

Deana Infield CPA, President
Richard Bell CPA, JD, Secretary
Shane Warrick CPA, PhD, Treasurer
Christina Ellis, CPA



David Vaden, CPA
Denny Woods JD
Kevin Canfield

Jimmy Corley CPA
Executive Director

Board Meeting Minutes Aug 13, 2021

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

CALL TO ORDER

Ms. Infield officially called the meeting to order at 9:02 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 2021 Board meeting. The motion passed unanimously.

TREASURER'S REPORT

A motion was made and seconded to approve the June 2021 Treasurer's Reports, as presented. The motion passed unanimously.

COMMITTEE REPORTS

COMPLIANCE

The Compliance Committee has met once since June.

Six (6) New Complaints:

- A non-licensee holding out
- Licensee with a second Practice Review Failure
- Licensee requesting reinstatement.
- Three complaints regarding allegations of professional standards violations.

Requesting closure of twenty-two (22) complaints, three (3) by consent order

1. **C20-042 – (Non-Licensee)** – Non-Licensee holding out as an accountant. Respondent has added disclaimer language to website. The Compliance Committee recommends a finding of probable cause

to proceed with disciplinary proceedings but recommends closure based on the respondent's corrective action.

2. **C20-113 – (Cert. #6226)** – Licensee failed to respond within 30 days to Board certified letter regarding the 2020 Practice Review Survey. Licensee requested to take Retired status and has agreed to a Retired status in lieu of further disciplinary action. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure based on licensee's submission of a Request for Retired CPA Status in Lieu of Disciplinary Action. Should licensee ever choose to upgrade, he will be required to resolve the above disciplinary matter before the upgrade can be completed.
3. **C21-050 – (Cert. #3277)** – Licensee failed to timely renew for 2021 licensure year and became lapsed. Licensee has since contacted the Board and requested Retired status. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

Complaints 4 through 16 - Lapsed Licensees who were revoked at the June Board meeting.

4. **C21-034 – (Cert. #3217)** – Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-002 was held June 11, 2021. AR CPA 7639 certificate was revoked. Requesting closure.
5. **C21-039 – (Cert. #2442)** - Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-007 was held June 11, 2021. AR CPA 2442 certificate was revoked. Requesting closure.
6. **C21-040 – (Cert. #869)** – Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-008 was held June 11, 2021. AR CPA 869 certificate was revoked. Requesting closure.
7. **C21-042 – (Cert. #6112)** – Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-011 was held June 11, 2021. AR CPA 6112 certificate was revoked. Requesting closure.
8. **C21-046 - (Cert. #8924)** – Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-015 was held June 11, 2021. AR CPA 8924 certificate was revoked. Requesting closure.
9. **C21-048 – (Cert. #1325)** – Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-017 was held June 11, 2021. AR CPA 1325 certificate was revoked. Requesting closure.
10. **C21-052 – (Cert. #920)** – Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-022 was held June 11, 2021. AR CPA 920 certificate was revoked. Requesting closure.
11. **C21-053 – (Cert. #8225)** – Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-023 was held June 11, 2021. AR CPA 8225 certificate was revoked. Requesting closure.
12. **C21-056 – (Cert. #5280)** – Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-026 was held June 11, 2021. AR CPA 5280 certificate was revoked. Requesting closure.
13. **C21-059 – (Cert. #6933)** – Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-029 was held June 11, 2021. AR CPA 6933 certificate was revoked. Requesting closure.
14. **C21-061 – (Cert. #9626R)** – Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-031 was held June 11, 2021. AR CPA 9626R certificate was revoked. Requesting closure.
15. **C21-063 – (Cert. #2851)** – Licensee failed to renew individual Arkansas CPA certificate for 2021. Hearing 21-033 was held June 11, 2021. AR CPA 2851 certificate was revoked. Requesting closure.

16. **C21-064 – (Firm Cert. #711LC)** – Licensee Firm failed to renew Arkansas Firm license for 2021. Hearing 21-034 was held June 11, 2021. AR Firm Certificate 711LC was revoked. Requesting closure

Complaints 17 through 19 – Resolved by Compliance Statement.

17. **C21-002 – (Cert. #3277)** Licensee was offering consulting services while on inactive status. Licensee has since upgraded to license to practice. Licensee has met all CPE requirements. 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 a \$250.00 penalty has been signed and monies collected.
18. **C21-031 – (Cert. #5232)** – Licensee failed to timely renew for 2021 licensure year and became lapsed. Licensee has since contacted the Board and requested to reinstate. Licensee has met all CPE requirements. 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 2021 licensure fee and \$100 late fees) has been signed and monies collected.
19. **C21-032 – (Cert. #7639)** – Licensee failed to timely renew for 2021 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 2021 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 19, listed above. The motion passed.

CONSENT ORDERS

- 1) **C20-106- Consent Order (Cert. #9181R)** – Licensee Firm performed attest work without being enrolled in Peer Review and failed to disclose on the firm 2020 Practice Review Survey that it had issued a review report. Licensee has signed a consent order and paid a \$2,750.00 penalty and agreed to cease performing attest services. Licensee also agreed to enroll in a Peer Review program and submit to pre-issuance review before engaging in attest services. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee’s recommended finding and proposed resolution as to C20-106. The motion passed.

- 2) **C21-066- Consent Order (Cert. #8544)** – Applicant surrendered CPA certificate December 31, 2019. Applicant has requested to reinstate to a license to practice. Applicant has completed 107 hours of CPE: 68 hours A&A, 4 hours of Ethics, 8 hours of Tax and 27 hours of Other. The study type consists of 104 hours of group and 3 hours self-study. Applicant has signed consent order and paid 2021 licensure year fee of \$110. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee’s recommended finding and proposed resolution as to C21-066. The motion passed.

- 3) **C21-067- Consent Order (Cert. #8024R)** – Applicant’s certificate became void August 13, 2006. Applicant has requested to reinstate to inactive status. Applicant has signed consent order and paid 2021 licensure year fee of \$55.00, prior year fees for 2005 -2006 of \$110, and 20 months late fees of \$200.00. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee’s recommended finding and proposed resolution as to C21-067. The motion passed.

Other Matter

Licensees Not Enrolled Timely in Peer Review Program

The Compliance Committee needs guidance from the Board in regard to assessing a penalty for licensees who did not enroll timely into a Peer Review program. There are 6 licensees (5 firms and one individual) in which it appears they should have enrolled into a Peer Review program by January 1, 2019 but did not enroll until 2020. These licensees will be peer reviewed, albeit a year or so later than it would have been if they had enrolled timely.

Following is an example for your consideration in determining the penalty, if any, that should be assessed:

09/06/2017	2017 Quality Review completed: Audit, Review & Compilation – all passed
01/01/2019	Firm required to enroll in Peer Review program per Board Rule 20
05/15/2020	2020 Practice Review (formerly Quality Review) initial notification sent
06/17/2020	Firm enrolled in Peer Review and submitted Practice Review survey
06/30/2020	Peer Review due date if firm had enrolled timely
09/30/2021	Peer Review due date (actual)
<i>Other facts:</i>	Licensee continued issuing Review reports during 2019 and 2020

Compliance Committee Recommendation: Consent Order, \$1,000 penalty, must complete Peer Review by 09/30/2021, and must notify the Board of Peer Review completion within 30 days of the completion date.

Violation cited: A.C.A. §17-12-508(c), which states that licensees who fail to obtain peer review ratings required by the Board or who otherwise fail to comply with peer review standards established or adopted by the Board are subject to sanctions under A.C.A. § 17-12-602.

Special situation #1: Would any penalty amount be different if a licensee also issued audits throughout 2019 and 2020?

Special situation #2: Would any penalty amount be different if the firm tried to enroll in December 2018 but did not complete the process?

(In one situation, the AICPA could not find the firm name in their system. Firm was given grace period to resolve the issue. Firm registered with AICPA in 1st quarter 2019 but did not hear anything back until they received the 2020 Practice Review packet from the Board. Immediately called the Alabama Society and got everything set up.)

Board concurred \$1,000 penalty was acceptable.

Board Rule 20

Pursuant to ACA 17-12-508, effective January 1, 2019, the Board requires licensees who issue attest reports to enroll in a board-approved peer review program to monitor licensees' compliance with applicable accounting and auditing standards adopted by generally recognized standard setting bodies. The program shall emphasize education, including remedial procedures, which may be recommended or required when financial statement reports do not comply with professional standards. In the event a licensee does not comply with established

professional standards, or a licensee's professional work is so inadequate as to warrant disciplinary action, the Board shall take appropriate action as to protect the public interest.

Board Rule 14

14.3 (a) The Board will mail a QR survey to one-third of its licensees annually. The recipient shall return the completed survey form within the time specified and submit reports, for QR purposes, when compilation reports have been issued during the QR period as stated in the instructions in said survey form.

Basically, licensees are required once every three years to complete a Practice Review Survey (formerly Quality Review Survey) and, if they have issued reports, either submit a copy of their latest report for each type of Compilation report or submit a copy of their latest Peer Review report.

NEW BUSINESS

Proposed Rule Changes:

On Rule 12, regarding the waiving of Initial Licensing Fees, the wording "Has an income that does not exceed two hundred percent (200%) of the federal poverty income guidelines." was determined to be too vague. It was proposed to add "current monthly gross income" to the rule to provide specificity.

On Rule 13.3, the third sentence "A 50- minute period will be considered as being equal to one hour" was determined to be redundant and should be deleted.

A motion was made and seconded to approve the approve the rule changes as proposed with the tweaks discussed. The motion passed.

Exam Credit Extension Requests:

Extensions of exam credits will be granted on a case-by-case basis. If the examinee's first credit was granted before March 2020, an extension of expiration of that credit to 12/31/2021 will be granted. The Board will notify those who qualify.

Motion to approve this proposal was made and seconded. Existing extension requests from this meeting are included. The motion passed.

CPE Waiver Request:

A motion to grant a 12-month waiver on CPE to licensee made and seconded. The motion passed.

LICENSURE ACTIVITY REPORT

Mr. Corley presented to the Board the Licensing Activity Report.

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 11:13 a.m.