



ARKANSAS STATE BOARD of PUBLIC ACCOUNTANCY

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Sarah Huckabee Sanders

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North Little Rock, AR

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Little Rock, AR

Marty Gunaca
Little Rock, AR

BOARD STAFF

Tim Montgomery CPA
Executive Director

Dale Edge CPA
Investigator

Mary Roberts
Exam Specialist

Kathrine Stone
Licensing Coordinator

Board Meeting Minutes

January 19, 2024

A regular meeting of the Arkansas State Board of Public Accountancy was held with Shane Warrick, President, presiding. Other members of the Board in attendance were Christina Ellis – Secretary, Barrett Belew – Treasurer, Richard Bell, and Megan Turner. Members of the staff in attendance were Tim Montgomery - Executive Director, Dale Edge - Investigator, and Kathrine Stone - Licensing Coordinator. Others in attendance included Clayton Orr – AG Liaison, Marsha Moffitt, Executive Director ARCPA and Brian Thompson.

CALL TO ORDER

Mr. Warrick officially called the meeting to order at 9:10 a.m. A quorum was found to be present.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the November 17, 2023 Board meeting with the following changes: note that Marty Gunaca is a Board member, note that the January meeting will be in person, and add the revoked licensee's name to the Compliance Committee's Other Matter. The motion passed.

TREASURER'S REPORT

None presented.

COMMITTEE REPORTS

COMPLIANCE

The Compliance Committee has met once since November.

Nineteen (19) New Complaints:

External complaint alleging Code of Professional Conduct Violations.

Non-licensee issuing a Review Report.

Four licensees responded late to the 2023 Practice Review Survey.

Thirteen licensees self-reporting and or answered yes regarding disciplinary action on 2024 renewal.



ARKANSAS STATE BOARD of PUBLIC ACCOUNTANCY

Requesting closure of twenty-two (22) complaints.

1. **C22-045 – (Non-Licensee)** – Non-licensee firm had a website that implied the firm offered services that only a CPA could offer. Person associated with the firm has since moved out of state. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and close with no further action.
2. **C22-097 – (Cert. #3641)** Licensee failed CPE Audit for 2022 (CPE completed in 2021 or earlier). Licensee completed CPE in 2022 that should have been completed in 2021. Based on licensee's response, Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and close with no further action.
3. **C22-098 – (Cert. #9945)** Licensee failed CPE Audit for 2022 (CPE completed in 2021 or earlier). Licensee completed CPE in 2022 that should have been completed in 2021. 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 \$ 375.00 in penalties has been signed and monies collected.
4. **C22-062 – (Cert. #6984R)** – Licensee had a failed Practice Review and agreed to complete 16 additional hours of CPE (not applicable for renewal purposes). Licensee has provided documentation of completion of the CPE. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
5. **C23-103 – (Firm Cert. #932C)** Licensee firm failed to timely respond to the 2023 Practice Review Survey. CPA is deceased. The Compliance Committee recommends closure with no further action.
6. **C21-021 – (Firm Cert. #297C)** Licensee Firm's 2018 Peer Review was a Fail. The firm completed the mandated corrective actions. The firm has now completed a 2021 Peer Review and received a Pass with Deficiencies. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
7. **C22-001 – (Firm Cert. #1SP)** Licensee Firm's 2019 Peer Review was a Fail. The firm completed the mandated corrective actions. The firm has now completed a 2022 Peer Review and received a Pass. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
8. **C22-052 – (Firm Cert. #882C)** Licensee Firm's 2020 (first time) Peer Review was a Fail. The firm completed the mandated corrective actions. The firm's next review is due



ARKANSAS STATE BOARD of PUBLIC ACCOUNTANCY

December 2023. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

9. **C23-110 – (Firm Cert. #109LP)** – Licensee firm sanctioned by Indiana Board of Accountancy. Sanction based on a 2018 SEC sanction regarding a 2014 audit failure. The AR Board had already reviewed the SEC matter at a prior meeting. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
10. **C23-111 – (Firm Cert. #1004C)** – Licensee firm self-reported on their 2024 annual renewal that two partners were sanctioned by the PCAOB. Neither partner is an AR licensee. This is a non-reportable offense for the firm. The Compliance Committee recommends closure with no violation.
11. **C23-112– (Firm Cert. #5LP)** – Licensee firm sanctioned by Virginia and New Mexico Boards of Accountancy. Sanction based on a 2019 SEC sanction regarding the firm’s efforts to obtain confidential PCAOB information and in-firm CPE cheating. The AR Board has already reviewed the SEC matter at a prior meeting. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
12. **C23-113 – (Firm Cert. #108LP)** – Licensee firm self-reported on their 2024 annual renewal that seven persons associated with their firm were sanctioned or served with cease-and-desist proceedings from the SEC. Those sanctioned were not AR licensees. These are non-reportable offenses for the firm. The Compliance Committee recommends closure with no violation.
13. **C23-114 – (Firm Cert. #2LP)** – Licensee firm self-reported on their 2024 annual renewal that two states have served notices of formal complaint regarding their firm. These are non-reportable offenses for the firm. The Compliance Committee recommends closure with no violation.
14. **C23-116 – (Cert. #9323)** – Licensee self-reported on their 2024 annual renewal a CPE issue sanction by the MO Board. In reviewing licensee’s CPE, it was noted the violation cited was not applicable under AR Board Rules. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
15. **C23-117 – (Cert. #9616)** – Licensee self-reported on their 2024 annual renewal a CPE issue sanction by the MO Board. In reviewing licensee’s CPE, it was noted the violation cited was not applicable under AR Board Rules. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.



ARKANSAS STATE BOARD of PUBLIC ACCOUNTANCY

- 16. C23-118 – (Firm Cert. #37LP)** – Licensee firm self-reported on their 2024 annual renewal that a principal had a DUI conviction. Principal is not an AR licensee. This is a non-reportable offense for the firm. The Compliance Committee recommends closure with no violation.
- 17. C23-121 – (Firm Cert. #2LP)** – Licensee firm sanctioned by TX and MS Boards of Accountancy. Sanction based on a 2022 SEC sanction regarding in-firm CPE cheating. The AR Board has already reviewed the SEC matter at a prior meeting. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 18. C23-122 – (Firm Cert. #102LP)** – Licensee firm self-reported on their 2024 annual renewal that the firm was sanctioned by PCAOB regarding a 2022 audit performed in CO. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 19. C23-123 – (Firm Cert. #693C)** – Licensee firm self-reported on their 2024 annual renewal that three shareholders were sanctioned by the PCAOB. None of the shareholders were AR licensees. This is a non-reportable offense for the firm. The Compliance Committee recommends closure with no violation.
- 20. C23-025 – (Cert. #7401)** – Licensee failed to timely renew for 2023 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 2023 inactive licensure fee and \$40 late fees) has been signed and monies collected.
- 21. C23-030 – (Cert. #1784)** – Licensee failed to timely renew for 2023 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. Licensee provided documentation of completion for 40 hours of Continuing Professional Education completed in 2023. Specifically, Respondent completed 17 hours of A&A, 4 hours of ethics and 19 hours tax CPE. The study type consisted of 8 hours of group study and 32 hours self-study. A Compliance Statement requiring licensee to pay \$235 (\$110 2023 LTP fee, \$125 late fees) has been signed and monies collected. In addition, Compliance Committee is requesting a waiver of a five hundred (\$500.00) dollar late CPE penalty based on previously documented ongoing health issues.
- 22. C23-034 – (Cert. #7616)** – Licensee failed to timely renew for 2023 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. Licensee provided documentation using the 36 month look-back rule of 102 hours of Continuing



ARKANSAS STATE BOARD of PUBLIC ACCOUNTANCY

Professional Education completed in 2020 and 81.5 hour completed in 2021 for a total of 183.5 hours. Specifically, Respondent completed 92 hours of A&A, 5 hours of ethics, 12.5 hours tax and 74 hours of "Other" CPE. The study type consisted of 180.5 hours of group study and 3 hours of self-study. A Compliance Statement requiring licensee to pay \$260 (\$110 2023 LTP fee, \$150 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 to items 1 through 22 as listed above. The motion carried.

PERSONNEL

A motion was made for the Board to go into Executive session to consider personnel matters concerning individual officers or employees. The motion was seconded and passed unanimously.

Dale Edge, Kathrine Stone, Clayton Orr, Marsha Moffitt, and Brian Thompson left the meeting.

The Board went into Executive Session at 9:34 a.m. At 10:40 a.m., a motion was made for the Board to come out of Executive session. The motion was seconded and passed unanimously. Dale Edge, Kathrine Stone, Clayton Orr and Marsha Moffitt re-entered the meeting.

A motion was made to adjust the experience and CPA requirements for both Investigator positions to a minimum of meeting all requirements to sit for the CPA exam, to add the AASIS responsibilities to the Exam Specialist position, and to request that the Exam Specialist position be upgraded from a GS4 to a GS5 salary level. The motion was seconded and passed unanimously.

NEW BUSINESS

- IIA Peer Review Program: Additional information was provided regarding the licensee wanting to perform an Agreed-Upon Procedure under the International Standards for the Professional Practice of Internal Auditing (ISPPIA). To do so, the ISPPIA would need to be approved by the Board as an acceptable Peer Review program. The Board did not take any action regarding the approval of the ISPPIA as an acceptable Peer Review program. It was suggested that the licensee could still perform the work, but have an independent CPA review the work and issue the report.
- Expense Reimbursement and Stipend Approval: A motion was made to approve the reimbursement of expenses and payment of stipends for Board members for 2024. The motion was seconded and passed unanimously.



ARKANSAS STATE BOARD of PUBLIC ACCOUNTANCY

- Quality Review Consultant: The Board discussed the fact that the consultant used to oversee the Quality Review program is now a part of a firm of which one current Board Member is a partner. The Board did not see any problems continuing to use the QR consultant going forward.
- Request for Late CPE Penalty Waiver: A motion was made to approve a waiver of the assessed late CPE penalty due to medical issues. The motion was seconded and passed unanimously.
- Request for CPE Requirement Waiver: No action was taken due to lack of medical documentation.
- Future Board Meeting Dates: A motion was made to set the following dates for upcoming Board meetings:
 - May 1, 2024 (in person)
 - June 14, 2024 (in person)
 - August 16, 2024 (in person)
 - September 17, 2024 (Ouachita Baptist University)
 - November 22, 2024
 - January 17, 2025

Additionally, the swearing-in ceremony was set for June 15, 2024 at 10:00 a.m. to be held at the state capitol building. The motion was seconded and passed unanimously.

- AICPA-ASBPA Survey Results Summary: A summary of the survey results was reviewed and discussed.

Marsha Moffitt left the meeting at 11:54 a.m.

- NASBA Professional Licensure Task Force Question: A motion was made for the Executive Director to respond to the Task Force question stating that the Board believes that the Professional Licensure Task Force should continue the pursuit of researching alternate pathways to licensure and that, if an additional pathway were recommended, it would entail a rule change by the Board in order to allow the additional pathway.
- Additional Pathway to Licensure: A motion was made stating that the Board was in favor of pursuing legislation to change accountancy law to allow alternative pathways to CPA licensure. The motion was seconded and passed unanimously.

The Board recessed for lunch at 12:08 p.m. The Board came back into session at 12:33 p.m.

- Quick Poll Results: The Board reviewed the results from a NASBA Quick Poll submitted by the Board.
- Exam Sitting Requirements: A motion was made for the Executive Director to draft a rule change allowing a candidate to sit for the CPA exam with 18 semester credit hours of accounting. The motion was seconded and passed unanimously.



ARKANSAS STATE BOARD of PUBLIC ACCOUNTANCY

- Licensing Education Requirements: A motion was made for the Executive Director to draft a rule change removing the Government/Not for Profit course as a required core accounting course for licensure. The motion was seconded and passed unanimously.
- First Exam for Free Program: A motion was made for the Executive Director to enquire of DOLL Legal if a rule change would be required to Board Rule 12.1 in order for the Board to pay the exam section fee (currently \$254.90) for one exam for initial CPA Exam applicants who are Arkansas residents. The program is limited to three years or \$250,000 in fund balance expenditures, whichever occurs first. The motion was seconded and passed unanimously.
- NASBA 2024 Meeting Dates: Dates for the NASBA Regional and Annual meetings were discussed. The Executive Director also informed the Board that he, Dale, and Mary will attend NASBA's Executive Director and Board Staff Conference in March.

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 2:05 p.m.