

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



Deana Infield CPA
Denny Woods JD
Ron Pitts CPA - Inactive

Jimmy Corley CPA
Executive Director

Board Meeting Minutes

January 12, 2023

A regular meeting of the Arkansas State Board of Public Accountancy was held with Richard Bell, President, presiding. Other members of the Board in attendance were Christina Ellis, Denton Woods, Deana Infield, 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 Marsha Moffitt and Gina Moran of the Arkansas Society of CPAs, Sarah Farris - Legal Counsel, Greg Patrick - Hearing Officer, and Miranda McEntire - Court Reporter.

CALL TO ORDER

Mr. Bell officially called the meeting to order at 9:02 a.m. A quorum was found to be present.

PUBLIC HEARINGS

The Board moved immediately to Public Hearings concerning the following case:

Hearing H23-003 – William Leonard

Respondent did not appear at hearing. Board found that Respondent failed to respond to a certified mailing from the Board regarding Practice Review. A fine of \$500 was issued as a penalty. If Licensee does not pay the fine within 30 days of notice, his license will be automatically revoked.

Christina Ellis recused herself from hearings.

Greg Patrick and Miranda McEntire left after Hearings concluded at 9:45 am.

APPROVAL OF MINUTES

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

TREASURER'S REPORT

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

COMMITTEE REPORTS

COMPLIANCE

The Compliance Committee has met once since November.

Sixteen (16) New Complaints:

- One external complaint alleging failure to file a tax return.
- One inactive CPA working in Public Accounting
- Three licensees with Peer Review issues.
- Three licensees with CPE issues.
- Eight licensees who answered yes regarding disciplinary action on 2023 renewal.

Requesting closure of thirteen (13) complaints.

1. **C22-011 – (Non=Licensee)** –A new firm application was submitted. It was noted on the application that several of the shareholders were LLCs, and two shareholders were inactive licensees. Follow up correspondence was sent from the Board regarding ownership and additional information corrections were to be forth coming from applicant. No follow up correspondence has been received since February 2022. Application is denied. The Compliance Committee is requesting closure with no further action.

Complaints 2 through 9 –Licensees self-reporting sanctions or other issues.

2. **C22-095 – (Firm Cert. #5LP)** – Licensee firm sanctioned by NM Board of Accountancy. Sanction based on SEC sanction regarding the PCAOB scandal 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.
3. **C22-099 – (Firm Cert. #37LP)** – Licensee firm sanctioned by ME Board of Accountancy. Sanction based on Oregon Board of Accountancy sanction for failure to license. The AR Board has already reviewed the Oregon matter at a prior meeting. The Firm also noted they have been notified by KS Board of Accountancy of an investigation, no finding yet. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
4. **C22-104– (Firm Cert. #2LP)** – Licensee firm sanctioned by IRS with a preparer penalty for 2014 tax return. Licensee also sanctioned by CO Board of Accountancy. Sanction based on 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.
5. **C22-101 – (Cert. #9919)** – Licensee is self-reporting being charged with a DWI. Based on legislative changes, this is no longer an actionable offense. The Compliance Committee recommends closure with no violation.
6. **C22-102 – (Firm Cert. #943C)** – Licensee firm self-reported on their 2023 annual renewal that they are being investigated by the LA Society of CPA's. This is not a reportable offense. The Compliance Committee recommends closure with no violation.

7. **C22-103 – (Firm Cert. #100LP)** – Licensee firm self-reported on their 2023 annual renewal a sanction by the Oregon Board. Firm had previously notified Board and this matter was addressed at the November Board meeting. The Compliance Committee recommends closure with no violation.
8. **C22-105 – (Firm Cert. #68LP)** – Licensee firm self-reported on their 2023 annual renewal that a partner was convicted of a DWI. Partner is licensed in Wisconsin and is not an AR licensee. This is not a reportable offense. The Compliance Committee recommends closure with no violation.
9. **C22-110 – (Cert. #6989)** – Licensee is self-reporting the 2010 revocation of his TX CPA Certificate for failure to renew. This is not a reportable offense. The Compliance Committee recommends closure with no violation.

Complaints 10 through 13 – Licensees failed to respond to 2022 Practice Review Survey timely.

10. **C22-079 – (Firm Cert. #624C)** – Licensee failed to timely respond to the 2022 Practice Review Survey. Licensee did respond late stating that his tardiness was due to health issues and provided documentation from his doctor. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
11. **C22-072 – (Cert. #3563)** – Licensee failed to timely respond to the 2022 Practice Review Survey. Licensee did respond late. 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 \$100 penalty has been signed and monies collected.
12. **C22-075 – (Firm Cert. #699C)** – Licensee firm failed to timely respond to the 2022 Practice Review Survey. Licensee firm did respond late. 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 firm to pay \$100 penalty has been signed and monies collected.
13. **C22-078 – (Cert. #6336)** – Licensee failed to timely respond to the 2022 Practice Review Survey. Licensee did respond late. 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 \$100 penalty 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 13 as listed above. The motion carried.

Requesting Permission to Issue Notice of Hearings to the following Licensees:

- C22-069 Sheila Williams (Cert. #7529)** – Failure to Respond to 2022 Practice Review Survey.
- C22-088 Keith Lindsey (Cert. # 8871)** – Failure to Respond to 2022 Practice Review Survey.

A motion was made and seconded to approve the requests to issue a Notice of Hearing to the above. The Motion carried.

NEW BUSINESS

Financial Interest Statements are due by January 31.

Expense Reimbursement Authorization: A motion was made to approve Expense Reimbursement for the 2023 calendar year. The motion was seconded and passed unanimously.

Third-Party Contractors: The question of whether an out-of-state CPA who is working through a CPA firm licensed in AR should also be required to be licensed in Arkansas was raised. A motion was made to not require out-of-state CPAs to also be licensed in Arkansas when working through a firm that is licensed in Arkansas. The motion was seconded and passed unanimously.

CPE waiver requests:

1. Licensee requesting waiver from AR Board Ethics course requirement. Licensee took the wrong CPE course that they mistook for the required AR Board Ethics course. A motion was made to grant the licensee a one-time waiver for the course and waive the penalty provided they sign a compliance statement. The motion was seconded and passed.
2. Licensee with medical issues requesting a waiver for 24 hours of CPE. Deana Infield recused herself from this case. A motion was made to grant licensee a waiver for 16 of the requested hours, but the licensee must make up the remaining 8 hours. The motion was seconded and passed.
3. Licensee requesting a 1-month extension on CPE due to medical hardship and waiver of the late fee. A motion was made to waive 4 hours of CPE as well as the late fee. Hours already earned in 2023 may be used toward the licensee's renewal for 2024. The motion was seconded and passed.

Fictitious name request: A motion was made to deny the name *Revered Public Accounting* on the grounds that it is false or misleading. The motion was seconded and passed.

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 11:15 am.