

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Dr. Mike Moore, CPA, President
Karen Garrett, CPA, Secretary
Wade Turner, CPA, Treasurer
Jeremy Watson, CPA



Gene Cogbill, CPA
Lloyd Franklin, CFE
W. R. "Bill" Millager, MBA

Jimmy Corley, CPA
Executive Director

**MEETING MINUTES
BOARD MEETING**

August 23, 2013

A regular meeting of the Arkansas State Board of Public Accountancy (Board) was held in Suite 450 of the Main Street Mall on August 23, 2013 with Dr. Mike Moore, President, presiding. Other members of the Board in attendance were: Karen Garrett, William "Bill" Millager, Wade Turner, Lloyd Franklin, Gene Cogbill and Jeremy Watson. Members of the staff in attendance were: Jimmy Corley, Executive Director; Ann Jessup, Fiscal Officer/CPE Coordinator, Dale Edge, Investigator, and Alan Fortney, IT Manager. Other attendees were: Mark Ohrenberger, Assistant Attorney General, Tom Ed Simmons, Arkansas Society of Accountants, Greg Kirkpatrick*, Hearing Officer, Sharon Hill*, Court Reporter and Elliott Chester.*

CALL TO ORDER

Dr. Moore officially called the meeting to order at 9:00 a.m. A quorum was found to be present.

PUBLIC HEARINGS

The board moved immediately to the public hearings for H13-081 and H13-085.

H13-081 involved the presentations of evidence and testimony regarding allegations of failure to register an accounting firm, issuance of reports by an unregistered firm and failure to respond to certified Board communications. All allegations and charges were found to be true and proven. The Board imposed sanctions including suspension of the licensee's CPA certificate for 5 years and assessment of a \$13,000 penalty.

H13-084 involved an appeal of a denied reciprocal license application. Evidence and testimony were presented by both sides and after thorough review of the evidence and testimony, the Board upheld the Executive Director's decision not to accept the reciprocal license application.

*Greg Kirkpatrick, Sharon Hill and Elliott Chester left at the close of the hearings.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes, as presented, of the July 19, 2013 board meeting. The motion passed.

TREASURER'S REPORT

A motion was made and seconded to approve the Treasurer's Report for July 2013, as presented. The motion passed.

COMMITTEE REPORTS

The Compliance Committee has met one time.

Ten new complaints:

One failure to release records.

One Issue with 2013 QR response.

One tax complaint.

Six unregistered firms.

One Dept. of Labor complaint regarding issues with 5500 audit report.

Requesting closure of 9 complaints – 1 by Consent Order:

1. C08-059– Non-Licensee using accounting in firm name. Individual has made an attempt to resolve matter. After additional review it is requested matter be closed with no further Board action.
2. C12-073 – (Cert # 2894) Licensee has pled guilty to felony fraud charges. Licensee signed affidavit requesting to surrender CPA certificate in lieu of additional Board action.
3. C12-080 – (Cert # 2788) – Inactive CPA provided tax services. Resolved via compliance statement, paid \$200 penalty and upgraded to an active license. Requesting closure.
4. C13-014 – (Cert #7854) – Inactive CPA working in public accounting. Resolved via compliance statement, paid \$200 penalty and upgraded to an active license. Requesting closure.
5. C13-016 – Licensees incorporated January 2012, made application to register firm with Board in January 2013. Failed to register firm timely. Resolved via compliance statement, paid \$110 penalty. Requesting closure.
6. C13-034 – Licensee incorporated January 1993 using non accounting name, has now requested to license firm. Further review has found no accountancy law violations. Requesting closure with no further action.
7. C13-066– (Cert #2894) – Licensee failed to renew with Board for 2013. Licensee signed affidavit requesting to surrender CPA certificate in lieu of additional Board action.
8. C13-073 – (Cert #) – Firm failed to renew with Board for 2013. Notice of hearing issued in May 2013. Firm has surrendered certificate. Requesting closure with no further action.

A motion was made and seconded to close C08-059, C12-073, C12-080, C13-014, C13-016, C13-034, C13-066 and C13-073. The motion passed.

CONSENT ORDER

9. C13-007 - Consent Order - Licensee had unregistered firm holding out as an accounting firm in AR. Firm was incorporated September 2006. In addition, licensee failed to acknowledge issuance of audit on 2009 QR. Licensee has agreed to license firm and paid \$1,270.00 penalty. Requesting closure by Consent Order.

A motion was made and seconded to close C13-007 by Consent Order. The motion passed.

OTHER MATTERS

Requesting permission to issue one notice of hearing.

C13-017 – Board has received complaints alleging CPA Firm has committed acts that are discreditable to the public accounting profession. A motion was made and seconded to issue, if needed, a notice of hearing for C13-017. The motion passed.

Request temporary appointment of Board Member.

Compliance Committee Chair, Karen Garrett, recused herself from C13-087 due to a potential conflict of interest. The committee requests that Dr. Mike Moore, President, appoint another Board Member to hear the case. Dr. Moore appointed Wade Turner to the Compliance Committee for C13-087.

Adjourned and reconvened

Dr. Moore called for a lunch recess at 11:50 am and returned at 12:17 pm.

NEW BUSINESS

2013 CPE Audit

A motion was made and seconded to approve a ten percent sample of active CPAs to be included in the 2013 CPE audit. The motion passed.

OTHER BUSINESS

IT Report

A motion was made and seconded to approve the initial phase of the scanning project with Datamax to scan licensee and exam candidate files. The motion passed.

A motion was made and seconded to approve the purchase of a server warranty not to exceed \$1,500. The motion passed.

APPLICATIONS AND SURRENDERS

A motion was made and seconded to approve the applications and surrenders subject to review by a board member. The motion carried.

NEW LICENSE

9124 Matt Fink

9126 Raymond Bart Simmons

9128R Michael Scott Wilson

9125 Jennifer Lyons

9127R John Britt Smith

•”R” DENOTES A RECIPROCAL LICENSE

NEW FIRM LICENSES

86LP Deemer Dana & Froehle LLP

188LC Trickey & McGee CPA, PLLC

187LC Lisa Stephens Certified Public Accountant, PLC

INDIVIDUAL AND ENTITY SURRENDERS

79LP PHBV Partners LLP

2894 Jeanne Hanson – Surrender in Lieu

INDIVIDUAL AND BUSINESS NAME CHANGE

6011 Jennifer J. Goodman

287C Knapp, Craig, & Rugg, P.A.

DECEASED

1187 Joe D. Ratliff

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 1:30 p.m.