

Richard Bell CPA, JD, President
Shane Warrick CPA, PhD, Secretary
Christina Ellis CPA, Treasurer
Ron Pitts CPA - Inactive



Deana Infield CPA
Denny Woods JD
Kevin Canfield

Jimmy Corley CPA
Executive Director

Board Meeting Minutes

September 22, 2022

A regular meeting of the Arkansas State Board of Public Accountancy was held at Southern Arkansas University with Shane Warrick - Secretary, presiding. Other members of the Board in attendance were Richard Bell, Deana Infield, Christina Ellis, Kevin Canfield, and Ron Pitts. Members of the staff in attendance were Jimmy Corley; Executive Director, Dale Edge; Investigator, Tim Montgomery; Investigator, Jessica Hamric; CPE Coordinator, and Kathrine Stone; Licensing Coordinator. Also in attendance were Sara Farris, Legal Counsel, and Marsha Moffitt of the Arkansas Society of CPAs, and several students from Southern Arkansas University.

CALL TO ORDER

Mr. Bell officially called the meeting to order at 10:18 a.m. A quorum was found to be present.

The Board introduced its members to the SAU students present and explained the function of the ASBPA.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the August 2022 Board meeting. The motion passed unanimously.

TREASURER'S REPORT

A motion was made and seconded to approve the August 2022 Treasurer's Reports, as presented. The motion passed unanimously.

COMMITTEE REPORTS

The Compliance Committee has met once since the August Board meeting.

Nine (9) New Complaints:

Firm sanctioned by another State Board of Accountancy

Non-licensee holding out as CPA.

Licensee performing services with an expired/inactive license.

Two licensees with Peer Review issues.

Four licensees with failed Practice Review Issues.

Requesting closure of Eleven (11) complaints; Three (3) by Consent Order

1. **C19-139 – (Cert. #4059)** – Inactive licensee was working in public accounting. Licensee originally requested to upgrade but has now decided to surrender her license. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends accepting surrender and closure with no further action.
2. **C22-023 – (Cert. #1697)** – Licensee failed to timely renew for 2022 licensure year and became lapsed. Licensee has since contacted the Board and requested to take retired status. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

Complaints 3 through 5 –Licensees requesting withdrawal from Peer Review program.

3. **C22-055 – (Firm Cert. #732C)** – Licensee firm originally requested to withdraw from the Peer Review program but has now decided to remain in Peer Review. The Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure with no further action.
4. **C22-064 – (Cert. #7800)** – Licensee is requesting withdrawal from the Peer Review program. Last report was issued in 2020 and last peer review report was dated 05/23/2021. The Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings, granting a waiver from licensee’s next scheduled peer review, and closure with no further action.
5. **C22-066 – (Cert. #2036)** – Licensee is requesting withdrawal from the Peer Review program. Last report was issued in 2019 and last peer review report was dated 09/30/2019. The Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings, granting a waiver from licensee’s next scheduled peer review, and closure with no further action.

Complaints 6 and 7 –Licensees sanctioned by SEC or PCAOB

6. **C22-057 – (Firm Cert. #2LP)** – Licensee firm is self-reporting SEC sanctions. SEC sanctioned firm for in-firm cheating on Ethics exam and CPE courses. The firm has said that no AR CPAs were involved. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
7. **C22-063 – (Firm Cert. #108LP)** – Licensee firm sanctioned by PA Accountancy Bd for a 2019 PCAOB/SEC finding regarding independence and a 2020 PCAOB/SEC finding regarding a failure to follow standards. The AR Board reviewed both the 2019 PCAOB/SEC issue and 2020 PCAOB/SEC issue. Both were closed with Probable Cause and no further action was taken. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

Complaint 8 Lapsed Licensee requesting to reinstate CPA Certificate

8. **C22-033 – (Cert. # 8707)** – Licensee failed to timely renew for 2022 licensure year and became lapsed. Licensee has since contacted the Board and requested to reinstate. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. A Compliance Statement requiring licensee to pay \$210 (\$110 2022 active licensure fee and \$100 late CPE penalty) has been signed and monies collected. Licensee completed 60.5 hours of CPE 2021 and 1 hour in 2022.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolutions as to items 1 through 8 as listed above. The motion carried.

CONSENT ORDERS

9. **C21-080- Consent Order (Cert. #243LC)** – Licensee firm performed attest work without being enrolled in Peer Review. Firm failed to timely submit 2021 Practice Review. Licensee failed to timely respond to 30 day certified letter from the Board. Licensee has signed a consent order agreeing to pay a \$2,500 penalty, respond timely to its next Peer Review survey and provide a timely response to all Board Correspondence for licensing years 2022 -2025. Requesting closure by Consent Order contingent on receipt of money.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution to C21-080. The motion carried.

10. **C21-130- Consent Order (Cert. #6794)** – Applicant's certificate became void January 1, 2010. Applicant has requested to reinstate to a license to practice. Applicant has completed 147 hours of CPE: 60 hours A&A, 5 hours of Ethics, 80 hours of Tax and 2 hours of Other. The study type consists of 24 hours of group and 123 hours self-study. Applicant has one year of experience. Applicant has signed consent order and paid 2022 licensure year fee of \$110.00, prior year fees of \$165.00 (for 2007, 2008 and 2009), and late fees of \$360.00 (for 36 months). Requesting closure by Consent Order contingent on receipt of monies.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution to C21-130. The motion carried.

11. **C22-042- Consent Order (Firm Cert. #356LC)** – Firm was first licensed in 2021 after acquiring another CPA firm. Firm signed up timely for Peer Review in 2021. In June 2022, the Board was notified that the Firm had been dropped from the AICPA Peer Review Program. When contacted, the Firm stated that only attest work in progress from the firm acquired in 2021 had been issued; no additional attest work had been performed. Acquired firm had an Acceptable Peer Review in June of 2017. Licensee and Licensee Firm have signed a consent order agreeing to cease performing attest work. If Licensee and/or Licensee Firm wish to commence attest work in the future, they must enroll in Peer Review, submit reports for pre-issuance review, and obtain an acceptable System Peer Review before consideration will be given to lifting the Pre-Issuance requirement. Requesting closure by Consent Order

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution to C22-042. The motion carried.

NEW BUSINESS

Exam score extension request: An examinee requested a 60-day extension of her REG credit due to a covid diagnosis. An initial motion was made to deny this request before being amended to accept an extension of 30 days rather than 60, with a deadline of October 28th to complete the remaining Exam section. The motion was seconded. Motion carried.

2023 Board Meeting dates: The Board will finalize the schedule for Board Meetings upcoming in 2023 at the November 2022 Board Meeting.

NASBA regional meeting: The NASBA annual meeting will be held in San Diego, California. Shane Warrick is planning to attend.

ADJOURNMENT

A motion was made and seconded to adjourn the September 22, 2022 Board Meeting. The motion passed. The meeting adjourned at 11:49 am.