive session to discuss other applications for the CPA examination with special circumstances. After the Board members reviewed and discussed supporting documentation, heard a staff report concerning accumulated information, and based on the advice of legal counsel, the Board approved, with one vote against, the applications of two candidates, files 11633 and 11699, with general credits from Belhaven's portfolio program. The Board also reviewed the application of a candidate, file 867, with a DWI offense. After significant discussion, the Board determined to allow the candidate to sit for the examination.

2. 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**

<u>File</u>	<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
11453		Deborah L. Aiken	5744	11/18/05	Yes
11704		Jason Scott Brown			No (1)
11476		Veronica Morris	5745	11/18/05	Yes
09662		Trenda Bankhead Hackett	5746	11/18/05	Yes

(1) Passed exam in Virginia; does not satisfy education requirement.

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

## 2. Applications (Continued)

Applications for Original CPA License (Continued)

File Number	Name	Number	Date	Approved
11606	Leslie Louise Hair	5747	11/18/05	Yes
11291	Steven Douglas Mulhollen	5748	11/18/05	Yes
11143	Edward Charles Randle	5749	11/18/05	Yes
11444	Stephanie A. Stennett	5750	11/18/05	Yes

Applications for Reciprocal CPA License

File Number	Name	Number	Date	Approved
11713	Ryan Markham Berry	R3136	11/18/05	Yes
11717	Bruce D. Smith	R3137	11/18/05	Yes
11714	Debra L. Stone	R3138	11/18/05	Yes
11726	Terry Jay Werner	R3139	11/18/05	(1)
11711	Anna Koonce Williams	R3140	11/18/05	Yes

(1) Pending CPA firm permit registration.

Applications for CPA Firm Permit to Practice

Name	Number	Approved
Bruce D. Smith, CPA Coral Springs, FL	F1039	Yes

Amendments to Registered CPA Firms

Name	Number	Description
Novogradac & Company, LLP San Francisco, CA	F0983	Partner added.
Rector, Moffitt & Lindsay, PC Snellville, GA	F0814	Name and address change.

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

3. The Board approved, with one vote against, a waiver from the 2005 CPE requirements for George M. Conwill, 2552, due to medical reasons. The Board disapproved a waiver request from Andrea Breland, 4809. She should request cancellation of the CPA license and address the CPE deficit when reinstating.
4. The Board noted the voluntary cancellation of a CPA license for David J. Turner, Jr., R2735, with a 2005 CPE deficit.
5. The Board discussed the November 19, 2005, CPA presentation ceremony and approved the program.
6. The Board reviewed and discussed various information related to the CPA examination including:
  - October 14, 2005, letter from the AICPA Board Examiners concerning Examination Symposium outcomes
  - October 25, 2005, letter from the Contract Steering Group (CSG) forwarding Examination Symposium findings and responses including copy of October 9, 2001, AICPA letter
  - October 27, 2005, letter from the NASBA Examination Committee forwarding Examination Review Board's 2004 management letter
  - October 27, 2005, letter from the AICPA Examinations announcing postponement of Simulations upgrade
  - November 11, 2005, status report letter from CSG
  - MS examination compiled statistics May 2002 - August 2005
  - November 15, 2005, letter from the AICPA concerning the score release for the October - November 2005 window
  - Letters from the Kentucky and New York Boards concerning a plan for an alternative CPA examination.
7. The Board reviewed the listing of candidates affected by the Board granted NTS extensions until February 28, 2006, and the conditioned credit extensions until March 31, 2006, granted September 30, 2005.
8. The Board reviewed and approved a request from candidate 9568 for additional time until July 6, 2006, to keep the BEC conditioned credit.

## V. Continuing Professional Education

1. The Board 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.	American Society of Women Accountants				
	1. Personal Investment Advisor Program - Merrill Lynch	9/27/05	Other	1	Yes
	2. Tax Update	10/25/05	Tax	1	Yes
B.	Association of Government Accountants				
	1. Government Auditing Standards and Fraud Awareness Training	10/19/05	A&A	2	Yes
C.	ASWA Frances Rushton Memorial Scholarship Trust				
	1. Auditing and Accounting Update	11/04/05	A&A	8	Yes
D.	Midsouth Institute of Accountants				
	1. MSIA Fall 2005 CPE Seminar for Accountants	12/02/05	A&A	8	Yes
E.	MS Bankers Association				
	1. 2005 Financial Management Conference	11/2-3/05	Other	7	Yes
F.	MS Department of Transportation				
	1. Financial Management and Audit Conference 2005	11/1-2/05	A&A	12	Yes
G.	Mississippi Society of CPAs				
	1. 2005 Valuation & Litigation Services Workshop	11/17/05	Other	8	Yes
H.	MSCPA - Central Chapter				
	1. Accounting and Auditing Update	12/08/05	A&A	8	Yes
I.	Strategic Financial Planning				
	1. Selecting a Retirement Plan for Your Business Clients	10/24/05	Other	3	Yes
J.	Williams Financial Group				
	1. The ABC's of 1031 Exchanges	TBD	Other	1	No

## 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.	The CPA Journal				
	1. Charitable Estate Contributions <i>Requested by Mary Anderson</i>	Published article - coauthor	Other	20	Yes
B.	Bay Area Satellite Group				
	1. Texas Ethics for CPAs <i>Requested by John Franklin Thomas</i>	9/22/05	Ethics - General	4	Deferred

3. The Board noted correspondence from CPA Sherry Vance concerning its acceptance of the AICPA CPE Direct program as acceptable continuing professional education.
4. The Board acknowledged that Board Members Rick Elam and Willie Sims, Jr. have been appointed to serve on the NASBA CPE Committee for the 2005-2006 year.

## VI. Regulatory Matters

1. At 10:00 a.m., the Board welcomed all members from the Peer Review Board Oversight Committee - Darrell Galey, Chair, Cecil Harper, David Miller, and outgoing member Wallace Collins. The Board received a written copy and heard a report from the committee for the year ended June 30, 2005. The committee reported that the peer review program is operating appropriately with no significant problems.
2. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from September 30 to November 18, 2005:

<u>Activity</u>	<u>Number</u>
Cases Opened	157
Cases Closed	59
Cases referred to Members	4
Total Cases Open	109



## VI. Regulatory Matters (Continued)

### 3. Cases closed:

Case 2004.15 - opened July 22, 2004. A licensee of another state was listed in a newspaper business section as a certified public accountant. The Investigator closed the case with no probable cause to investigate further after the individual responded to communication that he is a recent new resident employed with M&F Bank and will not hold as a CPA.

Case 2005.06 - opened March 3, 2005. A licensee of another state was listed in a newspaper business section as a CPA working for a Jackson area CPA firm. The Investigator closed the case with no probable cause to investigate further after the individual applied for a reciprocal license, but later withdrew the application to work for a nonrelated family business.

Cases 2005.12-01, 2005.12-08, 2005.12-09, 2005.12-10, 2005.12-11, 2005.12-12, 2005.12-17, and 2005.12-21 - opened in October 2005. Licensees submitted 2005 CPE reporting forms with deficit hours. As permitted by Board granted extensions, the licensees submitted the 2005 supplementary CPE reporting forms reporting compliance. The Investigator closed the cases with no probable cause to investigate further after the reported compliance.

Cases 2005.12-26, 2005.12-27, 2005.12-28, 2005.12-29, 2005.12-30, 2005.12-31, 2005.12-32, 2005.12-33, 2005.12-34, 2005.12-35, 2005.12-36, 2005.12-38, 2005.12-39, 2005.12-41, 2005.12-43, 2005.12-46, 2005.12-47, 2005.12-48, 2005.12-53, 2005.12-54, 2005.12-57, 2005.12-59, 2005.12-60, 2005.12-62, 2005.12-63, 2005.12-65, 2005.12-68, 2005.12-70, 2005.12-75, 2005.12-76, 2005.12-77, 2005.12-79, 2005.12-80, 2005.12-89, 2005.12-96, 2005.12-99, 2005.12-102, 2005.12-103, 2005.12-105, 2005.12-106, 2005.12-108, 2005.12-116, 2005.12-128, 2005.12-132, 2005.12-134, 2005.12-138, 2005.12-142, 2005.12-146, and 2005.12-150 - opened in October 2005. Licensees did not send in the 2005 CPE reporting forms by the initial August 1 reporting deadline. The Investigator closed the cases with no probable cause to investigate further after the Board provided additional time for all licensees until November 30 due to the Hurricane Katrina emergency and the licensees did submit the forms with the required CPE hours.

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

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## VI. Regulatory Matters (Continued)

5. The Board reviewed a report from the NASBA Compliance Assurance Committee summarizing peer review programs of each jurisdiction participating in the roundtable conference calls.

## VII. Trial Board

1. The Board members present unanimously voted to convene as the Trial Board for the purpose of discussing disciplinary cases related to 2005 CPE noncompliance and in order to hold administrative Trial Board hearings on December 16, 2005. In accordance with *Rules and Regulations* Section 4.5., the Board determined to notice licensees of hearings and complaints concerning noncompliance and hold the revocation hearings on that day and before 2006 annual registration is due January 1, 2006.
2. Upon conclusion of Trial Board business, the Board adjourned as Trial Board.

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### APPROVED:

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Chairman

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Board Member

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Vice Chairman

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Board Member

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Secretary

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Board Member

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Board Member