

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
August 14, 2015

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on August 14, 2015, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Member Present

David E. Clarke, Chair
David L. Miller, Vice Chair
Angela L. Pannell, Secretary
Mark P. Peach
Willie B. Sims, Jr.
Jim E. Burkes

Board Members Absent

Rick Elam

Board Staff Present

Ransom C. Jones, Executive Director
Andy Wright, Board Investigator
Lane McNeal, Administrative Assistant

Legal Counsel Present

Gloria Green, Special Assistant Attorney General

Others Present

Ed Jones, Advisory Board MSCPA
Karen Moody, Past President, MSCPA

I. General

1. The Board opened the meeting with an invocation from Willie Sims.
2. The Board members unanimously approved the minutes from the June 5, 2015 and July 6, 2015 meetings.
3. The Board members signed the CPA certificates of licensure from the June 2015 meeting.
4. The Board set next and tentative meeting/activity dates for 2015:

September 18	8:30 a.m. Board Meeting
October 25-28	NASBA Annual Meeting, Dana Point, CA
November 13	10:00 a.m. Board Meeting
November 14	CPA Ceremony
December 11	8:30 a.m. Board Meeting
January 29	8:30 a.m. Board Meeting

II. National Regulatory Concerns

1. The Board noted the NASBA *State Board Report*, July 2015.
2. The Board members noted the NASBA – *Highlights of the Board Directors Meeting* held July 17, 2015 in Seattle, WA.
3. The Board members reviewed a NASBA Enforcement Newsletter, August 2015, *Audit Report Release*.
4. The Board members discussed an article dated July 15, 2015, by *The Oklahoman Editorial Board, State Regulatory Board in Oklahoma Warrant Greater Scrutiny*.
5. The Board noted an email dated August 2015 from MSBPA E.D. to Onetta Whitley and attached excerpt from White House study on occupational licensing.

III. Administration

1. The Board reviewed the FY2015 Budget to Actual Comparison – Fund 3845 Year Ended June 30, 2015.
2. The Board reviewed the FY2016 Budget to Actual Comparison – Fund 3845 Month Ended July 31, 2015.
3. The Board reviewed the draft FY2017 Budget Request.
4. The Board reviewed the total budget listed for FY2007-FY2017.
5. The Board discussed MSBPA IT project status: Updates on ITS LARS Licensing Database Progress. The Board discussed timeline for development, testing and implementing the MSBPA (ITS) LARS Licensing Database System.

IV. CPA Examination, Licensing & Firms

1. The Board members unanimously accepted the listing of 141 candidate applications for the computerized examination (34 initial, 107 reexam) received since the June meeting.
2. The Board reviewed and approved a special consideration request from initial candidate #13856.
3. 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
13319	Kirk Gibson Anthony	7112	Yes
13662	Daniel Christopher Cheatham	7113	Yes
10968	Michael Todd Crowley	7114	Yes
13862	Rycki Gabrielle Haas	7115	Yes
13553	Jason Daniel Hicks	7116	Yes
12081	Deena C. Keasler	7117	Yes
13719	Jordan Taylor King	7118	Yes
12403	Adam Blake McInnis	7119	Yes
13505	Mildred Emily Monsour	7120	Yes
13711	Allen Tyler Morgan	7121	Yes
13534	Sage Byrd Nichols	7122	Yes
13255	William Matthew Prisock	7123	Yes
12275	Kristen Danielle Reeves	7124	Yes
13572	Nathan Scott Rowell	7125	Yes
13363	Holly Renee Seymour	7126	Yes
13525	Warren Schaeffer Smith	7127	Yes
13579	Kevin E. Warren, II	7128	Yes
13565	Wesley Eugene Williams	7129	Yes
13569	Meghan Renee Zito	7130	Yes

Applications for Reciprocal CPA License

File	Name	Number	Action
13861	Suzanne Stalnaker Allmon	7131	Yes
13851	Brittany Stanton Connor	7132	Yes
13881	Victoria Lynn Dickinson	7133	Yes
13853	Walker Edward Manning	7134	Yes
13843	Jung H. Walley	7135	Yes
13850	Mitzi Stegall Warren	7136	Yes

IV. CPA Examination, Licensing & Firms (continued)

3. Applications (Continued)

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Richard Baker, CPA PLLC	Brookhaven, MS	7103	Yes
Blue and Co., LLC	Carmel, IN	7104	Yes
Max Courtney, CPA	Brandon, MS	7105	Yes
Harper & Pearson Company, PC	Houston, TX	7106	Yes
Johnson & Associates CPA PC	Tulsa, OK	7107	Yes
Steven McDevitt, CPA, PLLC	Madison, MS	7108	Yes
Milling, PLLC	Madison, MS	7109	Yes
Holly Renee Seymour, CPA	Hernando, MS	7110	Yes
Richard L. Russell, CPA	Jackson, MS	7111	Yes

Amendments to Registered Firms

Number	Name	City, State	Change
F0483	Huffman & Soignier	Monroe, LA	Change from Luffey, Huffman, Ragsdale & Soignier

Application for Reinstatement of a CPA Firm Permit to Practice

Number	Name	City, State	Action
F0277	John B. Dongieux, CPA	Brandon, MS	Yes
F0510	McFadden CPA Firm, PLLC	Hattiesburg, MS	Yes

4. The Board members reviewed and approved a refund of a duplicate payment for applicant #13579
5. The Board members took the following actions related to requests for amendments to the 2015 CPE compliance requirements and granted extensions to the following:

<u>Name</u>	<u>Number</u>	<u>Total Hours</u>	<u>Extension Date</u>
Kathy Atkins	2681	15	9/30/2015
Camden Baird	6296	12.6	9/30/2015

IV. CPA Examination, Licensing & Firms (continued)

5. Amendments to June 30, 2015 CPE (continued)

<u>Name</u>	<u>Number</u>	<u>Total Hours</u>	<u>Extension Date</u>
Cynthia Cofield	3156	21	9/30/2015
Leah Davis	6229	31.5	9/30/2015
Clark Grantham	5600	60	9/30/2015
Debby Gray	3968	27.5	9/30/2015
Brenda Hogg	2561	.8	9/30/2015
Charles Holmes	6123	4.5	9/30/2015
Charles Keys	1979	1	9/30/2015
Michael Landon	R2837	6.2	9/30/2015
Shereka Moore	5776	1	9/30/2015
Wayne Myles	2934	42	10/31/2015
Daniel Rankin	6052	60	9/30/2015
Leah Taylor	5060	35	9/30/2015
Scott Wilson	5742	60	11/30/2015
Ruth Wylie	1932	0	Report by 9/30/2015

6. The Board members unanimously approved requests from CPAs for waivers of the 2015 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2016 as follows:

<u>Name</u>	<u>Number</u>
Paul Wade Allen	2959
Christopher J. Anzalone	1712
Richard W. Fant	4325
Anne Hamilton	0781
Nettie P. Hyatt	3917
Alice B. Johnson	R2822
William Lamar	1665
Charles J. Mullins	4572
Ruth A. Nelson	5104
Jerry Pegg	1398
Michael R. Powell	1623
Betty Ruth Scott	2580
John Paul Stockwell	1311

IV. CPA Examination, Licensing & Firms (continued)

6. Requests for waivers of CPE based on Retirement Affidavits (continued)

<u>Name</u>	<u>Number</u>
Karen C. Swain	5681
Nellah F. Taylor	2269
Roy T. Thompson	R3005
Cynthia S. Wood	4495

7. The Board reviewed a listing of voluntary cancellations made by CPAs requested during the 2015 CPE reporting period:

<u>Name</u>	<u>Number</u>
Anthony Cuccia	5078
Doug Damico	5365
Charles Ferguson	4181
Mary Lambdin	5434
David Pickett	2691
David Reeves	3463
Marcia Watson	R3645

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
AFWA – Jackson Chapter 1. Tangible Property Regulations: A Brief Overview	5/26/15	1	Yes
Ameriprise Financial 1. 2015 CFP Seminar (Donna Ingram)	7/14/15	3 general 1rules	Yes
Association of Government Accountants – Gulf Coast 1. Port of Gulfport Renewal, Accountability and Citizen Engagement	8/19/15	1	Yes

V. Continuing Professional Education (continued)

1. Sponsor Applications (continued)

Sponsor/Title	Dates	Hours	Action
Beta Alpha Psi, School of Accountancy 1. Accounting and Auditing Update	6/3/15	8	Yes
CPE Link (QAS) 1. Ethics for Mississippi	Online Study	3 general 1 rules	Yes
Central Chapter of MSCPA 1. Ethics Update; Including MS Rules and Regulations (Dr. Booker)	5/21/15	3 general 1 rules	Yes
Department of Revenue 1. Auditor Training Seminar	5/27-28/15	12	Yes
Electric Power Associations of MS 1. Accounting and Finance Section Meeting Spring 2015	6/10-11/15	3.5	Yes
Estate Planning Council of MS 1. Responsibilities of Serving on a Not for Profit Entity's Board	2/10/15	1	Yes
2. Social Security Planning	3/10/15	1	Yes
3. The ABLE Act and Planning for Persons with Special Needs	4/14/15	1	Yes
4. Legislative Outline	5/12/15	1	Yes
FurtherEd, Inc. (QAS) 1. Ethics for Mississippi - 2015	Online Self Study	3 general 1 rules	Yes
Jones Companies 1. Acumenlearning – Seeing the Bog Picture	1/20-21/15	16	Yes
MGMA of MS 1. MGMA of MS Summer Conference	7/8-10/15	8	Yes
Mississippi Association of Public Accts. 1. Accounting for Ministers	1/27/15	1	Yes
2. MAPA Annual Accounting Forum	6/22/15	8	Yes
Mississippi Chapter of HFMA 1. MS HFMA 2015 Ethics and PFS Workshop (Dr. Booker)	6/18/15	8 3 general 1 rules	Yes
Patterson School of Accountancy 1. Accountancy Weekend (Bill Taylor)	4/24/15	1 general 1 rules	Yes

V. Continuing Professional Education (continued)

Sponsor/Title	Dates	Hours	Action
Pillars, L.L.C. 1. Maximizing Your Client’s Social Security Benefits	Various	1	Yes
Watkins Ward and Stafford 1. Quality Control in Auditing, Compilations and Reviews	6/5/15	4	Yes
2. Ethics Considerations for the Accounting Profession (Bill Taylor)	6/5/15	3 general 1 rules	Yes

2. The Board members present unanimously authorized the following actions concerning CPE request from individuals.

Sponsor/Title	Dates	Hours	Action
Quinton Booker Internal Auditing 1. Nonattest Services – Moving Toward Conservative Guidance	Published Article	20	Yes
Research in Accounting and Regulation 1. Loan Officers Perceptions Concerning Independence...	Published Article	20	Yes
Bob Kilpatrick LexisNexis Publishing 1. Bender’s 2015 Payroll Tax Guide; Chapters 5, 6, 9	Published Guide	18	Yes
2. Employee Compensation and Benefits Tax Guide 2015; Chapters 6, 7, 8, 11, 12, 13, 15	Published Guide	20	Yes

VI. Rules and Regulations

1. The Board discussed possible changes to MSBPA Accountancy Statutes.
2. The Board reviewed and discussed two comment letters received in response to proposed changes to MSBPA Rules and Regulations.
3. The Board reviewed and discussed an email from Dan Dustin, CPA, VP, State Board Relations, NASBA about SSARS 21 peer review.
4. The Board reviewed an email from Board Executive Director to Board Attorney about the status of the proposed rules and responses received.
5. The Board approved final adoption of the proposed changes to MSBPA Rules and Regulations:

Rule 5.1 Purpose of Compliance Assurance Program

Added "Preparation" (SSARS 21) to list of engagements

Rule 6.7.1. Contingent Fees (Renumber / clarify)

Prohibited Acts - Rule 6.17.13. Right to practice acted on by state or federal agency - Add "Public Company Accounting Oversight Board (PCAOB)"

Schedule of Fees:

- A. Increase license fee by \$10;
- B. New firm permit fee for out-of-state firms with no physical office in MS \$110;
- C. Disclosure of fees: credit card; e-Check; and 3rd party service provider e-Government fees for development and maintenance of online applications and database.

VII. Regulatory Matters

The Board heard a report from Investigator Andy Wright and approved the regulatory activities from June 5, 2015, to August 14, 2015:

Activity	Number
Cases Opened	9
Cases Closed ①	8
Cases referred to Members ②	5
Total Cases Open- End of Period	16

① Cases Closed:

Case 2014.35 was opened July 15, 2014, based on Board staff noting work performed requiring peer review by an out-of-state firm and peer review appearing to be past due. Communication with firm confirmed that initial peer review was past due. Case was closed with a Consent Order requiring peer review within six months. The Consent Order was approved by the Board on June 5, 2015.

Case 2014.57 was opened November 21, 2014, based on Board staff noting work performed requiring peer review and receipt of notice that the firm had been dropped from the peer review program. The firm communicated that there were no reports on financial statements issued after September, 2013 and all reports since 2011 had been compilations. The firm owner stated that he was having health problems and did not intend to issue any financial statements in the future. In a signed affidavit, the firm owner agreed to notify the Board if any work requiring peer review is performed in the future, acknowledging the Board's authority to require an immediate peer review if such work were performed. The case was closed without discipline.

VII. Regulatory Matters (continued)

Case 2015.09 was opened May 21, 2015, based on receipt of out-of-state CPA firm's most recent peer review with fail rating. The firm responded with a report listing Mississippi clients for which it was performing engagements requiring peer review and its agreement with its home state peer review program to have an accelerated peer review for the period ending 12 months after the fail peer review period. The case was closed without discipline.

Case 2015.11 was opened on June 15, 2015 based on receipt of a written complaint with documentation that a non-licensee's name was listed with the CPA designation in a brochure promoting a forestry seminar. After the Investigator spoke to the non-licensee, he provided evidence of his communications with the seminar sponsor wherein he notified them of the error in the brochure. He also provided a copy of an email back from the seminar sponsor acknowledging their mistake and displaying a corrected brochure without the CPA designation. The case was closed without discipline.

Case 2015.12 was opened June 16, 2015, based on Board staff noting that the out-of-state firm's peer review was delinquent. In his response, the firm owner stated that the firm had not performed any work requiring peer review for any Mississippi clients in over three years. The case was closed due to lack of jurisdiction by our Board.

Case 2015.15 was opened July 14, 2015, based on Board staff receiving notice that the (closed) firm had been dropped from the peer review program and might have performed work requiring peer review in its final year registered (2014). The closed firm's owner stated that one compilation and one review were completed in 2014, for the clients' 2013 year ends. The closed firm transferred its client base to another firm in the peer review program at December 31, 2014, date of closure of the firm. This was also to be the closed firm's peer review year end. The firm owner signed an affidavit agreeing to notify the Board if any work requiring peer review is performed in the future, acknowledging the Board's authority to require an immediate peer review if such work were performed. The firm owner has also submitted an affidavit regarding retirement of her individual license this year. The case was closed without discipline.

VII. Regulatory Matters (continued)

Case 2015.17 was opened on July 17, 2015 based on receipt of a written complaint with documentation that a non-licensee's firm had issued financial statements with a review report stating that the review was performed in accordance with AICPA Statements on Standards for Accounting and Review Services. In her response, the firm's owner acknowledged her negligence in letting this report be issued by new software her firm was using and assured us that she now had better procedures in place in her office. She also stated that the client in question had been referred to a licensed CPA. The case was closed and the firm owner was sent a copy of Board Rule 1.2.2. with the safe harbor language for compilation / preparation of financial statements by non-licensees.

Case 2015.19 was opened on July 31, 2015 based on receipt of a complaint from a current licensee. The subject of the complaint is a former Mississippi CPA, still licensed in Louisiana. The subject was a candidate for political office and had mailed/distributed flyers claiming "years of experience as a CPA and as a businessman". After consulting with legal counsel, it was determined that this could possibly be a true and correct statement and the Board would not have jurisdiction since he was not offering to perform public accounting services. The case was closed without further investigation.

② **Cases Referred to Members:** **Case 2015.09** was assigned to Willie Sims. **Case 2015.10** was assigned to David Miller. **Case 2015.13** was assigned to Mark Peach. **Case 2015.14** was assigned to Jim Burkes. **Case 2015.15** was assigned to Rick Elam.

VII. Regulatory Matters (continued)

The Associate Director of Investigations, Andy Wright, discussed current CPE Compliance matters:

CPE Compliance Audit for the year ended June 30, 2014 - A random sample of 60 active licensees was selected from the population of licensees who were required to obtain CPE in the year ended June 30, 2014. Cylinda Brown and Lane McNeal have pulled the CPE reports and traced the programs listed on the forms to the copies of sign in sheets on the Board approved programs, which are on file in the Board office. Letters were sent to licensees asking for documentation of any CPE programs not already approved by the Board and for which proof of attendance was not on file in the Board office. There are only two (2) licensees out of the sample that have not submitted documentation of attendance as of August 6, 2015. These two are in the process of submitting documentation and the CPE programs attended appear to conform to Board Rules. The other 58 licensees' CPE hours were verified without exception.

Licensees reporting CPE for the year ended June 30, 2015:

As of Wednesday, August 12th, there were 3,521 on-line CPE reports received from the 3,965 active licensees as of June 30, 2014. Included in the 444 not reporting, are approximately 25 requesting extensions or waivers from the Board as of August 14, 2015.

CPE Noncompliance:

Mr. Wright discussed MSBPA Procedures to Handle FY2015 CPE Noncompliance.

VIII. Trial Board

1. The Board approved a request to reconsider and set aside a revoke order and fine assessment of \$500.00 and costs assessed of \$245.00 in Case # 2010.15-13. This was part of a consolidated Board Order, but the set aside request applies only to former active licensee #2112.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member