MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
December 12, 2014

The Mississippi State Board of Public Accountancy met at Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on December 12, 2014, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present
Rick Elam, Chair
David E. Clarke, Secretary
David L. Miller
Angela L. Pannell
Mark P. Peach
Willie B. Sims, Jr.

Board Members Absent
Jim E. Burkes, Vice 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, MSCPA
Court Reporter, Brooks Court Reporting

I. General

1. The Board opened the meeting with an invocation from Willie Sims.

2. The Board members unanimously approved the minutes from the November 14 2014 meeting.

3. The Board members signed the CPA certificates of licensure from the September and November 2014, meetings.

I. General (Continued)

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

January 30	8:30 a.m.	Board Meeting
March 20	8:30 a.m.	Board Meeting
March 24-26		NASBA Executive Directors Conference
April 17	10 a.m.	Board Meeting
April 18		CPA Ceremony Presentation
May 22	8:30 a.m.	Board Meeting
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
August 14	8:30 a.m.	Board Meeting

II. National Regulatory Concerns

1. The Board noted an FAF Article *From the President's Desk*, December/January 2015, discussing development of an updated strategic plan for FAF.

2. The Board reviewed the NASBA response dated November 26, 2014, to the request for comments from the AICPA's Board of Examiners on its *Maintaining the Relevance of the Uniform CPA Examination Invitation to Comment.*

3. The Board reviewed and discussed the November 2014, NASBA State Board Report.

4. The Board discussed the *Journal of Accountancy* article dated November 25, 2014, on new rules requiring identification of the engagement partner on U.S. public company audits.

III. Administration

1. The Executive Director discussed the fact that a Balance Sheet by Fund as of November 30, 2014, for Funds 3845 and 3850, was not readily available due to the State Computer being down. The Executive Director noted that at December 3, 2014, MSBPA had cash available of $279,309.42. Mr. Jones noted the Board's statement of revenues and expenditures as of December 3, 2014, showed that Actual FY 2015 Expenditures for the 5 months ended November 30, 2014, were $315,390.89.

III. Administration (Continued)

2. 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.
   The Board discussed and approved the extension of the 2015 Registration deadline to January 31, 2015. The Board approved moving the implementation date of the late fee penalty from January 1 to February 1, 2015.

3. The Board discussed the January 2015 legislative budget hearings and process. MSBPA may ask for “Escalation Authority” in the FY2016 budget to allow payment to ITS for LARS development cost incurred in FY2015.

4. The Board discussed and approved reimbursement to Executive Director and Associate Director - Investigations for the 2015 CPA license registration.

5. The Board approved two additional per diem days at $40 per day, for Board member Angela Pannell and one day for Board member David Clarke.

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of 36 candidate applications for the computerized examination (7 initial, 29 reexam) received since the November meeting.

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

File No	Name	Number	Approved
13580	Justin Philip Egger	6408	Yes
13758	Joseph D. Emerson	6409	Yes
13306	Megan Tyler St. Clair	6410	Yes
13181	Lorena Diaz Williams	6411	Yes

IV. CPA Examination, Licensing and Firms (Continued)

Applications for Reciprocal CPA Licenses

File No	Name	Number	Approved
13761	Johnna Norman Garner	R3663	Yes
13759	Christopher Alan Hutchinson	R3664	Yes
13744	Walker Palmer Roberts	R3665	Yes
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13754	Andrew Lawrence Todd	R3666	Yes

Applications for Reinstatement of CPA Licenses

FileNo	Name	Number	Approved
06500	Shannon L. Jackson	4384	Yes
12438	Thomas Wayne Owens	R3416	Yes
08727	Robin A. Word, Jr.	4777	Yes
12837	Alfred L. Worthy	R3565	Yes

Applications for CPA Firm Permit to Practice

Name	Number	Approved
Courtney Fallon, CPA Waveland, MS	F1725	Yes
Shannon Jones, CPA Hattiesburg, MS	F1726	Yes
Miller Cooper & Co., LTD Deerfield, IL	F1727	Yes
Pulley & Associates, LLC Germantown, TN	F1728	Yes

IV. CPA Examination, Licensing and Firms (Continued)

Amendments to Registered Firms

Name	Number	Description
Byrne CPA PLLC Houston, MS	F0205	Name Change from The Byrne CPA Firm, P.A.
Byrne CPA PLLC Tupelo, MS	F1723	Name Change from The Byrne CPA Firm, P.A.
Byrne CPA PLLC Aberdeen, MS	F1724	Name Change from The Byrne CPA Firm, P.A.
Harold D. Cooper, CPA Amory, MS	F1210	Name Change Harold D. Cooper
Dilley, Bachman & Glover, PLC Memphis, TN	F1128	Cancel
Robert C. Morgan & Co., CPAs Winston-Salem, NC	F1026	Cancel

3. The Board reviewed a listing of voluntary cancellations made by CPAs requested during the 2014 CPE reporting period:

Name	Number	
Denis J. Duncan	R2399	(compliant)
Edward F. Lovill, Jr.	R3382	(compliant)
Elizabeth Thacker	R36335	(compliant)
Donald Colby Carmichiel	R3536	(CPE insufficient)
Paul Shelton	2175	(compliant)
Earmel Cotton	4263	(CPE insufficient; remand to file)
James Wade Weeks	R3429	(compliant)

4. The Board members took the following actions related to requests for amendments to the 2014 CPE compliance requirements and granted extensions:

Name	Number	Board Action
Michael Thompson	R3599	30 CPE hours extended to 1/31/15
Eric Jarvis	5867	7 CPE hours extended to 7/1/14

IV. CPA Examination, Licensing and Firms (Continued)

5. The Board members present unanimously approved requests from CPAs for waivers of the 2014 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2015 as follows:

Name	Number	
John Serafin	3771	(Remand CPE noncompliance to his file)

6. The Board reviewed and discussed the NASBA Candidate Concerns 14Q3, July 1 - August, 2014.

V. Continuing Professional Education

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

	Sponsor/Program Title	Dates	Hours	Approved
A.	AFWA - Jackson Chapter 1. Cutting Poverty & Growing Middle Class	11/11/14	1	Yes
B.	May & Company 1. Accounting & Auditing Processes Update	11/6/14	2	Yes
C.	Mississippi Association of Public Accountants			
	1. Forgiveness of Debt and Tax Implications	9/25/14	1	Yes
	2. GEAR UP 1040 Individual Tax	11/6-7/14	16	Yes
	3. Fraud	8/28/14	1	Yes
	4. Gear Up Business Entities	9/23/14	8	Yes
	5. ETHICS	9/22/14 11/5/14	4 Ethics (3 Gen 1 Rules)	Yes
	6. MS Dept of Revenue Tax Update	11/20/14	1	Yes

V. Continuing Professional Education (continued)

2. CPE Sponsors (Continued)

	Sponsor/Program Title	Dates	Hours	Approved
D.	Watkins Ward and Stafford			
	1. Common Blunders in Audits of Governmental Entities	11/4/14	8	Yes
	2. 2014 Governmental Accounting and Auditing Update	11/3/14	8	Yes

VI. Rules and Regulations

1. The Board discussed the legal meaning of Accountancy Code Section73-33-1 (6) related to firm permits. The Board then reviewed:
   - Emails from David Miller, Ransom Jones and Tom Windham related to the requirement for each firm office to obtain a firm permit
   - Letter dated December 4, 2014 from Tom Windham
   - Excerpt from MSBPA minutes dated May 28, 1998
   - Excerpt from MSBPA minutes dated December 4, 1998

2. The Board determined that Mississippi CPA firms with multiple offices physically located in Mississippi will only need one primary location to be registered with a firm permit. With regard to the non-primary offices, the firm needs only to annually provide the Board with a list of all other physical offices, physical addresses of those offices, and the resident manager for each of those firm offices.
   Also, any CPA firm whose primary office is located outside of Mississippi, but which does maintain an office physically located in Mississippi, will only need the Mississippi office registered with the Board with a firm permit. The other firm offices located out-of-state may perform engagements in Mississippi under the firm permit of the Mississippi office.
   Finally, the Board determined that each office of an out-of-state firm that does not have a physical office location in Mississippi, but which is performing engagements for Mississippi entities that requires a firm permit in accordance with Code Section 73-33-17(4), will need to register each out of state office performing such engagements with a firm permit.

II. Regulatory Matters

1. The Board heard a report from Investigator Andy Wright and approved the regulatory activities from September 19, 2014, to December 12, 2014:

Activity	Number
Cases Opened	10
Cases Closed	13
Cases referred to Members	5
Total Cases Open	33

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

   Case 2014.19 was opened February 25, 2014, based on complaint of firm's former client regarding return of records. The complaint was filed by current owner of client company alleging that records returned to the former owner should have been returned to the current owner. The current owner did not provide sufficient evidence to support his allegations and the case was closed without discipline.

   Case 2014.28 was opened April 4, 2014, based on complaint from CPA that a non-licensee was holding out as CPA in online yellow pages listing. Sent letter to and spoke with non-licensed accountant who stated that she had never held out as a CPA and did not request the online listing. Investigator confirmed that she was not listed as CPA on IRS PTIN listing and closed the case.

   Cases 2014.42, .43, .45, and .46 were opened August 25, 2014, based on discovery of the out-of-state CPA firm on DOL listing performing audits of MS based entities without a firm permit. Firms obtained permits and executed Stipulation and Consent agreements.

VII. Regulatory Matters(Continued)

Cases 2014.56-1 through -7 were opened November 17, 2014, based on deficient CPE hours for year ended June 30, 2014. CPA's requested extension of time, which was granted by Board and cases were closed.

② ***Cases Referred to Members:*** **Cases 2014.58 and 2014.59** were assigned to Jim Burkes. **Case 2014.35** was assigned to David Miller. **Case 2013.09** was assigned to David Clarke. **Case 2014.54** was assigned to Mark Peach.

VIII. Trial Board

1. At 9:00 a.m., the Investigative Committee recommended an Order granting Motion for Continuance related to Complaint 2013.09, License Number 3025 and Firm Permit # F0934. The Hearing was originally scheduled for 10:00 am, December 12, 2014. Angela Pannell made a motion to accept the recommendation and Willie Sims seconded the motion. The motion passed and with Investigating Board Member David Clarke was recused.

   At 9:00 a.m. Executed Stipulation and Consent Order was presented for Trial Board approval. It was noted that costs and assessments required by the Order had been paid. Case # 2014.54 involved an out-of-state CPA Firm that performed an employee benefit plan audit for a MS based entity without a MS Firm Permit. An acceptable Firm Permit Application had been received and the Investigative Committee recommended Board approval of Order. David Miller made a motion to accept the recommendation and Angela Pannell seconded the motion. The motion passed and with Investigating Board Member Mark Peach was recused.

2. At 9:15 a.m. Administrative Trial Board hearings were held concerning complaints related to six (6) CPAs alleged noncompliance with 2014 CPE requirements. The Angela Pannell Investigative Committee recommended Board approval for closure of the six cases without discipline. Each of these licensees had been sent a Notice of Hearing and Complaint (regarding CPE deficiency) for today's Trial Board, and all six requested informal resolution of their cases as follows:

VIII. Trial Board (Continued)

Case # 2014.53-63 for which CPA requested additional time to complete CPE. CPA, license number R3599, agreed to obtain deficient hours plus 50% penalty by December 31, 2014 and to be subject to Consent Order.

Case # 2014.53-35 for which CPA, license number 5867, requested a one-day extension to complete CPE. CPA completed 7 hours of required CPE on July 1, 2014, and will report hours by December 31, 2014.

Case # 2014.53-62 for which CPA, license number R3635, requested cancellation of license with sufficient CPE.

Case # 2014.39, license number 3771, for which CPA requested retirement of license with deficient CPE balance. Licensee will be sent a remand letter requiring satisfaction of deficient CPE before license could be reinstated.

Cases for which CPA requested cancellation of license with deficient CPE balance. Licensees will be sent a remand letter requiring satisfaction of deficient CPE before license could be reinstated:
Case # 2014.53-19, license number R3536; and
Case # 2014.53-23, license number 4623.

After Board discussion of the matter, David Miller made a motion to accept the recommendations and Willie Sims seconded the motion. The motion passed and with Investigating Board Member Angela Pannell was recused.

VIII. Trial Board (Continued)

2. At 9:30 a.m. Administrative Trial Board hearings were held concerning complaints related to five (5) CPAs alleged noncompliance with 2014 CPE requirements and failure to respond to Notices of Hearing and Complaint. Angela Pannell was recused as the Investigative Board Member. A motion by Board Attorney Onetta Whitley for consolidation of the cases was granted by the Hearing Officer.
   The following five complaints were consolidated for hearing purposes:

Complaint Nos.	License Numbers	Response (Receipt Proof)
2014.53-30	5501	none (USPS Green card)
2014.53-36	4761	none (USPS Green card)
2014.53-41	4972	none (USPS Green card)
2014.53-45	R2733	none (##)
2014.53-59	4792	none (USPS Green card)

- Notice and Complaint was mailed to address on file. USPS tracking indicates envelope forwarded from Biloxi address of record to Houston and Lake Jackson, TX.

Within the Trial Board the Board heard evidence from Andy Wright, CPA Investigator, concerning the respondents' failure to comply with the CPE requirements for the fiscal year ended June 30, 2014, and failure to respond to Board written communications related thereto. Legal and proper notice were delivered to the above respondents. None attended the hearing.

Following discussion and the administrative Trial Board hearing and upon motion by Willie Sims with second from David Clarke the Board 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 determined that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of Trial Board orders that could be appealed. Accordingly, the Board reopened the closed meeting and upon motion by Mark Peach with second from David Miller 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. Within the Executive Session, the Board took the following actions:

Upon motion by David Clarke with second from David Miller the Board determined that the five respondents had indeed violated Chapter 4 of the Board Rules and Regulations as charged and voted to revoke the respondents CPA licenses. The Board determined to assess the respondents a fine (civil penalty) of $250 in addition to a fee to recover investigative, legal, and hearing costs and of this matter. The total assessment is to be paid by check or money order within thirty days of the Trial Board order. Votes were - For: Willie Sims, Jim Burkes, Rick Elam, David Clarke, David Miller, Mark Peach Against: None; and Recused: Angela Pannell.

Upon the conclusion of this business and upon motion by Willie Sims with second by Mark Peach, the Board members present 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.

Upon conclusion of Trial Board business, the Board adjourned as Trial Board.

APPROVED:

______________________	______________________
Chair	Board Member
______________________	______________________
Vice Chair	Board Member
____________________	______________________
Secretary	Board Member
	____________________
	Board Member