Comments received from Ernst & Young via email on 10/30/15

Our licensing and GC offices have identified two areas of concern (CPE and enforcement proceedings) with the proposed changes to the Arkansas Accountancy rules, specifically proposed changes to Rule 10.4, 11.1 and 11.2.

- Proposed repeal of Rule 10.4 re: non-resident licensee renewal
  The proposal would remove the ability of non-resident licensees seeking to renew their AR license to satisfy Arkansas CPE requirements by completing their home state CPE requirements. The rule would thus eliminate CPE mobility, a key concept for CPAs with multiple state CPA license. The proposed rule also removes the same ability to rely on the completion of a CPA's home state CPE requirements for those practicing in Arkansas under the substantial equivalency (CPA mobility) provision in A.C.A §17-12-311. The rule change would burden CPAs practicing in the state by requiring them to satisfy Arkansas's CPE requirements though they may only practice in Arkansas on a limited or infrequent basis.

- Proposed repeal of Rule 11.1(b) re: informal review process of possible violations
  The proposal would remove the ability of the Board's designee and accused violator to resolve portions of the complaint informally. Where components of a case can be resolved at the agreement of both sides without the need for formal enforcement procedures, the Board's rules should allow it. The cost to both the Board and accused from carrying out formal proceedings may exceed the named charges; where both parties can find equitable settlement and limit costs and time, the Board's representatives should have the flexibility to reach an agreements

- Proposed repeal of Rule 11.2€ re: answering of complaints
  The proposal removes the ability of defendants to answer the complaint, incorporating their defenses and challenging the sufficiency of the underlying complaint or Board jurisdiction. A defendant's answer allows them to get critical information to the Board which may be used to judge whether further enforcement proceedings should be pursued. Removing the ability of defendant's to answer a complaint results in additional costs to both the Board/state and the defendant as both sides must spend time and resources in pursuing or defending the charges when the Board might have acted earlier with the information currently contained in a defendant's answer.