

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
May 7, 2021

The Mississippi State Board of Public Accountancy met telephonically on May 7, 2021, beginning at 10:00 a.m. The following record of that meeting was maintained.

Board Members Present by Video Conference

William Kelly, Vice Chair
Charles Prince, Secretary
Rick Elam
Angela Pannell
Mark Peach
Willie Sims, Jr.

Board Members Absent

David Bridgers, Chair

Board Staff Present at Board Office

Andy Wright, Executive Director
Sharee Brewer, Associate Director, Investigations

Legal Counsel Present at Board Office

Ed Wiggins, Special Asst. Attorney General

Others Present by Video Conference or Telephone

Vicki Snowden, Board Licensing Administrator
Karen Moody, MSCPA President/CEO
Annette Pridgen, MSCPA Chair
Ed Jones, MSCPA/Board Liaison

I. General

1. The Board opened the meeting with an invocation from Willie Sims, Jr.
2. The minutes from the March 4, 2021 meeting were approved.

I. General (Continued)

3. The Board reviewed and approved tentative meeting/activity dates for 2021:

2021 Tentative Dates:

June 17	10:00 a.m. Board Meeting
June 22-23	NASBA Virtual Regional Meeting
June 22-27	MSCPA Convention; Destin, FL
August 5	10:00 a.m. Board Meeting
September 16	10:00 a.m. Board Meeting
October 22	10:00 a.m. Board Meeting
Oct. 31- Nov. 3	NASBA Annual Meeting; San Diego, CA
December 10	10:00 a.m. Board Meeting
December 11	New CPA Ceremony

II. National Regulatory Concerns

1. The NASBA/AICPA Report on Accounting Curricula Updates was discussed.
2. NASBA Executive Director Conference highlights was heard.

III. Administration

1. The Balance Sheets for Funds 3845 and 3850 as of March 31, 2021 were reviewed.
2. The FY 2021 Budget to Actual Comparison – Fund 3845, for the nine months ended March 31, 2021 was reviewed.
3. The Statement of Revenues and Expenditures – Fund 3845, for the nine months ended March 31, 2021 was reviewed.
4. Additional Per Diem days were approved.

IV. CPA Examination, Licensing & Firms

1. The Board noted staff approval of 127 candidate applications (14 initial, 113 reexam) for 153 Sections of the computerized CPA examination received since the March 4, 2021 meeting.
2. Window 1 (Jan. – March, 2021) examination scores for 174 candidates, 206 examination sections were accepted by the Board.
3. The following actions on applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits were unanimously approved by the Board unless otherwise noted:

Applications for Original CPA License

Name	Number	Action
Christopher R. Berry	8087	Approved
Kesi S. Bradley	8088	Approved
Devon T. Desper	8089	Approved
John Bernard Dodd III	8090	Approved
Lucas P. Fairley	8091	Approved
Michael Thomas Groves	8092	Approved
Sarah Martin Maxwell	8093	Approved
Michael Riley Pierce	8094	Approved
Cady Jones Skelton	8095	Approved
Sophia Amy Tran	8096	Approved

Applications for Reciprocal CPA License

Name	Number	Action
Sharonda R.S. Burton	R8097	Approved
Caitlin Anne Childs	R8098	Approved
Andrew M. Grice	R8099	Approved
Katrina Briscoe Hart	R8100	Approved
Adam Joseph King	R8101	Approved
Lyle Lester McAllister III	R8102	Approved
Kelly Lewis Smith	R8103	Approved
Kellin M. Traxler	R8104	Approved

Applications for Reinstatement of CPA License

Name	Number	Action
Penny Lee Holloway	4669	Approved
Karin Joy Lewis	3631	Approved
J. Michael Methvin	4703	Approved

IV. CPA Examination, Licensing & Firms (Continued)

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Cade CPA Firm, PLLC	Southaven, MS	8084	Approved
Carraway Cooley PLLC	Madison, MS	8085	Approved
Jeremy D. Hoskinson, CPA PLLC	Canton, MS	8086	Approved

Amendments to Registered Firms

No.	Name	City, State	Change
7387	Berry, Dunn, McNeil & Parker LLC	Portland, ME	Address Change
F0572	Lightheart, Sanders & Associates	Madison, MS	Address Change
7875	Jamie Steen, CPA	Hernando, MS	Address Change

Application for Reinstatement of a CPA Firm Permit to Practice

Number	Name	City, State	Action
7333	Darla Mirth, CPA	Hernando, MS	Approved
F0758	Michael R. West, CPA	Canton, MS	Approved

4. The Board members approved a CPE extension request which included a waiver of penalty hours based on a medical affidavit:

<u>Name</u>	<u>Number</u>	<u>Total Hours</u>	<u>Extension Date</u>
Robin Jeffcoat	5193	40	9/30/2021

V. Continuing Professional Education

1. The Board members unanimously authorized the following actions on CPE sponsor programs applications submitted for approval.

Sponsor/Title	Dates	Hours	Action
Alexander, Van Loon, Sloan, Levens & Favre, PLLC 1. 23rd Annual Accounting and Auditing Update	5/25/2021	8	Approved
Harper Rains Knight & Company, P.A. 1. Compliance and Risk Management 2021 Update	5/18-20/2021	24	Approved
Patterson School of Accountancy 1. Accountancy Weekend	5/14/2021	2 Ethics (1 General; 1 MS Rules)	Approved
Silas Simmons 1. MS Ethics (Donna Ingram)	5/25/2021	4 Ethics (3 General; 1 MS Rules)	Approved
USM School of Accountancy 1. Accounting and Auditing Update	5/19/2021	8	Approved

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

Sponsor/Title	Dates/Type	Hours	Action
The Journal of Business Valuation 6th Edition of the Comprehensive Guide to Economic Damages (Chapters 38 and 40) <i>Requested by James Koerber</i>	Co-Author Publication	35	Approved

VI. Rules and Regulations

1. The 2021 MS House Bill 1263 was discussed.
2. The decision to delay request for statute change to limit terms of Board members to two (2) full 5 - year terms was discussed.
3. Applying rule 4.1.5. in the current CPE compliance period was discussed. The Board approved the staff recommended interpretation: A new CPA, who passed the last section of the exam between July 1 to October 31, 2021, would qualify for CPE exemption for the June 30, 2021 compliance year.

VII. Regulatory Matters

1. The Board heard a report from Associate Director Sharee Brewer regarding the regulatory activities from March 5, 2021 to May 7, 2021:

Activity	Number
Cases Opened Beginning of Period	128
Cases Opened	4
Cases Closed ①	114
Cases Open End of Period	18
Open Cases Referred to Members	3

① *Cases Closed:*

Case **2020.039** involved a firm who received a peer review report with a fail rating on an engagement review. The case was settled with a Stipulation and Consent Order requiring the firm to schedule an accelerated peer review with a date acceptable to the Board should they become engaged to perform reviews or audits in the future. The order did not contain a financial penalty. The order was approved by the Board at the March 4, 2021 meeting. Matter was closed.

Cases **2020.042, 2020.043, 2020.044, 2020.045, 2020.046, 2020.047, 2020.048, 2020.049, 2020.050, 2020.051, 2020.052, 2020.053, 2020.054, 2020.055, 2020.056, 2020.057, 2020.058, 2020.059, 2020.060, 2020.061, 2020.062, 2020.063, 2020.064, 2020.065, 2020.066, 2020.067, 2020.068, 2020.069, 2020.070, 2020.071, 2020.072, 2020.073, 2020.074, 2020.075, 2020.076, 2020.077, 2020.078, 2020.079, 2020.080, 2020.081, 2020.082, 2020.083, 2020.084, 2020.085, 2020.086, 2020.087, 2020.088, 2020.089, 2020.090, 2020.091, 2020.092, 2020.093, 2020.094, 2020.095, 2020.096, 2020.097, 2020.098, 2020.099, 2020.100, 2020.101, 2020.102, 2020.103, 2020.104, 2020.105, 2020.106, 2020.107, 2020.108, 2020.110, 2020.111, 2020.112, 2020.113, 2020.114, 2020.115, 2020.116, 2020.117, 2020.118, 2020.119, 2020.120, 2020.121, 2020.122, 2020.123, 2020.124, 2020.125, 2020.126, 2020.127, 2020.128, 2020.129, 2020.130, 2020.131, 2020.132, 2020.133, 2020.134, 2020.135, 2020.136, 2020.137, 2020.138, 2020.139, 2020.140, 2020.141, 2020.142, 2020.143, 2020.144, 2020.145, 2020.146, 2020.147, 2020.148, 2020.149, 2020.150, 2020.151, 2020.152, and 2020.153** involved individual licensees with a CPE reporting deficiency of some kind at December 1, 2020. Cases were resolved with the licensee determined to be deceased, retired, having cancelled their license, or requested informal settlement with payment of a financial penalty, and signing of a Stipulation and Consent Order which was presented to the full Board at the March 4, 2021 Board meeting. Remaining cases were presented at the formal trial board hearing on that date and found in violation of Board rules. Those presented at the formal hearing had their licenses revoked and penalties and costs assessed which will have to be paid should the licensee choose to reinstate the license. All matters were closed.

VII. Regulatory Matters (continued)

Cases Closed Continued:

Case **2020.159** involved a licensee who requested an extension of time to obtain CPE and then didn't abide the terms. Licensee was assessed a \$750 financial penalty and assessed 50% penalty hours. The licensee then reported as per the terms of the extension granted and the matter was closed.

Case **2021.006** involved a complaint from one licensee (CPA) against another licensee (CPA Firm). Complaint alleged the firm had not followed professional standards related to work for a client. Complaint determined to be without merit, assigned to a Board member for review, and committee recommended closure of the matter.

2. Ms. Brewer then discussed the open cases presented on the active case log.

VIII. Trial Board

A Continuance Order was approved on **Case 2019.217**.
(Kelly Investigative Committee)

A Request for Motion to Reconsider **Case 2020.080 was approved**. This case was heard as part of the formal trial Board hearing on March 4, 2021. Subsequently, staff learned the former licensee was deceased at the time of the hearing. Request to reconsider Board decision on this licensee to allow licensure status to be reflected as Deceased rather than Revoked. (Pannell recused)

A Consent Order in **Case 2019.040 was approved** involving an out of state firm that received a fail rating on a peer review report conducted on the firm's system of quality control, which included audits performed under generally accepted Government Auditing Standards. The findings contained in the report were substantial and the firm was required to have pre-issuance reviews as part of completing that review. The firm fully cooperated with the investigation and peer review program. The firm is currently in a peer review year therefore, the order provides that should the firm not receive a pass rating on this peer review, the firm will submit to pre-issuance reviews until the firm receives a pass rating on a system peer review report where governmental audits are included. Such pre-issuance reviews will be performed by a firm acceptable to the Board and consented to by the Executive Director. The order does not contain a financial penalty.
(Elam recused)

VIII. Trial Board (continued)

A Consent Order in **Case 2020.032 was approved** involving a firm that made multiple false statements to the Board. During the course of the investigation, it was determined that false statements were made on the 2015, 2016, and 2019 firm permit annual renewals related to work performed subject to peer review. Additionally, multiple governmental audits were performed by the firm. These must-select engagements were not reviewed in two consecutive peer reviews as required thus allowing for the issuance of two consecutive inadequate peer review reports. The firm is currently in a peer review year therefore, the order provides for a governmental audit to be included in the peer review and if one was not performed for inclusion, pre-issuance reviews are to be performed on governmental audits moving forward until the firm receives a pass rating on a system peer review report where governmental audits are included. Such pre-issuance reviews will be performed by a firm acceptable to the Board and consented to by the Executive Director. The order contains a \$6,000 financial penalty.

(Kelly recused)

A Stipulation and Consent Order in **Case 2020.025 was approved** involving an individual licensee who performed a review report for the state Board of Contractors without having a firm permit issued by the Board. The licensee subsequently obtained a firm permit and reported no other engagements subject to peer review had been performed. No false statements were determined to have been made and the individual cooperated with the investigation. The firm committed in writing their intention to not perform any further engagements subject to peer review. The stipulation and consent order requires the firm to schedule an accelerated peer review with a date acceptable to the Board if they become engaged to perform any engagements subject to peer review in the future. The order contains a \$500 financial penalty.

(Prince recused)

A Stipulation and Consent Order in **Case 2020.037 was approved** involving a firm who received a peer review report with a second pass with deficiencies rating on their engagement review. The highest level of engagement included was a review. The stipulation and consent order requires the firm to schedule an accelerated peer review with a date acceptable to the Board if they become engaged to perform audits in the future. The order does not contain a financial penalty.

(Sims recused)

A Stipulation and Consent Order in **Case 2021.004 was approved** involving a firm who received a peer review report with a fail rating on their engagement review. The highest level of engagement included was a compilation. The firm committed in writing their intention to cease performing engagements subject to peer review. The stipulation and consent order requires the firm to schedule an accelerated peer review with a date acceptable to the Board if they become engaged to perform reviews or audits in the future. The order does not contain a financial penalty.

(Peach recused)

VIII. Trial Board (continued)

A Stipulation and Consent Order for **Case 2020.109 was approved** involving an individual licensee who 1) did not report Continuing Professional Education for the 2019-2020 year by December 1, 2020, 2) was licensed, primarily employed, and complied with CPE reporting requirements of another state of licensure, 3) failed to report the exemption by December 1, 2020, and 4) requested informal settlement of their case. The order has the same language requiring documentation of active licensure in the other state. The order calls for a \$100 financial penalty for failing to report the exemption by December 1, 2020. (Pannell recused)

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member