Refer to Chapter 9. Administrative Procedures Rules

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Definitions

For purposes of these *Rules and Regulations*, the following terms have the meanings indicated:

Act - the Public Accountancy Act codified at Title 73, Chapter 33, of the Mississippi Code of 1972.

Agreed upon procedure - report of findings based on specific procedures performed on specific subject matter of specified elements, accounts, or accounting information that is part of but significantly less than a financial statement.

Attest - providing the following services:

(1) audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS);
(2) any review to be performed in accordance with the Statements on Standards for Review Services (SSARS);
(3) any examination to be performed in accordance with the Statements on Standards for Attestation Engagements(SSAE); ~~and~~
(4) any examination of prospective financial information; and
(5) any engagement to be performed in accordance with the Auditing Standards of the PCAOB (Public Company Accounting Oversight Board).

Excluding services performed in accordance with SSARS, these attest services may not be provided by CPAs practicing public accounting for a Mississippi client pursuant to the practice privileges afforded by Section 73-33-17 of the Mississippi Code of 1972, as amended except through a CPA firm holding a firm permit issued by the Board.

Audit - an examination of financial statements of a person or entity by a licensee or firm conducted in accordance with generally accepted auditing standards (SAS), to determine whether in the CPA's or CPA firm's opinion, the statements conform with generally accepted accounting principles or, if applicable, with another comprehensive basis of accounting. Also, it includes any procedure undertaken to verify or test the reasonableness of financial information with a view to expressing an opinion or commenting on the fairness of such presentation. Audits may not be provided by CPAs practicing public accounting for a Mississippi client pursuant to the practice privileges afforded by Section 73-33-17 of the Mississippi Code of 1972, as amended except through a CPA firm holding a firm permit issued by the Board.

Board - the Mississippi State Board of Public Accountancy.

Certified public accountant, CPA~~, or licensee~~ - an individual who is authorized to practice public accounting by licensure ~~holds a license issued~~ by the Mississippi State Board of Public Accountancy to practice public accounting or who is licensed in another jurisdiction and qualifies for practice privileges in this state pursuant to Section 73-33-17 of the Mississippi Code of 1972, as amended. The terms license, certificate, or certification are used synonymously.

Certified public accountant firm or CPA firm - a partnership, limited liability partnership, professional limited liability company, professional corporation, professional association, joint venture, sole proprietor acting as a practice unit, or other business organization or office thereof allowable under state law, maintained for the purpose of performing or offering to perform public accounting. Each owner and/or the resident manager of each practice unit (office) in Mississippi must be a natural person who holds a current license to practice public accountancy in Mississippi. A professional corporation of ~~licensed~~ certified public accountants ~~of this state~~ in good standing may be an owner of a CPA firm. Sole proprietor acting as a practice unit means a sole proprietor CPA who maintains an office full-time with professional accounting staff and holds himself out for the practice of accounting as a CPA.

Client - any person or entity which retains a CPA firm or CPA ~~licensee~~ for the performance of professional services.

Compilation of financial statements - a service to performed in accordance with Statements on Standards for Accounting and Review Services (SSARS) that is presenting in the form of a financial statement(s) information that is the representation of management (owners) ~~any other person~~ without the CPA's or CPA firm's undertaking to express any assurance on the statement(s).

Commission - compensation for selling a product, or obtaining, recommending, or referring any client, product or service to be supplied by another person or entity. See Section 6.6. for applicable restrictions and disclosures.

Contingent fee - a fee established for the performance of any service pursuant to an agreement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service. Such fees are not allowed; see Section 6.7.

Definitions

CPA examination - An examination administered by the Board to determine minimum competency for licensure purposes.

Examination of prospective financial information - an evaluation by a CPA or CPA firm of a forecast or projection, the support underlying the assumptions in the forecast or projection, whether the presentation of the forecast of projection is in conformity with professional presentation guidelines, or whether the assumptions in the forecast or projection provide a reasonable basis for the forecast or projection.

Financial Statement - Statements and footnotes related thereto that purport to show actual or anticipated financial position which relates to a point in time, or results of operations, or cash flow which relate to a period of time, on the basis of generally accepted accounting principles or other comprehensive basis of accounting. The term includes specific elements, accounts, or items of such statements, but does not include incidental financial data included in management advisory services reports to support recommendations to a client, nor does it include tax returns and supporting schedules. The method of preparation (for example, manual or computer preparation) is not relevant to the definition of a financial statement.

Firm permit to practice public accounting - a permit issued by the Mississippi State Board of Public Accountancy permitting a certified public accountant firm to practice CPA public accounting, and permit holder means a certified public accountant firm holding such permit.

Generally accepted auditing standards - those auditing standards promulgated by the American Institute of Certified Public Accountants or its successor, and other pronouncements having similar generally recognized authority.

Definitions

Generally accepted accounting principles - Accounting principles or standards generally accepted in the United States. For purpose of these *Rules and Regulations* generally accepted accounting principles are represented by the Statements of Financial Accounting Standards issued by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, and any predecessor or successor entities and similar pronouncements issued by other entities having generally recognized authority such as the Accounting Research Bulletins and Accounting Principles Board Opinions which are not superceded by action of the FASB, including subsequent amendments.

Good Standing - compliance by a CPA ~~licensee~~ or CPA firm permit holder with the act and *Rules and Regulations* of the Board of jurisdiction, including annual registration and mandatory continuing professional education requirements. In the case of Board imposed disciplinary sanctions, the CPA ~~licensee~~ or permit holder must have compiled with all the provisions of the Trial Board order to be considered in good standing.

He, his, him - masculine pronouns when used include both the feminine and the masculine.

Holding out as a CPA or CPA firm - any representation that a person holds a CPA certificate or license from the Board or that he is otherwise qualified to practice certified public accounting in this state or that an entity holds a CPA firm permit to practice public accounting or is otherwise qualified to practice certified public accounting in this state. Any such representation is presumed to invite the public, industry or government to rely upon the professional skills implied by the title, license or permit. A representation includes an verbal, written, or electronic communication.

Home office - the location specified by the client as the address to which a service described in Section 73-33-17(4) is directed.

Licensee - an individual who holds a license issued by the Mississippi State Board of Public Accountancy to practice public accounting. The terms license, certificate, or certification are use synonymously.

Owner - as used in these *Rules and Regulations*, an individual who holds equity ownership interests in a CPA firm as a partner, shareholder, member or other terms that represent ownership. Each owner of each practice unit in Mississippi must be a natural person and an active individual participant in the practice unit

Definitions

Partnership - A partnership for the practice of public accounting is presumed when there exists a relationship between or among two or more persons which share profits and:

(1) share control and management; or
(2) share ownership rights in specific partnership property; or
(3) share joint and several responsibility for debts and liabilities.

Peer review - a study, appraisal, or review of one or more aspects of the professional accounting and/or auditing work of a firm in the practice of public accounting, by a CPA firm and CPA(s) ~~person or persons who hold CPA license(s) and~~ who are not affiliated with firm being reviewed.

Practice of, or practicing, CPA public accounting or CPA public accountancy- the performance, the offering to perform, or maintaining an office by a person, persons or firm holding itself out to the public as certified public accountant(s) or CPA firm, for a client or potential client, or certified public accountant(s) or CPA firm performing one or more kinds of services involving the use of accounting or auditing, skills, including, but not limited to, the issuance of reports on financial statements, or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.

Practice review - The Board's oversight program to monitor peer review or equivalent programs through sponsoring organizations required to be registered with the Board and to monitor practice s' mandatory participation in peer review programs.

Practice unit (for peer review purposes) - a CPA firm required to be registered with a firm permit for the purpose of the practice of public accountancy, a sole proprietor not registered by the Board as a firm, and licensees aggregated by the Board into a practice unit.

Principal place of business - the office location designated the licensee for purposes of substantial equivalency and reciprocity.

Professional services - any services performed or offered by a CPA ~~licensee~~ or firm for a client in the course of the practice of public accountancy.

Report - when used with reference to attest services means an opinion, report, or other form of language which expresses or denies assurance as to the reliability of any financial statements or assertion. The term "report" also includes any statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing and that the service reported upon was performed under standards for such services.

Resident manager - a CPA ~~licensee~~ designated by a firm to be responsible for an office location and its compliance with the act and the *Rules and Regulations* of the Board.

Review of financial statements - performance of inquiries and analytical procedures that permit a CPA or CPA firm to determine whether there is a reasonable basis for expressing limited assurance that there are no material modifications that should be made to financial statements in order for them to be in conformity with generally accepted accounting principles or, if applicable, with another comprehensive basis of accounting.

Substantial equivalency - a determination by the Mississippi State Board of Public Accountancy or its designee that the education, examination and experience requirements contained in the statutes and administrative rules of another jurisdiction are comparable to, or exceed the education, examination and experience requirements contained in the Uniform Accountancy Act (UAA), or that an individual CPA's education, examination and experience requirements are comparable to or exceed the education, examination and experience requirements contained in the UAA. In ascertaining substantial equivalency, the board shall take into account the qualifications without regard to the sequence in which experience, education or examination requirements were attained.

Chapter 1. Restrictions on Use of the Title Certified Public Accountant

Section 1.1. Restrictions

1.1. The use of the title of certified public accountant (including any letters, abbreviations or words indicating such title) is restricted to persons who:

(a) Are Mississippi residents, or have a place for the regular transaction of business in Mississippi and have received from the Board a valid license, or

(b) Have received from the Board a valid reciprocal license in accordance with the act and regulations thereunder, or qualifies for a practice privilege pursuant to Section 73-33-17 of the Mississippi Code of 1972, as amended and

(c) Have complied with all sections of the act and regulations thereunder, and

(d) Have not had their licenses and/or registration of such license suspended, revoked, or canceled in this or any other jurisdiction.

Chapter 1. Restrictions on Use of the Title Certified Public Accountant

Section 1.2. Violations

1.2. The use of the following designations are deemed to be violations of the act:

The term "certified" or similar terms before the words "tax consultant", "accountant", or similar titles likely to give the public the impression that the person is licensed by the Board.

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