

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY**  
**MINUTES**  
**April 22, 2016**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on April 22, 2016, beginning at 10:00 a.m. The following record of that meeting was maintained.

Board Members Present

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

Board Staff Present

Ransom C. Jones, Executive Director  
Andy Wright, Board Investigator

Legal Counsel Present

Gloria Green, Assistant Attorney General

Others Present

Ed Jones – MSCPA Representative

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**I. General**

1. The Board opened the meeting with an invocation from Willie Sims.
2. The Board members discussed the Governor's appointment to the Board for the 2<sup>nd</sup> Congressional District. The Board noted that the Governor had not appointed a replacement yet.
3. The Board members unanimously approved the minutes from the March 25, 2016 meeting.
4. The Board members signed the CPA certificates of licensure from the March 2016 meeting.

**I. General (Continued)**

5. The Board set next and tentative meeting/activity dates for 2016:

June 3	8:30 a.m. Board Meeting
June 7-9	NASBA Eastern Regional – Asheville, NC
June 22-24	NASBA Western Regional – Denver, CO
June 23-26	MSCPA Annual Meeting – Destin, FL
August 12	8:30 a.m. Board Meeting
September 16	8:30 a.m. Board Meeting
Oct. 30 – Nov. 2	NASBA Annual Meeting – Austin, TX
November 18	10:00 a.m. Board Meeting
November 19	New CPA Ceremony
December 9	8:30 a.m. Board Meeting
  
6. The Board approved attendance for Board members, Board attorney, Executive Director and Associate Director to the NASBA Eastern (or Western) Regional Meeting.
  
7. The Board noted the hotel registrations are due for NASBA Eastern Regional Meeting before May 12, 2016 and the NASBA Western Regional Meeting are due before May 23, 2016.
  
8. The Board approved attendance to the MSCPA Annual Meeting for Board members, Executive Director and the Associate Director.
  
9. The Board noted the *Statement of Economic Interest Manual* is due to the Mississippi Ethics Commission by May 1, 2016.

**II. National Regulatory Concerns**

1. The Board reviewed an Email dated April 8, 2016, from Walter Davenport, Chair Nominating Committee of NASBA, seeking State Board Member and NASBA associates interested in serving on NASBA’s Board of Directors. The Board then unanimously voted to send a letter to the Committee in support of the re-appointment of Jim Burkes to the NASBA Board of Directors.
  
2. The Board reviewed an Email notice dated April 11, 2016, from Leona Johnson, setting time and Date for NASBA’s Compliance Assurance Committee (CAC) conference call with State Board Peer Review Oversight Committee.

**II. National Regulatory Concerns (continued)**

3. The Board noted an email dated March 31, 2016, from Jimmy Corley, Executive Director, Arkansas Board of Accountancy, and a letter to Ken Bishop and Donnie Burkett, which discussed the concerns expressed by Accountancy Board Executive Directors.
4. The Board reviewed an Email about AICPA rollout of CGMA dated March 22, 2016, to State Board of Accountancy Executive Directors from Sue Coffey, AICPA Senior Vice President – Public Practice and Global Alliances, and email responses from executive directors in Texas and the District of Columbia stating that their Accountancy law prohibits the use of “Chartered Accountant”.
5. The Board noted an Email response dated March 25, 2016, from Boyd Busby, Alabama Executive Director stating that Alabama Accountancy law prohibits the use of “Chartered Accountant”.
6. The Board reviewed an Email dated March 31, 2016, from Mississippi Secretary of State which requires MSBPA to update its list of appointees no later than April 30, 2016. The Board then discussed whether 2nd Congressional District is in a “Hold Over” or “Vacant” status. It was determined that the position should be classified as vacant and that the Executive Director should communicate that to the Mississippi Secretary of State and to the Governor’s Office.
7. The Board discussed an Email dated April 18, 2016, from Walter Davenport, Chair Nominating Committee of NASBA, seeking members interested in serving as Vice Chair of NASBA for the 2016-17 year. Deadline for submissions is April 22, 2016 (today).

**III. Administration**

1. The Board reviewed the Balance Sheets, Funds 3845 and 3850, as of March 31, 2016.
2. The Board reviewed the FY0216 Budget to Actual Comparison – Fund 3845, Nine Month and Twelve Day Period, Ended April 12, 2016
3. The Board reviewed the Statement of Revenues and Expenditures, Fund 3845, for the Nine Month and Twelve Day Period, Ended April 12, 2016.
4. The Board discussed the status of the Online MSBPA IT Projects.

**III. Administration (continued)**

5. Discussion of Other Business.
6. The Board entered into an Executive Session for purpose of discussion the job performance and reclassification and realignment of the Executive Director, Administrative Assistant IV and the Associate Director-Investigation positions. The Board came out of Executive Session and resumed the open meeting by announcing the actions and votes it had taken in Executive Session.

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

1. At 10:30 A.M., the Board held an Administrative Show Cause Hearing in the matter of applicant number 13999 (Initial CPA Exam Candidate). The Candidate was present and was invited to explain to the Board the event that caused the Board to doubt her good character and to require her appearance at the hearing and why she should be allowed to sit for the CPA Examination in Mississippi. She explained what happened in detail and several Board members asked her questions. She answered the questions and also discussed her current employment, and her personal life. She asked the Board to let her sit for the exam.

The Chair then called for a motion to determine if there was sufficient reason to go into a closed Executive Session. Jim Burkes made that motion and Willie Sims seconded it. The Board then voted unanimously to go into Executive Session.

While in Executive Session, Rick Elam made a motion to allow applicant number 13999 to sit for the CPA examination. The motion was seconded by Willie Sims and was then approved unanimously by the members. Willie Sims then made a motion to come out of Executive Session. The motion was seconded by Angela Pannell and was approved unanimously by the members.

The Board came back into open session and announced the actions and votes taken in Executive Session.

2. The Board members unanimously accepted the listing of 56 candidate applications for the computerized examination (15 initial, 41 reexam) received since the March meeting.

**IV. CPA Examination, Licensing & Firms (Continued)**

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
13760	James Philip Bellipanni	7236	Yes
13822	Carolyn Anne Bright	7237	Yes
14025	Lacy McMurry Byrd	7238	Yes
13803	Holly LaDawn Fowler	7239	Yes
13728	Noel Jade Johnson	7240	Yes
13777	Justin Harold Keller	7241	Yes
13411	William T. Martin	7242	Yes
13649	Nicole Nettles Ramsey	7243	Yes
13779	Shondra Ingle Thomas	7244	Yes

**Applications for Reciprocal CPA License**

File	Name	Number	Action
14014	Haley Kirkpatrick Cushing	R7245	Yes
14034	Stacy Shawn Maharrey	R7246	Yes

**Applications for Reinstatement of CPA License**

File	Name	Number	Action
01579	James Frank Betts	1119	Yes
03360	Thomas L. Gilreath	2440	Yes
09410	Austin E. Joyner	5437	Yes
12470	Cary W. McCormick	6089	Yes
00424	Clayton E. Roberson Jr.	2004	yes

**Applications for CPA Firm Permit to Practice**

Name	City, State	Number	Action
Jason B. Mauffray, CPA	Waveland, MS	7234	Yes
Morton CPA, PLLC	Flora, MS	7235	Yes

**Amendments to Registered Firms**

Number	Name	City, State	Change
F1078	Marcum, LLP	Nashville, TN	Name change from Davidson Golden Lundy PC

**IV. CPA Examination, Licensing & Firms (Continued)**

3. Applications (continued)

**Application for Reinstatement of a CPA Firm Permit to Practice**

Number	Name	City, State	Action
F1005	Swider CPA	Oxford, MS	Yes

4. The Board discussed details regarding the April 23, 2016, CPA Presentation Ceremony and approved the ceremony program.
5. The Board noted an AICPA announcement providing information on the next version of the CPA examination.
6. The Board reviewed the AICPA/NASBA Core Message Points regarding the next version of the CPA examination.
7. The Board discussed NASBA reports on Exam Statistics and Candidate Performance for Testing Window 2016 Q-1.
8. The Board discussed the NASBA/Prometric proposal to open a CPA Examination testing center on the campus of Mississippi State University, Mississippi State, MS which is an existing ETS testing center (site code 7546). Angela Pannell gave a report on her physical inspection of the testing center. The Board asked the Executive Director to contact Pat Hartman at NASBA to relay concerns about the site.

**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
Alexander Van Loon Sloan & Levens 1. 18th Annual A&A Update	5/13/16	8 inc. 4 Ethics (3 General) 1Rules)	Yes
BKD, LLP 1. BKD Mississippi CPE Day – Ethics, Fraud & Valuations	5/19/2016	7 inc. 4 Ethics (3 General) 1Rules)	Yes

**V. Continuing Professional Education (continued)**

1. CPE Sponsor Applications (continued)

Sponsor/Title	Dates	Hours	Action
Donna Ingram 1. Ethics and Professional Conduct	Various	4 Ethics (3 General 1 Rules)	Yes
Mississippi Gaming & Hospitality Assn. 1. Southern Gaming Summit – Regional Casinos: Customer Profitability Strategies	5/5/16	1	Yes
2. Southern Gaming Summit – Wall Street By the Numbers	5/5/16	1	Yes
Mississippi Rural Health Association 1. Rural Health Clinic Conference	5/6/16	5.5	Yes
The University of Alabama 1. 40th Annual American Institute on Federal Taxation	6/22-24/16	20	Yes
Western CPE (QAS) 1. Real World Ethics for Mississippi CPAs	Online Self Study	4 Ethics (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
William A. Morehead, CPA 1. Ethics – Update 2016 (Including Mississippi Rules & Regulations)	Various	4 Ethics (3 General 1 Rules)	Yes

**VI. RULES AND REGULATIONS**

1. The Board members discussed the status of proposed changes to the MSBPA Accountancy Statutes.
2. The Board members discussed proposed changes to CPE Rules. Angela Pannell reported that *Fields of Study* are referenced in the latest exposure draft.
3. The Board discussed other rules that that might need changing if Senate Bill 2119 was signed into law.
4. The Board discussed an email dated March 29, 2016, from Suzanne Jolicoeur, AICPA Senior Manager, State Regulation & Legislation, promoting adoption of the *AICPA Code of Conduct*. Also attached were a map of States and a document titled *The AICPA Code of Professional Conduct – Protecting the Public Interest*. The Board voted to add the adoption of *The AICPA Code of Conduct* to the list of possible rules changes that the Rules and Regulations Committee is working on.
5. The Board discussed whether or not the Board would consider granting a waiver of Rule 6.5.6. requested by a CPA firm located in Mississippi. The Board asked the Executive Director to send a letter to the firm stating that no such waiver is available and that no exceptions to that rule exist.

**VII. Regulatory Matters**

The Board heard a report from Investigator Andy Wright and approved the regulatory activities from March 25, 2016 to April 22, 2016:

Activity	Number
Cases Opened	3
Cases Closed ①	3
Cases referred to Members ②	1
Total Cases Open- End of Period	22

① **Cases Closed:**



**VII. Regulatory Matters (Continued)**

**Case 2015.20** was opened August 17, 2015, based on CPA's request for extension of time to complete CPE with documented health issues. There appeared to be an issue with insufficient "Yellow Book" CPE during time CPA worked for a secondary employer. This was later determined to be a compliance issue for the employer CPA firm, not this licensee. The CPA's health issues continued, and in early February he requested cancellation of his license. The case was closed without discipline, but the deficient CPE hours were remanded to the file.

**Case 2016.13** was opened February 22, 2016 based on Board staff notation that the firm had received a pass with deficiencies peer review rating, with previous rating being a pass. Based on response from firm indicating their understanding of our Board Rules and possible consequences of consecutive deficient reports, the case was closed without discipline.

**Case 2016.15** was opened March 3, 2016 based on receipt of a notice of revocation of CPA's license in Alabama. The Investigator spoke to Alabama Board of Accountancy staff and determined that their practice is to revoke licenses after a year of non-renewal. After determining that this revocation would not be deemed discipline under our Board Rule 6.15.2 and reviewing CPA correspondence with Alabama Board, the case was closed without discipline.

② **Cases Referred to Members:** **Case 2015.173** was assigned to Rick Elam.

Andy Wright then discussed the active cases as presented on the *Open Case Log*.

The Board then discussed an email received from Stacey Grooms, Esq., NASBA Manager of Regulatory Affairs which relates to the 2016 IRS PTIN List which NASBA is obtaining for state boards. Board Attorney Gloria Green indicated that she reviewed the wording in the draft Board letters to non-licensed persons listed as CPAs with Mississippi addresses on the PTIN list. Ms. Green said the letters were worded properly.

The Executive Director then discussed possibly canceling the agreement that the Board has with the Public Company Accounting Oversight Board (PCAOB) which provides inspection reports to the Board. The Executive Director was concerned because the contract classified the PCAOB reports as confidential. Because the reports are stored at the Board office, they might be considered public information. Board Attorney Green read the agreement and said she thought the reports were not public information. The Board took no action on the matter.

**VIII. Trial Board**

1. The Board discussed the status of the Appeal of the Order of Revocation in Case 2015.06, filed August 18, 2015, by Respondent's lawyer in the Circuit Court of Hinds County, MS, with regard to CPA License #5356, and Firm Permit #F1207. The Board attorney filed Motion to Dismiss the Appeal on September 14, 2015. The Board attorney discussed the status of the Motion to Dismiss Appeal on September 14, 2015.
2. The Board discussed a possible settlement suggested by Rick Elam's Investigative Committee in Case 2015.173 concerning a firm which received a *Fail* rating on its most recent peer review. The Committee proposed a Stipulation and Consent with the following terms: the firm must immediately limit its practice to public accounting work that would not require peer review under the Board's Rules; the firm must notify the Board if the firm resumes work requiring peer review, and then must schedule an accelerated peer review with a due date acceptable to the Board; and the firm must pay a cost recovery fee to the Board in the amount of \$300.00.

Rick Elam then made a motion to offer the firm the proposed Stipulation and Consent. Mark Peach seconded the motion and then the following vote was taken: Voting For the Motion were Board Members David Miller, Angela Pannell, Mark Peach, Jim Burkes, and Willie Sims; Board Member Rick Elam was recused and did not vote.

The Board then directed the Investigator to add the following statement to the Board transmittal letter to the firm: *advise the firm that "work requiring peer review" includes preparation of financial statements per the Rules and Regulations of the Mississippi State Board of Public Accountancy.*

APPROVED:

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Chair

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Board Member

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Vice Chair

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Board Member

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Secretary

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Board Member