

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

August 12, 2022

A regular meeting of the Arkansas State Board of Public Accountancy was held with Richard Bell presiding. Other members of the Board in attendance were Deana Infield, Christina Ellis, Kevin Canfield, Denton Woods, and Shane Warrick. Members of the staff in attendance were Jimmy Corley; Executive Director, Dale Edge; Investigator, Tim Montgomery; Investigator, and Kathrine Stone; Licensing Coordinator. Also in attendance were Sara Farris, Legal Counsel, and Marsha Moffitt of the Arkansas Society of Certified Public Accountants.

CALL TO ORDER

Ms. Infield officially called the meeting to order at 9:05 a.m. A quorum was found to be present.

APPROVAL OF MINUTES

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

TREASURER'S REPORT

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

COMMITTEE REPORTS

The Compliance Committee has met twice since the June Board meeting.

Nineteen (19) New Complaints:

- Failure to disclose an arrest.
- Two failures to meet competence and technical standards.
- Three individuals holding out as CPAs.
- Three external complaints.
- Three firms sanctioned by SEC/PCAOB.
- Seven licensees with Peer Review issues.

Requesting closure of Seventeen (17) complaints; Two (2) by Consent Order

- 1. C21-127 – (Firm Cert. #307LC)** – External complaint alleging licensee failed to complete agreed upon tax work timely. After further follow up with the complainant, no proof of engagement was provided. The Compliance Committee recommends a finding of no violation and closure.
- 2. C22-013 – (Cert. #10332)** – A review of licensee’s advertising found it to be overstated and misleading. The licensee has revised his advertising. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 3. C22-040 – (Non-Licensee)** –A person with an expired TX certificate used CPA in news article. Person has now made corrections on LinkedIn account. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

Complaints 4 through 9 are 2022 Lapsed Licensees

- 4. C22-032 – (Cert. #5155)** – Licensee failed to timely renew for 2022 licensure year and became lapsed. Licensee has since contacted the Board and requested to surrender. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 5. C22-028 – (Cert. #4982R)** – Licensee failed to renew individual Arkansas CPA certificate for 2022. Hearing 22-005 was held June 12, 2022. AR CPA certificate 4982R was revoked. Requesting closure.
- 6. C22-029 – (Cert. #3951)** – Licensee failed to renew individual Arkansas CPA certificate for 2022. Hearing 22-006 was held June 12, 2022. AR CPA certificate 3951 was revoked. Requesting closure.
- 7. C22-031 – (Cert. #6601)** – Licensee failed to renew individual Arkansas CPA certificate for 2022. Hearing 22-008 was held June 12, 2022. AR CPA certificate 6601 was revoked. Requesting closure.
- 8. C22-034 – (Cert. #9558)** – Licensee failed to renew individual Arkansas CPA certificate for 2022. Hearing 22-011 was held June 12, 2022. AR CPA certificate 9558 was revoked. Requesting closure.
- 9. C22-036 – (Cert. #9768)** – Licensee failed to renew individual Arkansas CPA certificate for 2022. Hearing 22-013 was held June 12, 2022. AR CPA certificate 9768 was revoked. Requesting closure.

Complaints 10 through 12 –Licensees requesting withdrawal from Peer Review program.

- 10. C22-004 – (Firm Cert. #138P)** – Licensee firm is requesting withdrawal from the Peer Review program. Last peer review report was dated 10/21/2019 and was a pass. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings, granting a waiver from licensee’s next scheduled peer review, and closure with no further action.
- 11. C22-041 – (Firm Cert. #431C)** – Firm was dropped from AICPA Peer Review Program. Firm had ownership and name change. Enrolled in Peer Review under new name. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings, granting a waiver from licensee’s next scheduled peer review, and closure with no further action.
- 12. C22-053 – (Firm Cert. #737C)** – Licensee is requesting withdrawal from the Peer Review program. Last report was issued in 2021 and last peer review report was dated 12/22/2021. 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.

Complaints 13 and 14 –Licensees sanctioned by SEC or PCAOB

- 13. C22-047 – (Firm Cert. #84LP)** – Licensee firm is self-reporting SEC sanctions. SEC sanctioned firm for several audit failures including but not limited to failed Goodwill evaluation. The firm audited was not an Arkansas firm and 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.
- 14. C22-056 – (Firm Cert. #99LP)** – Licensee firm has been sanctioned by PCAOB concerning issues with the Firm’s system of quality control. The firm audited was not an Arkansas firm and 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.

Complaints 15 Lapsed Licensee requesting to reinstate CPA Certificate

- 15. C22-020 – (Cert. # 4640)** – 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 \$95 (\$55 2022 inactive licensure fee and \$40 late fees) has been signed and monies collected.

A motion was made and seconded to accept the Compliance Committee’s recommended findings and proposed resolutions as to items 1 through 15, listed above. The motion passed.

CONSENT ORDERS

1. **C21-012- Consent Order (Cert. #4963)** – Inactive licensee working in public accounting. Inactive licensee has upgraded to license to practice. Inactive licensee has signed a consent order and paid a \$500.00 penalty. Requesting closure by Consent Order

Licensee has completed the upgrade process. A motion to accept the Compliance Committee's recommended finding and proposed resolution as to C21-012. The motion passed.

2. **C21-115- Consent Order (Firm Cert. #150LC)** – Licensee firm performed attest work without being enrolled in Peer Review. Firm failed to timely submit compilation for 2021 Practice Review. 2021 Practice Review received a fail rating. Licensee has signed a consent order agreeing to cease performing attest services, pay a \$1,000 penalty and obtain sixteen (16) additional hours of CPE in the subject area of Compilations. Requesting closure by Consent Order contingent on receipt of money and completion of CPE.

Licensee has completed the upgrade process. A motion to accept the Compliance Committee's recommended finding and proposed resolution as to C21-012. The motion passed.

Notice of Hearing

A motion was made and seconded to issue a Notice of Hearing in the case of licensee #3126 William Leonard. The motion passed.

QUALITY REVIEW

Quality Review is scheduled for August 23.

RULE CHANGES

CPE Reciprocity: The Department of Labor and Licensing has requested that the Board wait until after the 2023 legislative session for any rule changes.

NEW BUSINESS

Education Requirement: The Board discussed the possibility of changing the 150 Credit Hour rule for CPA licensure. A task force was formed to further study this topic.

Temporary waiver of Retired Status request: A Retired CPA was requested to train a new hire by the Clarksville School District and requested a waiver of his Retired status for 2 months. The Board decided that he must reinstate to Inactive status, and we will waive reinstatement fees provided the licensee pays the \$55 Inactive status fee.

A motion was made and seconded to accept his request pending completion of the requirements outlined above. The motion passed.

NASBA regional meeting: The NASBA annual meeting will be held in San Diego October 30th – November 2nd.

Next meeting: the September Board Meeting will be held on September 22nd at 10:00 am in Magnolia Arkansas on the campus of Southern Arkansas University.

Recognition: the Board recognized Denton Woods and Deana Infield for their 5 years of service on the Board.

ADJOURNMENT

A motion was made and seconded to adjourn the meeting. The motion passed. The meeting adjourned at 10:51 am.