**New Board Member - Jeremy Watson, CPA, CVA**

The Board would like to welcome our newest member to the Arkansas State Board of Public Accountancy, Jeremy Watson, CPA, CVA.

Jeremy is a partner of Jones & Company, LTD in Northeast Arkansas.

Jeremy is a resident of Jonesboro, graduated from ASU in 1999, obtained his CPA license in 2001, and became a CVA in 2008. He has worked in public accounting since 1999. He is a member of the ASCPA, AICPA, NACVA, and NEASCPA.

Board members are appointed by the Governor to serve 5-year terms, and are not eligible for reappointment for 5 years after the completion of their term.

**Online License Renewals Now Available**

The online license renewals for Arkansas opened November 5th. If we have an email address for you on file, you should receive an email reminder notification. Please, make sure an email address is provided in the Mailing Address section of the online renewal in order to receive email notifications from the Board. The Board will issue notifications by email, only.

**Thank you for your service, Dale Coy, CPA**

The Arkansas State Board of Public Accountancy would like to extend our appreciation to Dale Coy, CPA for his last five (5) years of service on the Board. Mr. Coy has been a dedicated member of the Board and the Board wishes him many years of successful business. Thank you, Mr. Coy!

**All Licensees Must Renew By December 31st**

All licensees have until December 31st to renew their license without late fees being applied. Starting January 1, 2013, a late fee will be applied automatically to your renewal. You can renew online by going to our website at [www.arkansas.gov/asbpa](http://www.arkansas.gov/asbpa). If a licensee has not renewed by January 1, 2013, a late fee will be applied to the license renewals for each additional month the renewal is late. If the licensee has not renewed their license by March 31st, the license will be Lapsed.

We have had great success with renewals going “paperless!” Please keep in mind that paper forms will not be an option next year for the 2013 renewals.
### 2012 Quality Review Survey Results

The results from the 2012 are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Deceased</td>
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<tr>
<td>Exempt</td>
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<td>No Response</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>(Sent to Compliance)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Licensees Surveyed</strong></td>
<td><strong>1,549</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### 2011 CPE Audit Results

The 2011 CPE Audit has been completed. The results are as follows:

**Selected for 2011 CPE Audit** = 303

- **Acceptable** = 97 (32.01%)
- **Acceptable w/changes** = 143 (47.19%)
- **Failed** = 34 (11.22%)
- **Failed, passed on appeal** = 29 (9.57%)

**TOTAL AUDITS** = 303 (100.00%)

### Board Meeting Schedule

- **January 10-11, 2013**
- **April 26, 2013**

Meetings of the Board are open to the public, except under state law some portions may be closed to the public. Unless otherwise noted, meetings are held at the Board office at 101 E Capitol, Suite 450, Little Rock, AR and begin at 9:00 a.m.

### Board Office Closed

In accordance with the holiday schedule adopted by the State of Arkansas, the Board office will be closed on the following dates:

- **December 24-25** - Christmas Holiday
- **January 1, 2013** - New Year Holiday
- **January 21, 2013** - MLK Holiday
- **February 18, 2013** - President’s Day
2012 Retired Licensees

The following licensees have retired in 2012 and are no longer practicing public accountancy:

GLEN W. CRONE 879  LEONARD G. WARDEN 3560
WILLIAM D. SPIVEY 978  PAUL STEMAC 4569
HAROLD ADAMS 990  JOANNE G. OLSZEWSKI 6237
C. MICHEL HAIGH 1060  LEATHA ANN PALCULICT 7048
O. CREED SPANN 1173  RICHARD L. SCHWARTZ 1721R
VIRGINIA C. GOSLIN 1980  HERSHEL F. OWENS 1999R
JAMES R. RIDGELL 2063  THOMAS A. GAY 2265R

It is important to note that all licensees who wish to retain their license, even in a retired status, must continue to renew each year with the Arkansas State Board of Public Accountancy. Inactive and Retired-inactive licensees must sign an affidavit to not practice public accountancy, to include doing taxes or providing financial advice to the public.

2012 Inactive Licensees

The following licensees have chosen to go inactive in 2012 and are no longer practicing public accountancy:

MICHAEL D. WILKINSON 1220  DURWARD LANCE JONES 5164
BEVERLY THWING HARRELL 2725  GINA GRACE EDWARDS 5233
K. RICK TURNER 2729  ROBERT MARK STORY 5459
RICHARD C. MUSE 2748  R. ALAN BRIANS 5643
JAMES L. COUNTS 2758  TERRI DAWN SCHICHTL 5899
CURTIS L. BOWMAN 2889  LARRY EUGENE BENCICK 6157
KATHLEEN O. SMITH 2949  MATTHEW W. ANDERSON 6404
STEVEN W. ALLEN 3006R  KENNETH L. BERKEMEYER 6950
JAMES C. MCCASTLAIN 3325  TODD HAYNES BROGDON 7011
DAVID L. JORDAN 3508  DEE ANN PORTER 7100
KERRI SUE CLOUD 3616  AMY WAY SAHELY 7325
DONNA L. HIGHTOWER 3639  SHERRI D. BUCKMAN 7342
ANTHONY E. STONE 3688  ROBERT B. GREEN 7405
KEITH L. GRAYSON 4482R  MELISSA KAY BURR 7435
TONI L. HINRICHIS 4679  RICHELLE LEIGH COX 7483
TIMOTHY BLAIR MCDUGLE 4682  SUSAN J. MORROW 7509
MIRA DAWN JERRY 4812  REBECCA DEEN BURKS 8425
LARRY E. TEMPLETON 4861  ERIN LEIGH WINBERRY 8576
TAMMY L. SEEDS 4952  BRADLEY COMBS WOOD 8615
DARRYL A. SPENCER 4982R  XIANBIN GAO 8704
RONNY D. BEDFORD 5083  JAMIE ANN RUSSELL 8715
JOHN P. BOGNER 5132  TIFFANY AMY DARK 8726
TAMELA BRACEWELL 5134  LUKE EDWARD PEARSON 8988
CINDY L. COPE 5141
New Individual Licenses to Practice in 2012

The following are new active LTP licensees to Arkansas for 2012:

**Individuals**

ANDREW J. KELLY 067 DOTTIE L. LLOYD 7242 LAURA ELIZABETH DEEM 8925
JOE MAX BARRON 1020 JILL CABEL HILL 7293 JERI ROCHELLE DUNN 8926
HAROLD W. MAJORS 1435 CHARLES BEN ROBINSON 7414 KATHERINE JO DUNN 8927
TOMMY W. RICHARDSON 2275 TIMOTHY NEIL MORGAN 7422R JAMES ALTON EASON 8928
JOHN W. HAIRSTON 2641 KATIE CHANDLER 7552 ANITA MICHELLE ETTEHAD 8929
PHILLIP E. YOUNG 2733 JOHN BERNARD FRAZER 7857 LUCAS JAY FINCH 8930
CALVIN B. JARRETT 2790 TRENAL ALAN FULMER 8323 DEVONA M. FLANIGAN 8931
THOMAS E. MURRY 2936 YAN SUN CHEN 8892 LAURA C GANANN-WISE 8932
SHARREL A. BECKSTROM 3154 MORRIS WADE COTHRA 8893 NADINE F. GRADY 8933
CHARLES J. HARDER 3171 CHAD ALLEN GRAHAM 8894 DANIEL LUCAS GRAHAM 8934
BRENDA GAY GEURIN 3210 WILLIAM MATTHEW JONES 8895 BRANDON MICHAEL GRICE 8935
CANDACE TERRY NELSON 3331 ZACHARY BRANDON KING 8896 ANGELA L. HARRIS 8936
TERRY L. WILLIAMS 3376 ALBERT CLARK MCDOGAL 8897 CHAD LEON HARWOOD 8937
JAMES R. DODD 3569r JORGE LUIS PEREZ 8898 THOMAS JENNINGS HAUSKEY 8938
JEFFERY M. FRUECHTING 3629 CHRISTOPHER WALTER ROBERTSON 8899 CRISTIANE CLERIA SANTOS HILARIO 8939
KAREN CROMMETT HINES 3934 DREW BENJAMIN SMITH 8900 JOHN BRADLEY HOWARD 8940
ROBERT M. PORTER 3999 RANDALL ELTON STONE 8901 ERIC WESLEY HOYT 8941
SUSAN FRANCES WHITE 4183 STEVEN ANDREW WICKMAN 8902 KIMBERLY DAWN HULSEY 8942
DAVID WAYNE STOBIAUGH 4290 TRACY LYNN ANDERSON 8903R SHAWNA N. JEFFREY 8943
JALYNN THOMAS 4426 LAURA ASHLEY FEHR 8904R ROBERT ANTHONY JETTON 8944
KAREN ANNETTE BOLIN 4501 DEBRA LAINE FEUERBACKER 8905R VANESSA MICHELLE JOHNSON 8945
JOSE RAFAEL ARJONA 4755R KIMBERLEY KATHLEEN GORDON 8906R MELISSA CAROL JORDAN 8946
ANGELA KAY ELKINS DAVIS 5019 LONA SKELTON NOONAN 8907R MICHAEL SHANE KIDD 8947
DAWN ANNETTE CARLTON 5137 REBECCA MARIE RILEY 8908R TRACY JO KIRKLEY-SMITH 8948
LYNNE EDWARDS GIRDNER 5145 JOHANNA ELIZABETH STAUDINGER 8909R RICHARD CODY MATTHEWS 8949
REBECCA WOLFE WEAVER 5210 CLAY GREGORY BECKWITH 8910 DAVID THOMAS MCCCHRISTIAN 8950
GWENDILYN G. ELMORE 5421 MATTHEW JACOB DERAMUS 8911 KAREN CONRAD MOORE 8951
JAMES WESLEY VOLBERDING 5507R JENNY ELIZABETH DEMUTH 8912R KENNETH DOYLE MULLINAX 8952
KAREN ANNE BRUNETTI 5609 AMANDA NICOLE ARMER 8913 RYAN CASEY MYERS 8953
THOMAS JEFFERSON SIMS 5660R STACY ALLISON BAKER 8914 ANDRIY S. NAGAY 8954
JEFFREY LEE CANTRELL 5693 MEAGAN REBECCA BATES 8915 JODY MARLENA NATIONS 8955
JILL MAUREEN ALLEMAN 5778R RICHARD BRUCE BEAUCHAMP JR. 8916 SARAH BETH NORRIS 8956
STACY OWENS THOMPSON 6344 CLAYTON P BELKNAP 8917 KIMBERLY ANN OVERSTREET 8957
TAMARA LEIGH HOOKS 6464 CHRISTOPHER E. BELL 8918 JAMES BRIAN PETTY 8958
JESSE SCHALK 6608 TYLER MCKEAN BOSS 8919 ASHLEY CARA PRIEST 8959
ASHLEY MARVIN MARTIN 6669 JENNIFER M. BRIDGES 8920 BRICE CHRISTOPHER PRIESTLEY 8960
ERIC WAYNE HARRIS 6708 JESSICA S. BROWN 8921 HEATHER RENEE PRUITT 8961
JASON BRANT FOWLER 6956 COLLINS ELLIOTT COOK 8922 VENKATESH RAMANAN 8962
JEFFREY L. BUTCHER 7107 PATRICK W. DEAKINS 8923 SHAWN MICHAEL RICHARDSON 8963
MELANIE ANNE RADCLIFF 7145 COLIN THOMAS DEAN 8924 ZACHARY DAVIS RILEY 8964

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Individuals - continued

RYAN ALEXANDER SAWYER 8965 DEREK MARTIN KEATHLEY 9007
DAWN LAURICE SIMMONS 8966 KRISTY LEE KLAIS LAMB 9008
MENDY M. SMITH 8967 LESLIE MICHELLE LETSCH 9009
SARAH B. SOUTHARD 8968 HOLLY LARAY LONGING 9010
JOHN PAUL SPECK 8969 GEORGIA ANN MCNABB 9011
HYONSUK AN VANDERPLUYM 8970 MEREDITH MORGAN MOSER 9012
CHAD ANTHONY WARE 8971 DREW B. RITCHEN 9013
EMIL JAMES WHITE 8972 JAMES ALAN ROGERS 9014
CRYSTAL L. WILLIS 8973 BENJAMIN DAVID RUSS 9015
LESLIE ANNE WINTON 8974 AARON SHANEYFELT 9016
MARY ANN BIRDLEBOUGH 8975R AUSTIN BLAKE SMITH 9017
CHRISTINA ROSE BRUCE 8976R ALLISON BLAKELEY CHAUMONT 9018R
SUSAN DAWN BURKS 8977R BRADLEY DEAN FORSBERG 9019R
JENNIFER LYNN DAUGETTEE 8978R CHRISTINA LOUISE MCCLENNING 9020R
CHARLES MATTHEW FLURRY 8979R DAVID ANDREW WINKLER 9021R
LESLEY KAY HAYS 8980 LAURA ALLISON AKIN 9022
PAUL CAMPBELL SPIKES 8981 JOHN BARRETT BELEW 9023
SAMUEL T. BUSHEY 8982 NICHOLAS GUY BERTIN 9024
CHRISTOPHER LEE ELTON 8983 ANDREW L. GRAVES 9025
DEATRA RIEKE HARE 8984 SHANNON NICOLE GRISE 9026
KATHARYN RACHEL HOPE 8985 JAMES ANTHONY GROTON 9027
ASHLEY MARIE JONES 8986 ANGELA MARIE HOOVER 9028
RACHEL ELIZABETH KLEMMER 8987 TYLER DONOVAN KENNEDY 9029
LAUREN MARIE ROBINSON 8989 SIDNEY ALISE STEWART 9030
AMBER DAWN WHITT 8990 KEVIN W. WHITE 9031
JOHN RICHARD WILMOTH 8991 MARK ROBERT DRAUGHON 9032R
AMANDA DAWN WYATT 8992 RYAN BOTHA 9033
CHARLES K. ATKINSON 8993 LANDON NICHOLAS BOYKIN 9034
JOHN C. CHENEY 8994 TYLER JOE EMERSON 9035
WILLIAM CODY JONES 8995 NICKLAUS P FREYALDHEVEN 9036
MICHAEL RAEANN KNOX 8996 ADAM B. JONES 9037
KELLY JO MILLWOOD 8997 MATTHEW KIRKPATRICK 9038
MICHELLE E MORRIS 8998 WHITNEY TAYLOR KOENIGSEDER 9039
RANDA LEIGH WILLIAMS 8999 REBECCA CHRISTINE MILLER 9040
MARK RANDAL ALDER 9000 WILLIAM PUCKETT 9041
KRISTI MICHELLE ANDERSON 9001 CHARLES AARON REED 9042
KARI GAYNELL EATON 9002 JOHNNIE LARONE SAMPSON 9043
RU ANN ELLIOTT 9003 SARAHBETH VASGAARD 9044
STEVEN CARL EtCHISON 9004 REBECCA P. BOSS 9045R
JAYE PAUL GASAWAY 9005 KARL EDWARD HERTEL 9046R
CHRISTOPHER M JAMES 9006
The following firms became licensed in Arkansas in 2012:

### Firms

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<tr>
<th>Firm Name</th>
<th>License Number</th>
<th>Firm Name</th>
<th>License Number</th>
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<td>DIAMOND LAKES CPA SERVICES</td>
<td>169LC</td>
<td>BAKER TILLY VIRCHOW KRAUSE, LLP</td>
<td>82LP</td>
</tr>
<tr>
<td>WILLIAMS &amp; MORRIS ACCOUNTING &amp; TAX SERVICE, LLC</td>
<td>170LC</td>
<td>DEBRA THOMPSON CPA PA</td>
<td>840C</td>
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<tr>
<td>TERRY L. MERCING, CPA, PLLC</td>
<td>171LC</td>
<td>BERBERICH TRAHAN &amp; CO., P.A.</td>
<td>841C</td>
</tr>
<tr>
<td>RIKARD &amp; NEAL CPAS, PLLC</td>
<td>172LC</td>
<td>LATTIMORE BLACK MORGAN &amp; CAIN, PC</td>
<td>842C</td>
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<tr>
<td>HENDERSON &amp; HILL, LLC</td>
<td>173LC</td>
<td>HINKLE &amp; COMPANY, PC</td>
<td>843C</td>
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<tr>
<td>DREW A. VANWINKLE, CPA, PLLC</td>
<td>174LC</td>
<td>VICKY L. ROSS, CPA, P.A.</td>
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<tr>
<td>BUNCH &amp; LANIER, CPAS, LLC</td>
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<td>PEARSON ACCOUNTING INC.</td>
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<td>LONG CPA &amp; CONSULTING, PLLC</td>
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<td>ANDREW PIERI CPA, P.C.</td>
<td>846C</td>
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<tr>
<td>PLANTE &amp; MORAN, PLLC</td>
<td>177LC</td>
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<td>JAMES DYKHOUSE, CPA</td>
<td>5SP</td>
<td>ERIC J. SCISM PROFESSIONAL ASSOCIATION</td>
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<td>JACK MOORE, CPA</td>
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<td>MATTHEW T. BAXTER, CPA, P.A.</td>
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<td>PHBV PARTNERS LLP</td>
<td>79LP</td>
<td>COHNREZNICK LLP</td>
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<td>MCILROY, KEEN &amp; COMPANY LLP</td>
<td>80LP</td>
<td>TEAFF &amp; DRAUGHON, CPA'S PA</td>
<td>850C</td>
</tr>
<tr>
<td>DANA F. COLE &amp; COMPANY, LLP</td>
<td>81LP</td>
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</table>

### Registration of Firms

Please remember to register your firm with the Board, according to Ark. Code Ann. § 17-12-401-404. All entities that are engaged in the practice of public accountancy or that offer professional services and use the title “CPA” or “CPA firm” should be registered with the Board. Additionally, if you have an entity that has Accountancy in its title or list of services, please contact the Board to discuss your registration requirements.
Arkansas State Board of Public Accountancy Participating in National CPA Database

In an effort to increase the level of service for its constituents, the Arkansas State Board of Public Accountancy has elected to participate in CPAverify.

What is CPAverify? CPAverify is a national database of CPAs, developed in joint effort with state boards of accountancy and the National Association of State Boards (NASBA). It was designed as an outward-facing version of an internal CPA database that has been in operation by NASBA for many years and only available for use by authorized State Board personnel.

In its initial launch in October 2011, CPAverify included licensee data for 22 states. Additional states are being added until all 55 U.S. CPA licensing jurisdictions are included.

How does it work? The Arkansas State Board of Public Accountancy populates the database with official regulatory CPA data on a regular schedule. In most cases, NASBA receives this data from state boards on a daily basis.

How can CPAverify benefit me? CPAverify is an online reporting tool providing individuals and organizations with a centralized way to conveniently and reliably research the official license status of a CPA across multiple states without the need for conducting a search of each state board website individually. It is free to the public, and very easy to use.

To learn more about CPAverify or to conduct your own search, visit www.CPAverify.org.

Proposed Board Rule Changes

The Board is proposing several changes to its rules. A copy of the rules changes can be found at the link below:

http://www.arkansas.gov/asbpa/proposed_rules.html

If you have any comments about these proposed changes, please e-mail them to the Board’s Executive Director - james.corley@arkansas.gov. There will be a public hearing held on April 26, 2013 for anyone who would like to address the board about any of the proposed changes.
Arkansas

CPA Exam Performance Summary: **2012 Q-3**

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<thead>
<tr>
<th>Section Performance</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td><strong>First Time</strong></td>
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<tr>
<td>Sections</td>
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<tr>
<td>Score</td>
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<tr>
<td>% Pass</td>
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<tr>
<td><strong>Re-Exam</strong></td>
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<tr>
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<tr>
<td>Score</td>
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<tr>
<td>% Pass</td>
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<tr>
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CPA Exam Performance Summary: **2011**

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<tr>
<td>REG</td>
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<tr>
<td>Score</td>
</tr>
<tr>
<td>% Pass</td>
</tr>
</tbody>
</table>
It is important to understand that you CANNOT use the term Certified Public Accountant or the designation of CPA, after you pass the CPA Exam. According to Arkansas law, you cannot use the CPA designation or use the term Certified Public Accountant until you have been licensed by the Arkansas State Board of Public Accountancy. Many individuals believe that once they pass the Exam, they can call themselves a CPA—this is not accurate.

After you pass all four (4) parts of the CPA Exam (AUD, BEC, FAR, REG), your scores must first be audited by the Board. You will be notified in writing once your scores have been validated. You will be mailed a confirmation letter with instructions regarding how to apply for licensure with the state of Arkansas. This process may take a few weeks, but we will get this information to you as quickly as we can.
Engagement Letters: An Essential Risk Management Tool

As the accounting profession takes on more roles in order to remain competitive, lawsuits now delve into a wider range of issues. Although legal actions were once largely generated by tax and audit work, such actions also derive from compilation and review, write-up, and management advisory services.

Many lawsuits involving CPAs are the result of a communication breakdown (or “expectation gap”) between the CPA and the client. In many situations, the client’s understanding of the scope of services to be performed and how the work product will be utilized may be quite different from the CPA’s understanding of these issues.

Although engagement letters are not required legally, they are strongly encouraged. A properly drafted engagement letter can serve as a helpful risk-management tool by establishing a legal framework for a working relationship with a client.

While the engagement letter itself may vary with the level of service or type of engagement to be provided, common provisions in most engagement letters include the following:

- Identification of client;
- Description of the engagement and its limitations;
- Timing of the work and staffing of the engagement;
- Client information and responsibilities;
- Designation of the party to work with the CPA;
- Identification of intended users of the CPA’s work product;
- Fees and payments;
- Withdrawing from and/or terminating the engagement;
- Responding to discovery requests, subpoenas, and outside inquiries;
- Alternative dispute resolution as a means of resolving disputes;
- Where applicable, disclosures recommended or required by the AICPA; and
- Client signature.

Identification of Client

A properly drafted engagement letter should identify who will receive the CPA’s services. The CPA may be working for an individual, a group, an entity, or a portion of an entity. For example, if the CPA’s client is a corporation that has subsidiaries or other corporate affiliations, it may be necessary to identify the entities to be included in the engagement.

Description and Limitations of Work to Be Performed

The engagement letter should indicate what services are to be rendered. In general, the CPA should outline the procedures to be performed and any reports to be issued. In so doing, the engagement letter can help guard against the client developing unreasonable expectations about the nature and the scope of the services to be provided.

Timing of Work and Staffing of Engagement

This section of the engagement letter varies by the type of engagement and indicates when the engagement will begin and end. For example, an audit engagement may contain a provision indicating the date fieldwork will begin and end and possibly an expected date of delivery of the audit report.
A tax engagement may contain a provision indicating any known filing deadlines and the parties’ understanding concerning the use of extensions should the information not be received by the CPA to timely prepare the return.

Some CPA firms may indicate who will be staffing the engagement. This provision may prove helpful, for example, where a client expects to work with certain employees of the CPA firm.

**Client Information and Responsibilities**

In most engagements, the client is required to collect certain information and provide certain records to the CPA. If this information is necessary for the CPA to complete the engagement, these client responsibilities, and any applicable deadlines for the completion of work by the client, should be described.

For example, a tax engagement would normally contain a provision indicating it is the client’s responsibility to sign and file tax returns prepared by the CPA, along with an explanation of the consequences of the client’s failure to sign and file such returns.

**Designation of the Party to Work with the CPA**

Some engagement letters request the client to designate the party to work with the CPA. This provision can help the CPA avoid situations in which conflicting requests or instructions are received from more than one of the client’s employees.

**Identification of Intended Users of the CPA’s Work Product**

In some jurisdictions, a CPA can limit or avoid liability to third parties by identifying in the engagement letter the intended users of the work product. In addition to identifying these users, this provision often contains language prohibiting the client from distributing the CPA’s work product to any party other than these users.

In deciding whether the engagement letter should contain this provision, competent legal counsel should be consulted. This is especially true for jurisdictions which have privity standards for establishing auditor negligence.

**Fees and Payments**

An engagement letter can help avoid fee disputes before the work begins. This section of the letter details how and when the client will be billed. It may describe the amount of retainer (if any); how the fee will be computed; when payment will become due; the client’s obligation to pay promptly; and the CPA’s rights should the client fail to give prompt payment.

In some cases, the CPA may charge interest for late payments. In more extreme cases, it may be necessary for the CPA to suspend work or cancel the engagement for fees not paid.

**Withdrawing From or Terminating the Engagement**

At times, it may be necessary for the CPA to withdraw from the engagement. The engagement letter should outline the conditions that might lead to the CPA’s withdrawal and the procedures the CPA will follow in case of withdrawal.

Examples of situations in which the CPA’s withdrawal from the engagement may be required include issues of conflict of interest; management ethics or integrity; or the CPA’s real or apparent lack of independence.

This section should also discuss policies and procedures related to the termination of the engagement including return of client files; preparation of the final bill; work paper retention; and date of termination of services.

**Responding to Discovery Requests, Subpoenas, and Outside Inquiries**

Occasionally, a CPA may receive a discovery request, subpoena, or outside inquiry. While several states have established a CPA/client privilege with respect to communications, most states do not have such a privilege.
Moreover, there is no federal CPA/client privilege with the specific exception relating to tax planning. This section of the engagement letter can help avoid future misunderstandings between the client and the CPA regarding whether, and to what extent, the CPA may be required to respond to such requests.

**Alternative Dispute Resolution**

Alternative dispute resolution (ADR) refers to methods of resolving disputes outside of the courtroom. One of these methods is known as arbitration.

In arbitration, the opposing parties select one or more arbitrators who decide the outcome of the dispute. In most cases, the decision of the arbitrator cannot be appealed. Typically, the pre-arbitration discovery process is limited, and third parties are not bound by the arbitrator’s decision.

Another method of resolving disputes outside of a court of law is mediation. During mediation, a mediator attempts to find the “common ground” that exists between the opposing parties that may lead to a mutually agreed-upon settlement. In the event the mediation is not successful, the parties, if they so desire, may litigate their dispute.

Before inserting a provision in the engagement letter regarding ADR, a CPA should consult with legal counsel regarding the provision’s enforceability.

In addition, inserting a provision concerning alternative dispute resolution in an engagement letter may have insurance coverage implications. For example, while some insurers encourage the use of mediation, under some policies the use of an arbitration clause may limit or void the CPA’s professional liability insurance coverage for any claims that are arbitrated.

**Disclosures Recommended or Required by the AICPA**

The AICPA recommends the inclusion in an engagement letter of certain disclosures for certain types of engagements. These disclosures may be incorporated into, or have an effect upon, other provisions of the engagement letter.

**Client Signature**

This section should request the client sign and return an executed copy of the engagement letter to the CPA. It should provide that if the client does not agree that the engagement letter accurately reflects the agreement of the parties to the engagement, the client will promptly notify the CPA.

If the client does not return a signed engagement letter, the CPA may send a certified letter indicating that, unless otherwise notified, the CPA will assume the client agrees to the terms of the engagement letter or the CPA may recuse himself or herself from the engagement. In any event, the most effective engagement letter is one signed by the client before the CPA begins the engagement.

(Reprinted from the Activity Review, No. 7-2012, with permission from the NC State Board of CPA Examiners).
2012 Board Disciplinary Actions

The following licenses have been revoked by the Arkansas State Board of Public Accountancy in 2012:

- James M. Blew 1635 - Junction, TX
- Don R. Harrison 8197R - Springdale, AR
- Susan L. Meyers 3142 - Scottsdale AZ
- Judy Plum Moore 3134R - Atlanta, TX
- Joseph Frank Gallo 8682R - Rogers, AR
- William David Rothwell 4413 - Hot Springs, AR
- Gini L. Vanness, P.A. 625C - Springdale, AR
- Lamar F. Baker 2232 - Shreveport, LA
- Gerald E. Fischer 1229 - Harrison, AR
- Gerald E. Fischer CPA LTD 215C - Harrison, AR

Help Us Identify the Unauthorized Practice of Public Accountancy

If you suspect someone in your community of holding out as a CPA without a valid license, please contact the Board’s office and provide us with as much information as possible so we can investigate. We are also interested in finding out about other Board rules or Law violations that you may be made aware of.

With limited staff and resources, we need your help to ensure compliance with our statutes and to ensure that the public interest is protected.

New Employee - April Murphy

April Murphy joined the staff of the Arkansas State Board of Public Accountancy on Nov 19th, 2012. She comes to us with a background in sales, marketing and technical savvy.

April enjoys reading, collecting books, watching classic films and crafting, and she has a deep appreciation for art and photography. A long-time resident of North Little Rock, April has also lived as far south as Fordyce, Ar and as far north as Fayetteville.

She enjoys learning about the history of Arkansas and touring historic sites. She is a Board licensed Cosmetologist and has a daughter named London. April looks forward to working with us and helping out in any way she can.

Welcome to the staff of the Board, April.
### State Board of Accountancy Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gene Cogbill, CPA</td>
<td>President</td>
<td>2008 — 2013</td>
</tr>
<tr>
<td>Dr. Mike Moore, CPA</td>
<td>Secretary</td>
<td>2009 — 2014</td>
</tr>
<tr>
<td>Karen Garrett, CPA</td>
<td>Treasurer</td>
<td>2010 — 2015</td>
</tr>
<tr>
<td>Wade Turner, CPA</td>
<td></td>
<td>2011 — 2016</td>
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<tr>
<td>Jeremy Watson, CPA</td>
<td></td>
<td>2012 — 2017</td>
</tr>
<tr>
<td>Lloyd Franklin, CFE</td>
<td></td>
<td>2008 — 2012</td>
</tr>
<tr>
<td>Bill Millager, MBA</td>
<td></td>
<td>2008 — 2013</td>
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### State Board of Accountancy Staff

<table>
<thead>
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<th>Title</th>
<th>Contact Information</th>
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</tr>
</tbody>
</table>
Moving? Please Notify the Board Office of Your New Address

The rules and regulations require all licensees to notify the ASBPA of all such changes by sending a change of address form to the office. Please include a street address to facilitate any express mail deliveries.

Name ______________________________________________________________________________________

Employer ____________________________________________________________  License# ______________

Old Address:__________________________________  New Address: __________________________________

Phone: ________________________________________  Email: ___________________________________

Signature: _______________________________________  Date: __________________

Please Mail to: Arkansas State Board of Public Accountancy
101 East Capitol, Suite 450, Little Rock, AR 72201