



ASBPA UPDATE

Volume 03—2010

A Publication of the Arkansas Board of Public Accountancy

NOVEMBER 2010 ISSUE

Announcing New Board Member, Karen Garrett

Karen Elizabeth Garrett, Certified Public Accountant, and Partner at Hudson Cisne & Company, LLP in Little Rock, has been appointed by Governor Beebe to serve a five-year term on the Arkansas State Board of Public Accountancy.

Karen is a graduate of the University of Central Arkansas, where she received a Bachelor of Science degree in accounting in December, 1993. Karen began working in public accounting in early 1994 as a staff member at Moore Stephens Frost. She joined Hudson, Cisne & Co. in 1996 and became partner in 2005.

Karen is a member of the Arkansas Society of Certified Public Accountants, the American Institute of Certified Public Accountants, and Associated General Contractors of Arkansas.

Karen is very involved in various civic and community organizations, including Leadership of Greater Little Rock Class XIX, and Leadership of Greater Little Rock Alumni. She is the current Treasurer of Little Rock Midtown Rotary and is a member of University of Central Arkansas' Accounting Advisory Board, and the University of Arkansas at Little Rock's Accounting Advisory Board.

Karen resides in Conway with her husband Michael and two daughters, Megan and Isabelle .

Please welcome Karen to the Arkansas State Board of Public Accountancy!



Karen Garrett, CPA

2010 Continuing Education

Per Board Rule 13, in order to renew a license, each licensee with an active license to practice public accountancy in the state of Arkansas **must have completed** acceptable continuing education, except as otherwise provided in Section 13.2(b), in the amount of 120 hours within 36 months or 40 hours within 12 months **immediately preceding** January 1 of the year for which the license is renewed.

The Board would like to remind all licensees that are required to take continuing professional education (CPE) to obtain their CPE throughout the year, and not wait until the last minute. Failure to obtain the required CPE by December 31st can result in a fine/penalty by the Board. Please review Board Rule 13 for the specific categories in which the CPE must be obtained.

During the 2011 renewal, you will be asked for the NASBA number, Sponsoring Organization, Course Title, Date of Completion, Group or Self-Study hours, and the hours of each specific content area of study. It is each licensee's responsibility to accurately report and maintain this information for 5 years.

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CPE Audit Results

The 2010 CPE Audit began with 250 letters sent with a due date of October 22, 2010. Second notices were sent to 38 with a due date of November 29, 2010. Those that do not respond by November 29, 2010 will be referred to the Compliance Committee. The results of the 2009 CPE Audit (CPE taken in 2008) are finalized. Fines/penalties have been assessed for failed audits. The comparison of 2009 to 2008 results is as follows:

	2009 Audit	Percentage		2008 Audit	Percentage
Acceptable	98	38.73%		39	17.33%
Failed	79	31.23%		81	36.00%
Failed, Passed on Appeal	63	24.90%		87	38.67%
Referred to Compliance	11	4.35%		17	7.56%
Auditee Deceased	2	0.79%		1	0.44%
TOTAL	253	100%		225	100%

Change in CPE Reporting Procedure for Online Renewals

Licensees who are renewing their license online will no longer be able to enter any CPE taken outside of the dates from January 1 through December 31, 2010 for the 2011 license renewal. Any CPE taken after 12/31/10 for the purposes of the 2011 renewal will have to be reported to the Board after an extension request has been approved.

To receive an extension for CPE for your renewal, you must complete the [form](#) before 12/31/10. This [form](#) is available on the ASBPA website. The CPE hours approved on the extension form must be submitted via paper form, since those hours approved for extension will no longer be permitted to be entered online.

Quality Review Surveys

In a comparison between the 2010 Quality Review Results and the 2009 QR results, the results are as follows:

<u>2010 QR Results</u>			<u>2009 QR Results</u>		
Acceptable	116	49%	Acceptable	83	56%
Marginal	90	38%	Marginal	40	27%
Substandard	31	13%	Substandard	26	17%
Total Reports	237	100%	Total Reports	149	100%

The Board would like to thank those who have assisted with the Quality Reviews over the past few years. Your dedication and time is greatly appreciated.

Board Meeting Schedule

January 7, 2011
April 22, 2011

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:

November 25-26, 2010—Thanksgiving
December 23-24, 2010—Christmas
December 31, 2010— New Year’s Day observance
January 17, 2011— Dr. Martin Luther King, Jr. Day
February 14, 2011— President’s Day

2010 Disciplinary Actions

Revocations, Suspensions, or Surrendered in lieu of further disciplinary actions:

April 2010

On April 23, 2010, the Arkansas State Board of Public Accountancy in the matter of **Michael W. Gober, Certificate No. 1962R** issued a revocation of his certificate with regard to violations of Accountancy Law, Board Rules and Code of Professional Conduct.

On April 23, 2010, the Arkansas State Board of Public Accountancy in the matter of **Michael W. Gober CPA INC, firm Certificate No. 636C** issued a revocation of firm certificate with regard to violations of Accountancy Law, Board Rules and Code of Professional Conduct.

On April 23, 2010, the Arkansas State Board of Public Accountancy in the matter of **Noel Ernesto Arguello, Certificate No. 8269R** accepted a surrender of certificate in lieu of further disciplinary actions.

June 2010

On June 18, 2010, the Arkansas State Board of Public Accountancy in the matter of **Ronald H. McMaster, Certificate No. 4143** issued a revocation of his certificate with regard to violations of Accountancy Law, Board Rules and Code of Professional Conduct.

On June 18, 2010, the Arkansas State Board of Public Accountancy in the matter of **Wanda Lea Lorenz, Certificate No. 4726R** issued a revocation of her certificate with regard to violations of Accountancy Law, Board Rules and Code of Professional Conduct.

On June 18, 2010, the Arkansas State Board of Public Accountancy in the matter of **James E. Stokes, Certificate No. 2810** issued a revocation of his certificate with regard to violations of Accountancy Law, Board Rules and Code of Professional Conduct.

On June 18, 2010, the Arkansas State Board of Public Accountancy in the matter of **Donald E. Bridges, Certificate No. 4237** issued a revocation of his certificate with regard to violations of Accountancy Law, Board Rules and Code of Professional Conduct.

On June 18, 2010, the Arkansas State Board of Public Accountancy in the matter of **Rick J. Tanneberger, Certificate No. 1175** accepted a surrender of certificate in lieu of further disciplinary actions.

On June 18, 2010, the Arkansas State Board of Public Accountancy in the matter of **Richard D. Perkins, Certificate No. 1682R** accepted a surrender of certificate in lieu of further disciplinary actions.

August 2010

On August 27, 2010, the Arkansas State Board of Public Accountancy in the matter of **Billie T. Hendricks, Certificate No. 0397** accepted a surrender of certificate in lieu of further disciplinary actions.

Enforcement Actions Taken by the Board through October 31, 2010

Cases resolved by Hearing on revocation of license:	6
Cases resolved due to lack of evidence to support violation:	19
Cases resolved by Consent Order:	26
Cases resolved by Compliance Statement:	13
Cases resolved with no further action:	5
Cases resolved by Hearing:	1
Cases resolved by Voluntary Surrender in lieu of further disciplinary action:	4*
Total 2010 Enforcement Cases Resolved and Closed:	74

* Includes action listed above

2010 Successful Candidates January—February



"Our greatest glory is not in never failing, but in rising up every time we fail". Ralph Waldo Emerson



- | | |
|-----------------------------|----------------------------|
| Beaston, Kathy M. | McCullough, Stephanie Leah |
| Bogdon, Justin Lee | McDougald, Kimberly A. |
| Borah, Carrie Marie | Pellin, Abby |
| Cassidy, Christopher Andrew | Phillips, Rebecca Lynn |
| Chasteen, Christina L. | Rodgers, Zachary R. |
| Clay, Candice Michelle | Shearer, Alex V. |
| Cross, Keri Veneda | Smith, Amanda Nicole |
| Gao, Xianbin | Thomas, Jason Michael |
| Geer, Debra Kay | Travis, Derek Stephen |
| Gieringer, Linda Marie | Tucker, III, James Claude |
| Hughes, Natalie Marie | Watkins, Tori Nicole |
| Leach, Sara | White, Danielle Renee |
| Leding, Albert Louis | White, Kevin W. |
| Lloyd, Penny Lynn | Williams, George Doyne |
| Luethy, Wade Jordan | |

April—May

- | | | |
|------------------------|------------------------|---------------------|
| Alford, Adriene M. | Dark, Tiffany Amy | Musharbash, Emad J. |
| Alford, Jon David | Diaz, Edward Marcus | Nichols, Johnathan |
| Beeson, Megan C. | Gutierrez, Julienne M. | Pierce, Steven M. |
| Behne, Brandi J. | Hickman, Jessica D. | Prater, Misty L. |
| Campbell, Charla Renee | Hoggard, Michael V. | Primm, Jessica E. |
| Chandran, Ashwin | Horton, Ellie S. | Rankin, Donna G. |
| Chappell, Jennifer L. | Lindsey, Keith L. | Semenova, Darina A. |
| Corley, Jeffrey Q. | Meatte, Justin B. | Wood, Andrew B. |

July—August

- | | | |
|------------------------|-------------------------|-----------------------|
| Antoine, Meghan Marie | Hobbs, Nicole C. | Moore, Jennifer M. |
| Carraway, Jessica H. | Howard, John B. | Moore, Karen Conrad |
| Chaffen, Eddie W. | King, Zachary B. | Moschner, Kayla R. |
| Elmore, Kyle Lee | Kirkley-Smith, Tracy J. | Parsons, Andrew B. |
| Forrest, Michael T. | Kramer, Valerie M. | Poe, Christopher P. |
| Francis, Wendy R. | Lewis, Carla J. | Roberts, Charles R. |
| Garrett, Alicia L. | Mendenhall, Miranda J. | Simpson, Justin D. |
| Harrison, Jaclynn | Miller IV, John H. | Spalding, Kathleen S. |
| Henson, Christopher D. | Mooney, Howard Dell | Whitted, Maresha R. |

What does “Inactive” mean?

Under State law 17-12-505, Arkansas CPAs or PAs may choose to change their License status from “Active” to “Inactive.” The benefit of making this change is a lower license fee (\$55 for inactive vs. \$110 for active) as well as an exemption from the CPE requirement. However, only certain licensees are eligible for inactive status. The law states that this status is available “for licensees who do not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.” Note that once you decide to change to an inactive status, you are prevented by law from performing any of the services mentioned above, even if those services are not a part of your normal full time job. For example, an inactive licensee who works as a controller for a private company cannot perform the prohibited services after hours as a second job.

Approximately 40% of the almost 6,000 individuals Licensed with the Arkansas Board are inactive. Note that these licensees must place the word “inactive” next to their CPA/PA title on any business card, letterhead, electronic transmission, or any other document (except their certificate) on which his or her CPA/PA title appears.

Anyone who converts from an active license to an inactive license can change back to active status if circumstances change causing the need for an active license. However, CPE hours will have to be made up by the licensee for the period of time from conversion to inactive status through the date of application for an active license, up to 120 hours.

There is also an “inactive/retired” status for those practitioners who are 65 years old or older and who do not perform any services set forth in law 17-12-505. The annual fee for this status is \$30. Retirees can convert back to active status under the same conditions discussed for inactive licensees above.

OUR MISSION is to administer the public accountancy statutes with the highest degree of integrity, competence and efficiency commensurate with the professional standards of certified public accountants and public accountants.

Does My Firm Need To Be Registered?

Do you have questions about whether your firm should be registered with the Arkansas State Board of Accountancy? If you answer yes to any of these questions, please contact the Board to get the registration paperwork started!

1. Do you, your corporation/company or partnership maintain a physical presence in Arkansas and:
 - a. engage in the practice of public accounting, or use the title CPA or CPA firm, **OR**;
 - b. hold out to the public as a partnership, corporation, or limited liability company made up of Certified Public Accountants or Public Accountants, **OR**;
 - c. your corporation/company is registered with the Arkansas Secretary of State for the stated purpose of practicing public accounting, **OR**;
 - d. a corporate shield defense is a part of your strategy with regard to litigation involving the accounting/tax services you provide?
2. Do you or your firm not maintain a physical presence in Arkansas, but you or your firm perform within the state:
 - a. an audit or other engagement to be performed in accordance with the “Statements on Auditing Standards”, **OR**;
 - b. an examination of prospective financial information to be performed in accordance with the “Statements on Standards for Attestation Engagements”, **OR**;
 - c. an engagement to be performed in accordance with PCAOB standards?

If you answered Yes to question 1 or 2, per A.C.A. §§ 17-12-106 (b), 17-12-106 (d) and 17-12-401 your firm should be licensed with the Arkansas Board of Public Accountancy.

If you have any questions please contact the Board directly for clarification at (501) 682-1520.

CPA Exam Changes Beginning December 1, 2010

CPA Exam Fee Changes Effective December 1, 2010

The CPA examination fees charged by the American Institute of Certified Public Accountants (AICPA), the National Association of State Boards of Accountancy (NASBA), and Prometric will be changing again this year. Applications postmarked on or before November 30, 2010 will still be processed at the current fees. The Board's administrative fees will not change.

Applications postmarked on or before November 30, 2010 and received in the Board's office on or before November 30, 2010 will be processed using the current fee schedule. All applications received or postmarked after November 30, 2010 will use the new fee schedule.

Testing time for the Auditing and Attestation (AUD) section will be shortened by a half hour to four hours. Testing time for the Business Environment and Concepts (BEC) section will be increased by a half hour to three hours. Testing times for Financial Accounting and Reporting (FAR) and Regulation (REG) sections will remain the same as before at four and three hours, respectively. The total testing time for all sections of the examination remains unchanged at fourteen hours.

Auditing & Attestation (AUDIT)	\$ 207.15
Business Environments & Concepts (BEC)	\$ 185.10
Financial Accounting & Reporting (FAR)	\$ 207.15
Regulation (REG)	\$ 185.10

The following are the Board's administrative fees, which have not changed:

Initial (first time) application	\$ 50.00
1 Exam Section	\$ 75.00
2 Exam Sections	\$ 90.00
3 Exam Sections	\$ 105.00
4 Exam Sections	\$ 120.00

Please be advised that there is no provision for withdrawing from the examination, refunding of fees, or the transfer of fees. **The application-section fees are nonrefundable and nontransferable.** The fees for the contract examination providers are nontransferable, but may be partially refunded if extreme hardship precludes the applicant from scheduling or taking the exam. Refer to [Board Rule 3.8](#) for extreme hardship definition, time limits, and documentation requirements.

If you have questions regarding the exam fee schedule, please contact the Board's office at (501) 682-1520.

State Board of Accountancy Board Members



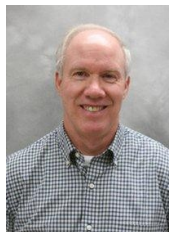
Gary Kelly, CPA
President
Pine Bluff
Term: 2006 — 2011



Dale Coy, CPA
Secretary
Paragould
Term: 2007 — 2012



Gene Cogbill, CPA
Treasurer
Texarkana
Term: 2008 — 2013



Mike Moore, CPA
Conway
Term: 2009 — 2014



Karen Garrett, CPA
Conway
Term: 2010 — 2015



Lloyd Franklin, CFE
Pine Bluff
Consumer Advocate
Term: 2008 — 2012



Bill Millager, MBA
Rogers
Consumer Advocate
Term: 2008 — 2013

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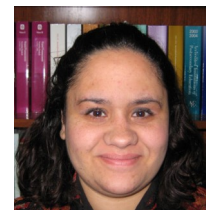
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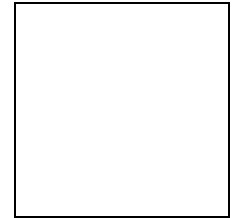
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101 East Capitol, Suite 450
Little Rock, AR 72201

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