

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
June 5, 2015**

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

Board Member Present

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

Board Members Absent

David E. Clarke, Chair

Board Staff Present

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

Legal Counsel Present

Onetta Whitley, Special Assistant Attorney General

Others Present

Ed Jones, Advisory Board 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 April 17, 2015 meeting.
3. The Board members signed the CPA certificates of licensure from the April 2015 meeting.

I. General (continued)

4. The Board set next and tentative meeting/activity dates for 2015:

June 17-19	NASBA Western Regional Meeting, Coronado, CA
June 24-26	NASBA Eastern Regional Meeting, Baltimore, MD
June 25-28	MSCPA Convention, Destin, FL
July 6	1:00 p.m. Special Meeting
August 14	8:30 a.m. Board Meeting
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

5. The Board members discussed a possible keynote speaker for the November 14, 2015, New CPA Ceremony. The Executive Director was asked to contact Dan Dustin to be the speaker in conjunction with his scheduled 2015 Board visit.
6. The Board members discussed the reports for the NASBA Regional meetings survey for roll call and the MSCPA Annual Business meeting scheduled for Saturday, June 27.
7. The Board members reviewed and considered approval of attendance for the following:
- NASBA Western Regional Meeting held June 17-19, 2015 (Miller and Sims).
 - NASBA Eastern Regional Meeting held June 24-26, 2015 (Clarke and Burkes).
 - MSCPA Annual Meeting held June 25-28, 2015 (Miller, Pannell, Elam, and Sims).

II. National Regulatory Concerns

1. The Board members noted a release dated May 19, 2015, *NASBA and AICPA Issue Proposed Revisions to Continuing Professional Education (CPE) Provider Standards*.
2. The Board members noted the *Executive Summary of the Recommended Revisions to the CPE Standards by the Joint AICPA/NASBA CPE Standards Committee*.

II. National Regulatory Concerns (continued)

- 3. The Board reviewed FAF News Release dated May 22, 2015, FAF Names Robert W. Scott as Chairman of GASAC; Appoints New GASAC and FASAC Members.
- 4. The Board noted the NASBA *State Board Report*, May 2015.

III. Administration

- 1. The Board reviewed Summary Trial Balances as of May 28, 2015, Fund 3845 and 3850.
- 2. The Board reviewed the FY2015 Revenues and Expenditures – Fund 3845 Ten Month and Twenty-eight day Period ended May 28, 2015.
- 3. The Board reviewed the FY2015 Budget to Actual Comparison – Fund 3845 Ten Month and Twenty-eight day period ended May 28, 2015.
- 4. 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 75 candidate applications for the computerized examination (15 initial, 60 re-exam) received since the April meeting.
- 2. The Board reviewed and approved a special consideration request (ADA) initial candidate #13836.
- 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
13650	Jason Tyler Babington	7090	Yes
13628	Robert Neil Deen	7091	Yes
13471	Ashley Barber Detillier	7092	Yes

IV. CPA Examination, Licensing & Firms (continued)

3. Applications (Continued)

Applications for Original CPA License (continued)

13570	Virginia Ann Gamble	7093	Yes
11885	Krisstel P. Hunt	7094	Yes
13321	Wilson Buford Jenkins	7095	Yes
13831	Matthew Judson Smith	7096	Yes
13479	Justin Dean Walley	7097	Yes

Applications for Reciprocal CPA License

File	Name	Number	Action
13835	Elizabeth Sudduth Eveland	7098	Yes
13823	Lisa Meade Hancock	7099	Yes
13828	Chelsey Neal Henley	7100	Yes
13665	Guy Matthew McClain	7101	Yes
13849	Colton Ross Wages	7102	Yes

Applications for Reinstatement of CPA License

File	Name	Number	Action
10100	Stephanie D. Burge	5304	Yes

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Barron CPA, PLLC	Brandon, MS	7079	Yes
Bederson LLP	Fairfield, NJ	7080	Yes
William R. Doss, CPA	Clinton, MS	7081	Yes
Erickson Demel & Co., PLLC	Austin, TX	7082	Yes
Grant Thornton, LLP	Minneapolis, MN	7083	Yes
Hancock Askew & Co., LLP	Savannah, GA	7084	Yes
Michael Kerby Jr., CPA	Columbus, MS	7085	Yes
J. Rachel Kirkland, CPA	Sardis, MS	7086	Yes
McCune & Bell CPAs, PLLC	Cordova, TN	7087	Yes
ML Pierce CPA, PLLC	West Point, MS	7088	Yes
Michael Sterling, CPA	Southaven, MS	7089	Yes

IV. CPA Examination, Licensing & Firms (continued)

3. Applications (Continued)

Application for Reinstatement of a CPA Firm Permit to Practice

Number	Name	City, State	Action
F1014	C. Ray Hunter CPA	Lucedale, MS	Yes
F0588	Tina Perkins, CPA, PA	Biloxi, MS	Yes

4. The Board members reviewed and denied a special consideration from #3910 (Revoked) to apply for reinstatement before obtaining the necessary Continuing Professional Education (CPE) to reinstate.
5. The Board members noted a letter dated May 19, 2015, from Patricia Hartman, NASBA Director of Client Services, describing the new schedule of testing fees, including increases in Prometric’s fees per test hour and fees per section, effective for tests taken after January 1, 2016.
6. The Board discussed the NASBA Candidate Concerns 15Q1, for January 1- February 28, 2015.
7. The Board reviewed the *Journal of Accountancy* article dated May 26, 2015, *How to motivate students and professionals to take the CPA exam.*

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
Central MS Certified Fraud Examiners 1. Contemporary Interviewing: Going From Good to Better to Great	6/5/15	8 (2 General Ethics)	Yes
Delta Chapter of CPAs 1. 2015 Accounting and Auditing Update (for Non-issuers)	5/14/15	8	Yes

V. Continuing Professional Education (continued)

Sponsor/Title	Dates	Hours	Action
Department of Revenue			
1. Auditor Training Seminar	1/5-2/27/15	123.5	Yes
2. Auditor Training Seminar: Construction Industry	4/8-10/15	18.5	Yes
3. Auditor Training Seminar – Oilfield Service 2	4/28-29/15	10	Yes
4. MS Accountancy Law, Rules and Regulations (Donna Ingram)	5/8/15	1 Rules Ethics	Yes
Harper Rains Knight & Company PA			
1. Farm Credit Update 2015	5/14-15/15	12	Yes
Millsaps College			
1. Commercial Real Estate Investment Seminar	4/9-10/15	16	Yes
Mississippi Power			
1. Anti Trust Training	Various	4	Yes
2. Ethics Update	5/28/15	(2 General Ethics)	Yes
Mississippi State Hospital			
1. Ethics and Professional Conduct	4/7/15	4 Ethics (3 General 1 Rules)	Yes
Nail McKinney Professional Assn.			
1. Tangible Property Regulations Overview	4/28/15	4	Yes
2. Auditing Employee Benefits Plans	4/29/15	8	Yes
3. The ABC's of Fraud and Forensic Accounting	5/5/15	4	Yes
The University of Alabama			
1. The 39 th Annual American Institute on Federal Taxation	6/24-26/15	20	Yes
The University of Mississippi			
1. Uniform Guidance (UG) for the Researcher	5/18/15 5/19/15	4.5	Yes
UMB Fund Services			
1. Private Equity; Negative Basis: Schedules M-1 & M-3	5/5/15 5/11/15 5/14/15	2.4	Yes

VI. Rules and Regulations

The Board discussed possible changes to MSBPA Accountancy Statutes:

1. 73-33-5(c) CPA Examination – 150 hour requirement
2. 73-33-12(2) Review Committee (peer review) proceedings and documents.. privileged

The Board approved beginning a process to review Code Section 73-33-5 (c) for possible revision. The Rules Committee will work closely with MSCPA in this process. The Board deferred action on Code Section 73-33-12(2), related to peer review.

The Board discussed possible changes to MSBPA Rules and Regulations:

3. Approved change to Rule 5.1 Purpose of Compliance Assurance Program Added “Preparation” (SSARS 21) to list of engagements requiring peer review.
4. Deferred action on changing Rule 5.5. Effect of Deficient Reports (peer review), including Rules 5.5.3. and 5.5.4.
5. Approved change to Rule 6.7. Contingent Fees (Renumbered the items in this section to clarify the meaning).
6. Approved change to Prohibited Acts - Rule 6.17.13. Right to practice acted on by state or federal agency - Added “Public Company Accounting Oversight Board (PCAOB)”.
7. Approved change to Schedule of Fees:

Increase CPA license fee by \$10; Add new firm permit fee for out-of-state firms with no physical office in MS \$110; Added 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

1. The Board heard a report from Investigator Andy Wright and approved the regulatory activities from April 17, 2015, to June 5, 2015:

Activity	Number
Cases Opened	3
Cases Closed ①	5
Cases Referred to Members	1
Total Cases open – End of Period	15

① *Cases Closed:*

Case 2014.41 was opened August 25, 2014, based on firm receiving a (2nd consecutive) fail peer review rating. Firm cooperated with Board's inquiries and agreed to an accelerated peer review and possible pre-issuance review in a Stipulation and Consent agreement. Case closed without discipline.

Case 2014.59 was opened November 24, 2014, based on Respondent's failure to comply with a previous Board Order. Once payment was received and it was determined that Respondent's firm was enrolled and participating in the peer review program, the case was closed without further discipline.

Case 2015.04 was opened March 6, 2015, based on receipt of CPA firm's most recent peer review with fail rating. The fail rating was related to the one audit engagement performed by the firm. The firm responded with a report listing clients for which it was performing engagements requiring peer review; all were compilations. Investigator had telephone conversation with the firm owner who stated that he did not intend to issue any financial statements other than compilations in the future. In a signed affidavit, the firm owner agreed to notify the Board if any audits or reviews were 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 2015.07 was opened on April 7, 2015 based on receipt of a written complaint alleging that the CPA firm had given improper advice regarding MS income tax withholding to the employer of the Complainant's son. After research of MS income tax withholding requirements by the Investigator and the investigating Board member, it was determined that the Complainant was incorrect in her interpretation of the withholding requirements. The case was closed without discipline.

Case 2015.08 was opened May 19, 2015, based on receipt of a licensee's request for exchange of information for a Florida reciprocal license application. Investigator researches these requests to determine if any prior discipline and if CPE was properly reported. The licensee's 2014 CPE report claimed an exemption based on Florida CPA license and conformity to that state's rules. Since the CPA did not have a Florida license at June 30, 2014, the case was opened and the CPA was asked to submit proof of having complied with MS CPE requirements. In submitting the proof, the licensee apologized for his confusion about the Florida licensing requirements - he thought the Florida license had been granted in July, 2014. Since licensee submitted satisfactory proof of compliance with MS CPE requirements for the year ended June 30, 2014, the case was closed without discipline.

② **Cases Referred to Members:** **Case 2015.08** was assigned to Angela Pannell.

CPE Compliance Work:

The Associate Director – Investigations discussed the status of the CPE Compliance audit and presented the following report:

CPE Compliance Audit for the year ended June 30, 2014 - A 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 have been 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.

VIII. Trial Board

1. At 9:25 a.m., the Board reviewed and approved the Executed Consent Order in the matter of Case #2014.35 which involved a CPA firm (Permit # F1275) that had failed to timely enroll in a peer review program and had made a false statement on permit application that a peer review was in process. The Order requires Respondent firm to obtain the necessary peer reviews within 180 days and pay a civil penalty of \$2,000.00 and administrative costs of \$2,150.00 within 30 days of Board execution of the Order.
2. The Board members present unanimously voted to convene as the Trial Board for the purpose of considering matters related to disciplinary cases. Onetta Whitley, Deputy Attorney General, was the presenting attorney. Bridgette Wiggins, Special Assistant Attorney General, was the hearing officer. Board member Jim Burkes was recused.
3. The Board continued as Trial Board for the purpose of hearing complaints 2015.06, and 2014.58, concerning the Respondent, Kayla Paul-Lindsey, CPA 5356 and CPA firm permit F1207. Ms. Paul-Lindsey was present at the hearing and was represented by her attorney Bradley S. Clanton.
4. The Trial Board members heard arguments from both attorneys and testimony from sworn witnesses. Both attorneys entered documents into evidence.
5. Both Respondent's attorney and Board's attorney went on record that Respondent accepts that proper Notice of the hearing was given, and that Respondent petitions the Board for a Continuance of the hearing to July 6, 2015, at 1:00 p.m.
6. The Board, upon a motion by Willie Sims with second by Rick Elam, then unanimously voted to close the meeting for the limited purpose of considering whether or not they had a proper subject matter to go into Executive Session.

VIII. Trial Board (continued)

In the closed meeting the Board, upon motion by Willie Sims with second from Angela Pannell, then unanimously voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of a disciplinary matter. Accordingly, the Board reopened the closed meeting and upon motion by Willie Sims with second from Angela Pannell voted to go into Executive Session for the purpose set forth above. Having announced this stated purpose the Board then entered into Executive Session for this specific purpose.

7. Within the Executive Session, the Board took the following actions: Upon motion by Willie Sims with second from Angela Pannell, the Board granted Respondent's request for a Continuance to July 6, 2015, at 1:00 p.m. Votes were - For:, David Miller, Rick Elam, Angela Pannell, Mark Peach and Willie Sims; Against: None; Absent: David Clarke; and Recused: Jim Burkes.

8. Upon the conclusion of this business, the Board upon motion by Willie Sims with second from Angela Pannell unanimously voted to come out of Executive Session and resumed the open meeting. The Board came out of Executive Session and resumed the open meeting by announcing the actions and votes it had taken in Executive Session.

MSBPA Minutes

June 5, 2015

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member