MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
November 14, 2014

The Mississippi State Board of Public Accountancy met at Jackson State University, College of Business, in Jackson, Mississippi on November 14, 2014, beginning at 10:00 a.m. The following record of that meeting was maintained.

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

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
Walter Davenport, NASBA
Josh Norris, MSCPA
Annette Pridgen, JSU
Nellie Foster Beard, CPA (Retired)

I. General

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

2. The Board expressed gratitude to Annette and JSU staff for welcoming the Board to the JSU, College of Business. The Board also welcomed Walter Davenport, Chair, NASBA Board of Directors, to the meeting. Mr. Davenport made an opening statement about his goals as Chair and discussed a few NASBA general topics.

3. The Board members unanimously approved the minutes from the September 19, 2014 meeting.

I. General (Continued)

3. The Board set next and tentative meeting/activity dates for 2014:

November 15	CPA Ceremony at the Old Capitol Museum
December 12	8:30 a.m.

II. National Regulatory Concerns

1. The Board noted an email dated November 5, 2014, from Ed Barnicott, NASBA VP for Strategic Planning & Program Management, concerning mailings to new CPAs re: the CPA Examination Content Survey.

2. The Board noted the Regional Directors' Focus Questions, October 2014.

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

4. Mark Peach spoke about matters discussed at recent NASBA committee meeting that he attended.

III. Administration

1. The Board reviewed a Balance Sheet by Fund as of October 31 2014, for Funds 3845 and 3850. The Board then reviewed the FY 2015 Appropriation/Actual Expenditures for the 4 months ended October 31, 2014.

2. The Board reviewed and discussed the MSBPA 5 Year Strategic Plan for the Fiscal Years 2016-2020, as filed with LBO and DFA on October 29, 2014.

3. The Board discussed the reduction-in-force (RIF) approved by SPB, October 16, 2014, to be effective July 1, 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.

5. The Board approved three additional per diem days at $40 per day, for attendance at State Board Committee meeting by Board member Willie Sims.

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of 76 candidate applications for the computerized examination (12 initial, 64 reexam) received since the September meeting.

2. The Board reviewed and discussed a special candidate situation related to good moral character - initial applicant number 13751. Based on its careful evaluation of criminal misdemeanor convictions and all other requirements being met, the Board members unanimously approved applicant 13751 to sit for the examination as a Mississippi candidate.

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 No	Name	Number	Approved
13739	Camille Grace Anderson	6402	Yes
10352	M. Elizabeth Cossitt	6403	Yes
13600	Grant Jordan Gatlin	6404	Yes
12172	Kentrell Hooker	6405	Yes
13545	Andres Felipe Posada	6406	Yes
13331	Mark Franklin Post	6407	Yes

Applications for Reciprocal CPA Licenses

File No	Name	Number	Approved
13746	James Douglas Arnold	R3660	Yes
13747	Hollie Phillips Ballard	R3661	Yes
13736	Elizabeth Kirk Storey	R3662	Yes

IV. CPA Examination, Licensing and Firms (Continued)

Applications for Reinstatement of CPA Licenses

FileNo	Name	Number	Approved
04722	Keith D. Davis, Jr.	3336	Yes

Applications for CPA Firm Permit to Practice

Name	Number	Approved
Alexander, Van Loon, Sloan, Levens & Favre, PLLC Wiggins, MS	F1703	Yes
Brundige, Payne & Company, PC Memphis, TN	F1704	Yes
BFMW Group, PLLC Charleston, MS	F1705	Yes
Coffman and Company, P.C. Poplar Bluff, MO	F1706	Yes
Craig Shaffer & Associates, LTD Des Plaines, IL	F1707	Yes
Elliot Davis LLC Greenville, SC	F1708	Yes
Farber Hass Hurley LLP Valenica, CA	F1709	Yes
GranthamPoole, CPAs Oxford, MS	F1710	Yes
Karen C. Howell, CPA Greenwood, MS	F1711	Yes
Johnson Lambert LLP Atlanta, GA	F1712	Yes
Kushner, Smith, Joanou & Gregson LLP Irvine, CA	F1713	Yes

IV. CPA Examination, Licensing and Firms (Continued)

Applications for CPA Firm Permit to Practice (Continued)

McNeel CPA Starkville, MS	F1714	Yes
McNeel CPA Carthage, MS	F1715	Yes
McNeel CPA Philadelphia, MS	F1716	Yes
Moore Colson & Co., PC Marietta, GA	F1717	Yes
Moore & Moore, PC Certified Public Accountants Fulton, MS	F1718	Yes
PSK, LLP Arlington, TX	F1719	Yes
Pershing Yoakley & Associates, PC Knoxville, TN	F1720	Yes
Plante & Moran PLLC Southfield, MI	F1721	Yes
Pulley Associates, LLC Germantown, TN	Defer	
T.E. Lott & Company, PA Starkville, MS	F1722	Yes
The Byrne CPA Firm PA Tupelo, MS	F1723	Yes
The Byrne CPA Firm PA Aberdeen, MS	F1724	Yes

IV. CPA Examination, Licensing and Firms (Continued)

Amendments to Registered Firms

Name	Number	Description
Amy B. McKenzie, CPA Madison, MS	F1482	Cancel
Moore & Moore, PC Certified Public Accountants Tupelo, MS	F0541	Name Change from Gary L. Moore, CPA, LTD

Application for Reinstatement of a CPA Firm Permit to Practice

Name	Number	Approved
Bobbie H. Sirin, CPA Gautier, MS	F1534	Yes

5. The Board members took the following actions related to requests for amendments to the 2014 CPE compliance requirements and granted extensions to December 31, 2014:

Name	Number	Board Action
Anthony Cuccia	5078	30 CPE hours
Mary Cleary	3224	55 CPE hours
Julie Hining	4480	44 CPE hours
David Nieman	R3365	60 CPE hours
Stacy Orman	5395	54 CPE hours extended to 3/31/15
Dywuana Sykes	R3540	43 CPE hours
Antonio Vetrano	3597	6 CPE hours

6. 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
Mary Kincaid	4594

IV. CPA Examination, Licensing and Firms (Continued)

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

Name	Number	
Paul A. Burns	3869	(CPE insufficient)
Jonathan Chapman	6205	(CPE insufficient)
Anita Dean	4528	(CPE insufficient)
Dennis Fiveash	4992	(CPE insufficient)
Amy McKenzie	5154	(compliant)
Roger Muns	R1614	(CPE insufficient)
Michael Roberts	R2174	(compliant)

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. Creating Financial & Economic Awareness Among Teachers & Children	9/9/14	1	Yes
B.	Alexander Van Loon Sloan Levens & Favre, PLLC 1. 15th Annual Tax Update	11/21/14	8	Yes
C.	Department of Revenue 1. Auditor Training Seminar: Industry – Mass Retail Training	9/17-18/14	9.75	Yes
D.	Division of Business Services, College of Business, MSU 1. 2014 Annual Income Tax Course	12/8-9/14 12/9-10/14 12/11-12/14	16 (inc. 2 general ethics)	Yes

V. Continuing Professional Education (continued)

2. CPE Sponsors (Continued)

	Sponsor/Program Title	Dates	Hours	Approved
E.	Frances Rushton Memorial Scholarship Trust 1. 20th Annual Continuing Professional Education Seminar	10/31/14	8 with 4 Ethics (3 General 1 Rules)	Yes
F.	IT Strategies Group 1. How to Save Dead BP Claims & Defeat Policy 495	11/14/14	2	Yes
G.	Medical Group Management Association of MS 1. MGMA of MS Fall Meeting	11/7/14	4.5	Yes
H.	MidSouth Institutes of Accountancy MSIA Fall 2014 CPA Seminars for Accountants			
	1. Accounting Update	12/5/14	8	Yes
	2. Ethics & MS Rules with Tax Update	12/12/14	8 with 4 Ethics (3 General 1 Rules)	Yes
I.	Millsaps College/ Rogers & Assoc. LLC 1. Commercial Real Estate Investment Seminar	4/9-10/14	16	Yes
J.	MSCPA 1. The Future of Accounting Education: An Accounting Educators' Symposium	10/24/14	2 General Ethics	Yes

V. Continuing Professional Education (continued)

2. CPE Sponsors (Continued)

	Sponsor/Program Title	Dates	Hours	Approved
K.	Northeast Chapter of MSCPA 1. Mississippi Uniform Trust Code	10/7/14	1	Yes
L.	Office of the State Auditor 1. GASB Update	9/24/14	6.5	Yes
M.	Security Ballew 1. Maximizing Social Security Benefits	Various	1	Yes
N.	Silas Simmons, LLP 1. A&A Update	9/29/14	8	Yes
O.	The University of Alabama 1. 68th Annual Federal Tax Clinic	11/20-21/14	16.8	Yes
P.	University of Mississippi School of Accountancy 1. Mississippi Ethics, Public Accountancy Laws and Regulations	10/23/14	1.5 Ethics Rules	Yes
Q.	University of Mississippi, School of Business 1. Banking & Finance Symposium	10/31/14	3	Yes
R.	University of Mississippi 1. Research Administration Workshop	9/22-23/14	9.5	Yes
S.	UMB Fund Services 1. PFICs and Offshore Certification	10/28/14	1.8	Yes

VI. Rules and Regulations

The Board reviewed and passed Final Adoption of Rules Amendments (Effective Date January 1, 2015):

1. Under current *Rule 1.1. Violations*.
   Current Rule 1.2 ***Violations*** re-numbered as *1.2.1.* (Use of term "certified". .)

2. Amend *Rule 2.5.1 Retired Status,* add language to describe services retired CPAs do not perform, and remove "is no longer engaged in the practice of public accountancy or employed in industry . . ."

   Revised Rule 2.5.1 ***Retired Status***
3. Amend *Rule 2.5.2. Permanent Disability Status*to remove the requirement that the licensee must provide a notarized affidavit. Replace with requirement for "a statement" from the licensee's physician.

   Revised Rule 2.5.2 ***Permanent Disability Status***
4. Amend *Rule 2.5.3. Retirement Status or Permanent Disability,* add language "described in Rule 2.5.1" in place of "regulated by this Board . . ."

   Revised Rule 2.5.3 ***Retirement Status or Permanent Disability Status***
5. Amend *Part 1 Chapter 10, Definitions: Resident Manager* to remove the last sentence "This licensee's actual physical location must be at that office and not at another location"; and *Holding out as a CPA or CPA firm* delete "industry or government" from the second sentence.
   Revised Part 1 Chapter 10: Definitions, ***Resident Manager***

   Revised Part 1 Chapter 10: Definitions, ***Holding out as a CPA or CPA firm***
6. Amend Fee Schedule to include a statement that the Board shall charge a fee on CPA License Applications for background and criminal checks in accordance with Board Rule 2.1.4.(b).
   Revised ***Schedule of Fees***

VI. Rules and Regulations (continued)

The Board heard from Board Attorney Onetta Whitley, Deputy Attorney General, and discussed her review of issues related to proposed *Rule 1.2.2.* ***Violations*** (Use of SAARS language by non-licensees):

- Does the proposed language in Rule 1.2.2. conflict with Code Sections 73-33-15 (1) (a) and 73-33-18?
- Does the phrase is "…or other attestation…." in 73-33-18 prohibit a "review" report being issued by non-licensees?
- Note that a "review" under SSARS is included in the definition of attest at 73-33-2(a).
- What does "..review.." mean at 73-33-18?
- Should the Board include safe harbor language in proposed Rule 1.2.2. for a review as well?
- Minor Correction needed in reference to law 73-33-15**(1)**(a).
- Board attorney's advice on whether or not changing the proposed wording of Rule 1.2.2. at the November 14th Board meeting will require withdrawal and re-filing with SOS, or will the change be non-substantive and allowable under code section 25-43-3.107, as "Adopted with Changes."

After the Board attorney's presentation on proposed Rule 1.2.2., the Board discussed the matter, and passed Final Adoption of Rule 1.2.2. with changes (Effective Date January 1, 2015).

II. Regulatory Matters

1. The Board heard a report from Investigator Andy Wright and approved the regulatory activities from September 19, 2014, to November 14, 2014:

Activity	Number
Cases Opened	74
Cases Closed	62
Cases referred to Members	7
Total Cases Open	36

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

Cases Closed:

Case 2013.12 was opened September 13, 2013, based on complaint from a beneficiary of a profit sharing plan for which licensee had been appointed the fiduciary. Complainant alleged that licensee was fiduciary during time of a large decrease in Complainant's plan account balance and that licensee refused to provide a complete accounting. The Board Investigator asked Complainant for evidence and what was received did not indicate that licensee had become the fiduciary at time of plan account decrease. Licensee provided evidence of timing of appointment as fiduciary, which also appeared to indicate the appointment came after the decrease in the plan account balance. Our case was closed without disciplinary action.

Case 2014.21 was opened March 26, 2014, based on firm's failure to timely obtain required peer reviews. In response to a Board inquiry, licensee owner failed to list all engagements of type requiring peer review. Based on Stipulation of Facts and Understanding and testimony in a Trial Board Hearing, a Board Order was issued requiring the firm to obtain two delinquent peer reviews and pay costs and a monetary penalty.

Case 2014.24 was opened April 2, 2014, based on CPA Firm receiving a "fail" peer review rating due to use of an improper compilation report form. Firm agreed that it would not perform any audits or reviews in the future without Board prior approval. All conditions of Peer Review Program acceptance were met and case was closed without disciplinary action.

VII. Regulatory Matters(Continued)

Cases closed (continued):
Cases 2014.51-1 through -3 were opened September 29, 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.

Cases 2014.53-1 through -13 were opened October 2, 2014, based on failure to submit online CPE report for year ended June 30, 2014. These licensees filled in sufficient hours on the report but neglected to click on the submit button. Error was corrected and cases were closed.

Cases 2014.53-16, -20 -25, -28, -42 were opened October 2, 2014, based on failure to submit online CPE report for year ended June 30, 2014. Licensees have requested cancellation of their CPA license and cases were closed.
Case 2014.53-34 was opened October 2, 2014, based on failure to submit online CPE report for year ended June 30, 2014. Licensee had reinstated in May, 2014 and submitted hours via paper forms at that time; case closed.

Case 2014.53-37 was opened October 2, 2014, based on failure to submit online CPE report for year ended June 30, 2014. Licensee has since requested retired status, case closed.

Cases 2014.53-14, -15, -17, -18, -21, -22, -24, -26, -27, -29, -31, -32, -33, -38, -39, -40, -43, -44, -46, -47, -48, -49, -50, -51, -52, -53, -54, -55, -56, -57, -58, -60, -61, -64, -65 and -66 were opened October 2, 2014, based on failure to submit online CPE report for year ended June 30, 2014. Licensees submitted online CPE forms prior to November 1, 2014 and cases were closed.

② ***Cases Referred to Members:*** **Case 2014.46** was assigned to Jim Burkes. **Cases 2014.45 and 2014.49** were assigned to David Miller. **Case 2014.43** was assigned to David Clarke. **Case 2014.20** was assigned to Mark Peach. **Cases 2014.42 and 2014.50** were assigned to Willie Sims.

VIII. Trial Board

1. At 10:00 a.m. Administrative Trial Board hearings were held concerning complaints related to out of state CPA Firms which had performed employee benefit plan audits for MS based entities per Department of Labor listings. The CPA Firms failed to timely acquire required firm permits.

   The matters concerned cases where the firms cooperated with the Board and filed proper firm permit applications and had paid investigative costs and assessments. The Investigative Committee recommended Board approval of Orders on Case #'s 2014.42, 2014.43, 2014.45, and 2014.46.

   The Trial Board reviewed and approved the four Executed Stipulation and Consent Orders.

   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