

# ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Wade Turner CPA, President  
Jeremy Watson CPA, Secretary  
Robert Redfern CPA, Treasurer  
Mike Watts CPA, JD



Sherry Chesser, CPA  
Lloyd Franklin, CFE  
Jim Gately, EdM

Jimmy Corley, CPA  
Executive Director

## MEETING MINUTES November 20, 2015 Meeting

A regular meeting of the Arkansas State Board of Public Accountancy was held in Suite 450 of the Main Street Mall building on November 20, 2015 with Wade Turner, President, presiding. Other members of the Board in attendance were: Jeremy Watson, Michael Watts, Robert Redfern, Lloyd Franklin, Jim Gately and Sherry Chesser. Members of the staff in attendance were: Jimmy Corley, Executive Director; Dale Edge, Investigator; Tim Montgomery, Investigator; Mark Ohrenberger, Legal Counsel; Alan Fortney and April Murphy. Also in attendance were Greg Kirkpatrick, Hearing Officer; and Tiffanie Harrison, Court Reporter.

### CALL TO ORDER

Mr. Turner officially called the meeting to order at 9:00 am. A quorum was found to be present.

The Board moved immediately to a public hearing. A hearing was held concerning proposed Board Rule changes. No members of the public were present. After reading written comments submitted by the public, the Board voted in favor of the proposed rule changes.

### APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the October 2, 2015 Board meeting. The motion passed unanimously.

### TREASURER'S REPORT

A motion was made and seconded to approve the September 2015 and October 2015 Treasurer's Reports, as presented. The motion passed unanimously.

### COMMITTEE REPORTS

#### COMPLIANCE

The Compliance Committee has met once.

#### Thirteen new complaints:

101 East Capitol, Suite 450

Little Rock, Arkansas 72201

(501) 682-1520  
Fax (501) 682-5538

[www.Arkansas.gov/asbpa](http://www.Arkansas.gov/asbpa)

Licensee with void certificate requesting re-licensure.  
Licensee with revoked certificate requesting reinstatement to retired status.  
Licensee with CPE Audit issues.  
One failure to renew.  
One Unlicensed Firm.  
Three licensees with Peer Review Issues.  
Licensee with a Quality Review issue.  
Two external complaints.  
One applicant with an undisclosed conviction.  
Review of applicant name.

**Requesting closure of 16 complaints – 6 by Consent Order:**

- 1) **C12-014 – (Applicant)** –Applicant has requested re-licensure of void CPA certificate 7461. Hearing No. H15-021 was held to determine if applicant lacked “good moral character” under Ark. Code Ann. § 17-12-301. It was determined Applicants request should not be denied. Requesting closure with no further action.
- 2) **C13-086 – (Unregistered Firm)** – Unlicensed firm holding out. Licensee associated with firm. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$250.00 penalty paid.
- 3) **C15-037 – (Cert #4297)** – External complaint regarding negligence and holding of records. After review of documentation provided, Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure of the complaint.
- 4) **C15-057 – (Cert #5299)** – External Complaint alleging conduct unbecoming. Complainant has withdrawn the complaint. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but further recommends closure of the complaint based on the Complainants withdrawal of the complaint.
- 5) **C15-080 – (Non-Licensee)** - Non-Licensee (Surrendered AR certificate) holding out as CPA on faculty website. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but further recommends closure of the complaint based on the removal of the non-licensee’s name from the website.
- 6) **C15-082 – (Cert #4143)** – Referral from MO Board of Accountancy. Mo Board has closed matter with no further action. Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure of the complaint.

- 7) **C15-089 – (Unregistered Firm)** – CPA firm registered with AR Secretary of State in 1999 but did not register with Board until 2015. Firm issued no reports under this firm name. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance statement has been signed and \$1,500.00 penalty paid. Requesting closure via compliance statement.
- 8) **C15-093 – (Non-Licensee)** – Received written complaint. After further review it was determined that the identified firm was not a licensee. Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure of the complaint.
- 9) **C15-094 – (Unregistered Firm)** – Received written complaint. After further review it was determined that the identified person was not a licensee. Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure of the complaint.
- 10) **C15-097 – (Applicant Firm)** – Sole Proprietor (unincorporated) firm requesting to register a firm name that included “Associates”. Per review of A.C.A. §17-12-103 (a) (8), Compliance Committee approved use of the name as long as two or more CPAs worked at the firm. As no further action is needed, Compliance Committee recommends closure of the request.

A motion was made and seconded to approve items 1 through 10, listed above. The motion passed unanimously.

#### CONSENT ORDERS

- 1) **[C13-006](#) - Consent Order (Registration #0314)** – Licensee misstated ASBPA Quality Review responses for 1999, 2002, 2005, 2008, 2011, and 2012. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure contingent on the completion of the proposed consent order. Licensee has signed the consent order and agreed to pay the \$10,000.00 penalty.

A motion was made and seconded to close C13-006. The motion passed unanimously.

- 2) **[C13-009](#) - Consent Order (Cert #1930R /Firm 411C)** –Licensee/Licensee Firm’s last completed peer review was dated November 2007. Licensee/Licensee Firm’s next peer review due date was March 2011. Licensee/Licensee Firm has not gone through Peer Review since 2007. Licensee/Licensee Firm issued six (6) governmental audits from June 30, 2011 through June 30, 2012. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. Licensee/Licensee Firm has ceased performing governmental audits. Licensee/Licensee Firm’s has agreed to the consent order and paid the \$1,000.00 penalty.

A motion was made and seconded to close C13-009. The motion passed unanimously.

- 3) [C13-097](#) - **Consent Order (Cert #7737R)** – Licensee performed a 401k audit. United States Department of Labor Office of Chief Accountant (DOL) performed a review of the audit and it was rejected. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. Licensee has entered into a consent order agreeing to cease performing attest and compilation work in Arkansas.

A motion was made and seconded to close C13-097. The motion passed unanimously.

- 4) [C13-116](#) - **Consent Order (Non-Licensee)** – TN Licensee performed sixteen (16) audits for five (5) clients for years ended 2009-2012. Non-licensee has ceased performing attest work in Arkansas. Non-licensee does not wish to register as an Arkansas firm. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. Non-Licensee has entered into a consent order agreeing to cease performing attest work in Arkansas.

A motion was made and seconded to close C13-116. The motion passed unanimously.

- 5) [C15-079](#) – **Consent Order (Cert #7726)** – Licensee violated a 2014 Consent Order in that licensee did not pay the assessed penalty nor did licensee obtain additional Continuing Professional Education hours as required by the Order. Licensee has since paid the penalty and obtained the CPE as required in the 2014 Consent Order. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. Licensee has signed the consent order and paid the \$500.00 penalty.

A motion was made and seconded to close C15-079. The motion passed unanimously.

- 6) [C15-085](#) – **Consent Order (Cert #7302R)** – Applicant’s CPA certificate became void on or about January 1, 2011 for failure to renew. Applicant is requesting re-licensure to license to practice pursuant to A.C.A. § 17-12-504(h)(1). Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure contingent on completion of the proposed consent order. Applicant has signed consent order, completed 120.5 hours of CPE, and agreed to pay current year fees (2016) and prior year renewal and late fees for 2008 -2010 totaling \$635.00. Requesting closure by Consent Order.

A motion was made and seconded to close C15-085. The motion passed unanimously.

#### CPE

The staff is conducting the final review of CPE Audit submissions.

## QUALITY REVIEW

Mr. Corley presented the results of the 2015 Quality Review Audit.

## RULES

The proposed rule changes will be submitted to the Legislative Subcommittee for approval. The rules will take effect 10 days after approval.

## PERSONNEL

The Board has filled the position of Exam Specialist and Credentialing Assistant.

## OLD BUSINESS

### Exam Exposure Draft

The Board discussed NASBA's comment letter to the AICPA concerning the CPA Exam Exposure Draft.

## NEW BUSINESS

### 18 Month Window Extension Request

A motion was made and seconded to approve a one-day extension for an exam candidate whose exam score expiration date falls on the New Year's Day holiday. The motion passed 4 to 1 with members Mr. Watson, Mr. Franklin, Mr. Watts, and Mr. Gately voting yes and Ms. Chesser voting no.

## OTHER BUSINESS

### CPE Exempt Organization Clarification

Discussion of the Arkansas Governmental Finance Officer's eligibility for exempt CPE sponsor status was tabled until the next meeting.

### NASBA Focus Questions

The Board read and discussed answers to the Regional Directors' Focus Questions submitted by NASBA.

### New File Server Purchase

A motion was made and seconded to approve the purchase a new file server.

### Department of Labor Presentation

Marcus Aron, Senior Auditor with the U.S. Department of Labor, gave a presentation on auditing Employee Benefit Plans.

#### **RATIFICATION OF LICENSE APPLICATIONS**

A motion was made and seconded to approve applications and surrenders. The motion passed unanimously.

#### **ADJOURNMENT**

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 1:25 pm.