



# ASBPA UPDATE

Volume 01—2011

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MARCH 2011 ISSUE

## CPA Exam to be offered outside the US in 2011

For the first time in the history of the CPA exam, the test is now being offered outside of the United States. Beginning in August 2011, candidates will be able to sit for the exam at Prometric sites located in Japan, Bahrain, Kuwait, Lebanon, and the United Arab Emirates. The test will still be offered in English only.

The National Association of State Board of Accountancy indicated that the CPA exam is being offered internationally for the first time due to growing demand from international candidates. In 2010, more than 10,000 international candidates traveled to the U.S. to take the U.S. CPA exam, a 22 percent increase from 2009. Nearly one-third of international exam candidates came from Japan.

Licensure requirements for international candidates are still the same as for U.S. CPA candidates. Along with passing the exam, all candidates must meet educational and experience requirements as mandated by U.S. state boards of accountancy.

Initially, the exam will be offered internationally during a one month testing window per calendar year quarter. NASBA has indicated that the exam may be offered in additional countries in the future.



### National Uniform CPA Examination Passing Rates for 2010

Section	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Cumulative
AUD	46.86%	50.77%	49.40%	44.89%	47.80%
BEC	46.59%	48.88%	50.79%	44.27%	47.29%
FAR	44.95%	48.39%	52.71%	45.02%	47.81%
REG	49.00%	52.07%	54.03%	47.29%	50.66%

The statistics above are not specific to Arkansas, but are national percentages.

## CPA Exam Policy on New Pronouncements

How soon after a new accounting pronouncement or law is released will the information be tested on the CPA exam?

According to the AICPA, accounting and auditing pronouncements are eligible to be tested on the CPA exam in the testing window beginning six months after a pronouncement's effective date, unless early application is permitted. When early application is permitted, the new pronouncement is eligible to be tested in the window beginning six months after the issuance date. In this case, both the old and new pronouncements may be tested until the old pronouncement is superseded.

For tax rules, the Internal Revenue Code and federal tax regulations in effect six months before the beginning of the current window may be tested.

For all other subjects covered in the Regulation (REG) and Business Environment and Concepts (BEC) sections, materials eligible to be tested include federal laws in the window beginning six months after their effective date, and uniform acts in the window beginning one year after their adoption by a simple majority of the jurisdictions.

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## *Differences in CPA Related Organizations*

Over the years, the Arkansas State Board of Public Accountancy has been confused with the professional societies of accountants. The list below is an effort to clarify who these organizations are and what they do. They are not affiliated with one another, other than the connection with accountants in Arkansas:

The **Arkansas State Board of Public Accountancy** administers the licensing of CPAs in the state for the protection and general welfare of the citizens of Arkansas. The State Board is responsible for administering the CPA exam, issuing Arkansas licenses, and enforcing the accountancy laws and regulations. The Board consists of seven members appointed by the Governor.

The **Arkansas Society of CPAs (ASCPA)** is an active professional organization of CPAs working together to improve the profession and serve the public interest.

The **Arkansas Society of Accountants (ASA)** is organized for the purpose of elevating and maintaining among its members a high standard of proficiency and integrity, to promote and to protect the interests of public accountants in Arkansas, to cultivate a spirit of professional cooperation among its members, to establish goodwill and understanding between the general public

## *Online Renewals Open Until March 31st*

Licensees who have not renewed for 2011 have until March 31st at midnight to renew their CPA license, with late fees applied. Those that do not renew by March 31st will lapse and must request a reinstatement of their license should they wish to hold a valid license in the state of Arkansas. All licenses expire on December 31st of each year. A late period from January 1—March 31 is permitted with late fees, should the licensee need additional time to renew. However, during this “late period” late fees are charged to the licensee at the rate of \$25 / month for active licensees and \$10 / month for licensees on inactive status. If you have not renewed for 2011, yet, please log on to the online renewal website to renew today!!

**WWW.ARKANSAS.GOV/ASBPA** is our website address.

## *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	118	49.37%	Acceptable	83	56%
Marginal	94	39.33%	Marginal	40	27%
Substandard	27	11.30%	Substandard	26	17%
<b>Total Reports</b>	<b>239</b>	<b>100%</b>	<b>Total Reports</b>	<b>149</b>	<b>100%</b>

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*

**April 29, 2011**  
**May 20, 2011**  
**June 17, 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:

**May 30, 2011—Memorial Day**  
**July 4, 2011—Independence Day**  
**September 5, 2011 — Labor 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 In 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:	31
Cases resolved by Compliance Statement:	17
Cases resolved with no further action:	7
Cases resolved by Hearing:	2
Cases resolved by Voluntary Surrender in lieu of further disciplinary action:	4*
<b>Total 2010 Enforcement Cases Resolved and Closed:</b>	<b>86</b>

\* Includes action listed above

## Successful CPA Exam Candidates

October—November 2010



Abele, Candice A.	Hornok, Emily Kathryn	Powell, Melania D.
Bailey, Petra	Jarrett, Michael C.	Pyle, Sarah M.
Bernard, John A.	Kryzhanovska, Veronika O.	Runde, Rhonda Kay
Bryant, Jennifer E.	Larue, Lacey M.	Sanders, Jonathan
Buffington, Jennifer Janette	Lentz, Whitney A.	Schrock, John T.
Collier, Samuel R.	Matthews, Richard C.	Smith, Sarah E.
Cox, Derek P.	Mayer, Renee J.	Stout, Rebecca A.
Deem, Zachary T.	McCullough, Drew Daniel	Taylor, Christopher P.
Dodson, Davis Howard	Moore, John T.	Tillman, Tiffany S.
Evans, Christina D.	Myers, Jessica E.	Wallis, Joseph C.
Evans, Joshua D.	Overstreet, Kimberly A.	Welk, Kristen Q.
Fleming, Kristin L.	Paladino, Alicia Anne	Williams, Chales R.
Graham, Daniel L.	Pangle, Wendi L.	Zarvos III, James N.
	Parker, Miranda E.	

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

### Certificate Ceremony Honoring the 2010 Successful Candidates

We are excited about our upcoming certificate ceremony! The ceremony will be held **Saturday, May 21, 2011 at 10:00 a.m.** in the Rotunda of the State Capitol with a reception to follow provided by the Arkansas Society of CPAs.

If you passed the exam and became licensed in 2010, please keep an eye out for your formal invitation. **Please remember to respond**, so we can mark you and your family members down for a time of celebration of your achievement!

### Exam Results—Status Inquiries

The scores for the January—February 2011 CPA Exam have **not** yet been received by the Board office. We expect to receive the scores by the end of March. Exam scores will be mailed as soon as possible thereafter.

Information will **not** be released to spouses, parents, or employers. Information regarding any application will only be discussed with the applicant. If your employer requires information regarding your application, the Board will need to have written permission from you to release that information.



## *New Learning Market Website Offers Central Place for Finding CPE*

The National Association of State Boards of Accountancy (NASBA) recently launched the new [LearningMarket.org](http://LearningMarket.org) website to help CPAs find continuing education courses and course providers. The website features company information about 1,800+ approved NASBA Registry Sponsors and already has over 13,000 CPE courses in the CPE search database.

When CPAs visit [LearningMarket.org](http://LearningMarket.org) they can search for CPE programs based on subject area, number of credits, location, delivery method, keyword, etc. Learning Market offers a central resource for CPAs to locate and learn about CPE programs to help fulfill the requirements for license renewal. For more information, visit the [LearningMarket.org](http://LearningMarket.org) or contact NASBA at (866) 627-2286.

## *Board Rule 13—Continuing Education*

It is important to understand the Basic Requirements set forth in the Board Rules for continuing professional education (CPE). Per Board Rule 13.2 the basic requirements are as follows:

(a) An applicant for renewal of a license 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 with 12 months immediately preceding January 1 of the year for which the license is renewed, and further provided that:

- (1) All license holders shall complete at least 60% of the required hours in the subject areas of accounting, accounting ethics, attest, taxation, computer science (see rule 13.3 h) or management advisory services.
- (2) License holders engaged in any attest or compilation function shall complete 20% of the required hours in the subject areas of attest and accounting theory/practice.
- (3) All license holders must complete at least 4 hours of CPE in the area of accounting professional conduct and ethics during the 36-months immediately preceding January 1, 2005. Beginning January 1, 2005, any 36-month reporting cycle must contain at least 4 hours of CPE in the area of accounting professional conduct and ethics.

(b) The Board may make exceptions for reasons of individual hardship including, but not limited to health, military service, foreign residency, or other good cause. No exception shall be made solely because of age or retirement.

(c) Responsibility for documenting the acceptability of the continuing education requirement rests with the applicant, who must retain such documentation for a period of five (5) years following the end of the year of completion of the continuing education hours.

To view all of the Board Rules and Accountancy Law, please visit our website: [www.arkansas.gov/asbpa](http://www.arkansas.gov/asbpa)

## *2011 Continuing Education—Don't wait until the last minute!*

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 license renewal process, we have several licensees asking for additional time to obtain their CPE. While there may be specific reasons why a licensee has difficulty obtaining the required CPE at the last minute, there is ample time throughout the year to obtain all of the required CPE.

The Board requires the continuing education to be met from time to time by licensees in order to maintain the highest standard of proficiency in the profession of public accountancy.

## *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.

## *Are you Inactive and Over Age 65?*

Did you know there is an “inactive/retired” status for those licensees 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 as stated above.

Board records indicate that there are over 100 licensees that are on inactive status and over the age of 65 that are not utilizing this benefit. If you meet all the qualifications for inactive status, as discussed above, and you are over the age of 65, you can save money on your next license renewal.

To request an Inactive-Retired license status, simply complete the Affidavit for Inactive-Retired CPA/PA status form from the Board’s website and send it to the Board office. We’ll get you set up to save money on next year’s renewal!

Our website is: [www.arkansas.gov/asbpa](http://www.arkansas.gov/asbpa)

### **OUR MISSION:**

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.

## *A New Roster Search Is Coming Soon To Our Website!*

# State Board of Accountancy Board Members



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



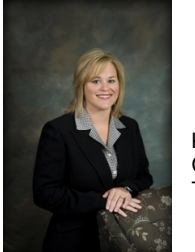
Dale Coy, CPA  
Secretary  
Paragould  
Term: 2007 — 2012



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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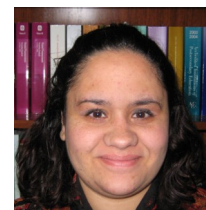
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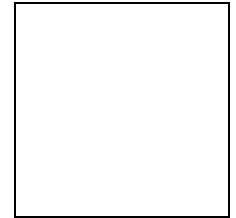
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***Moving? Please Notify the Board Office of Your New Address***

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: \_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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