

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



Ron Pitts CPA - Inactive
Denny Woods JD
Kevin Canfield

Jimmy Corley CPA
Executive Director

Board Meeting Minutes

November 19, 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 Richard Bell, Denton Woods, Christina Ellis, Ron Pitts, 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, Brian Thompson of the Arkansas Society of Accountants, and Joseph Rugger and Marsha Moffitt with the Arkansas Society of CPAs. From the public, Michael Couture was also present.

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 September 2021 Board meeting. The motion passed unanimously.

TREASURER'S REPORT

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

COMMITTEE REPORTS

The Compliance Committee has met once since September.

Thirty-two (32) New Complaints:

Revoked licensee performing attest.

Unlicensed out of state firm performing attest work.

External complaint alleging discreditable acts.

Two external complaints regarding tax preparation.

Two complaints regarding licensees who have been sanctioned/disciplined

by a federal or state agency that regulate public accounting.

Twenty-five licensees with Practice Review issues.

Requesting closure of thirty-five (35) complaints; seven by Consent Order

- 1. C20-077 – (Revoked Licensee)** – External complaint alleging that revoked license was still holding out as CPA. Revoked licensee is no longer holding out. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 2. C21-123 – (Cert. #995C)** – Out of state licensee failed to timely register firm. Firm is now registered. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 3. C21-083 – (Cert. #4537)** – Licensee failed to respond to the 2021 CPE Audit. Licensee has now responded and passed audit. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 4. C19-126 – (Cert. #2713)** – External complaint alleging that licensee was holding client records/information. The Complaint has been withdrawn. The Compliance Committee recommends closure with no further action.
- 5. C21-092 – (Cert. #879C)** – External complaint alleging that licensee failed to file client's tax return. The Complaint has been withdrawn. The Compliance Committee recommends closure with no further action.
- 6. C21-019 – (Cert. #2037)** – External complaints alleging that licensee took money without permission, held client records/information, lacked independence when performed attest functions. The licensee surrendered his certificate in lieu of a hearing before the Board. The Compliance Committee recommends closure.
- 7. C21-081 – (Firm Cert. #41LC)** – Licensee Firm issued reports without being enrolled in Peer Review. Firm owner is now deceased. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

Complaints 8 and 9 – Licensees have been sanctioned/disciplined by a federal or state agency that regulate public accounting.

- 8. C21-116 – (Firm Cert. #5LP)** – Licensee is self-reporting sanction by ID Board of Accountancy. Consent Order was based on two SEC sanctions of licensee: improperly obtaining and using PCAOB

confidential information and firm-wide cheating with regard to internally administered CPE training courses. The cases cited in the ID order have previously been disclosed to the AR Board. 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.

9. **C21-117 – (Firm Cert. #5LP)** - Licensee is self-reporting sanction by NE Board of Accountancy. Consent Order was based on two SEC sanctions of licensee: improperly obtaining and using PCAOB confidential information and firm-wide cheating with regard to internally administered CPE training courses. The cases cited in the NE order have previously been disclosed to the AR Board. 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.
10. **C20-080 – (Firm Cert. #220C)** – Licensee’s 2017 Peer Review was a fail. Licensee’s 2020 Peer Review was a pass with deficiency. Licensee has now completed the required corrective actions. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

Complaints 11 through 26 – Licensees failed to respond timely to the 2021 Practice Review but have now responded no reports issued.

11. **C21-095 – (Cert. #5576)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
12. **C21-096 – (Cert. #4656)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
13. **C21-097 – (Cert. #6764R)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
14. **C21-099 – (Cert. #4694)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
15. **C21-100 – (Cert. #1958)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
16. **C21-101 - (Cert. #4520)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded, submitted their latest Compilation report which received a rating of ‘Pass’. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
17. **C21-102 – (Cert. #4468)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
18. **C21-103 – (Cert. #6786)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

19. **C21-104 – (Cert. #7753)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
20. **C21-105 – (Cert. #2482)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
21. **C21-106 – (Cert. #6090)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
22. **C21-107 – (Cert. #5963R)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
23. **C21-108 – (Cert. #6064)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
24. **C21-109 – (Cert. #6601)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
25. **C21-110 – (Cert. #156LC)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded “No reports.” The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
26. **C21-111 – (Cert. #214P)** – Licensee failed to respond to the 2021 Practice Review Survey. Licensee has now responded, submitting their 2018 Peer Review which was accepted March 2019 and received a rating of ‘Pass’. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
27. **C21-007 – (Cert. #4563)** – Licensee released client information without client permission. 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 \$250.00 in penalties 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 27, listed above. The motion passed.

28. **C21-077 – (Firm Cert. #896C)** – Licensee’s 2021 Peer Review was a fail. Licensee has now completed all the corrective action requirements imposed by Peer Review Committee. ***After some discussion the Board requested complaint C21-077 remain open and the Compliance Committee continue to investigate the matter.***

CONSENT ORDERS

1. **C21-022- Consent Order (Firm Cert. #97LC)** – Licensee Firm originally enrolled in Peer Review but has now requested to withdraw. Licensee has signed a consent order agreeing to cease performing attest work. If licensee wishes to commence attest work in the future, they must enroll in Peer Review, submit reports for pre-issuance review, and obtain an acceptable System Review before consideration will be given to lifting the Pre-Issuance requirement. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C21-022. The motion passed

2. **C21-023- Consent Order (Cert. #9643)** – Licensee performed attest work without being enrolled in Peer Review and issued compilation report. Licensee is now enrolled in Peer Review. Licensee has signed a consent order and paid a \$1,000.00 penalty. Peer Review to be completed by January 2022. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C21-023. The motion passed

3. **C21-025- Consent Order (Firm Cert. #149LC)** – Licensee firm performed attest work without being enrolled in Peer Review. Licensee is now enrolled in Peer Review. Licensee has signed a consent order and paid a \$1,000.00 penalty. Peer Review to be completed by November 2021. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C21-025. The motion passed

4. **C21-028- Consent Order (Cert. #8840)** – Licensee performed attest work without being enrolled in Peer Review. Licensee is now enrolled in Peer Review. Licensee has signed a consent order and paid a \$1,000.00 penalty. Peer Review to be completed by September 2021. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C21-028. The motion passed

5. **C21-029- Consent Order (Firm Cert. #148LC)** – Licensee Firm performed attest work without being enrolled in Peer Review. Licensee is now enrolled in Peer Review. Licensee has signed a consent order and paid a \$1,000.00 penalty. Peer Review to be completed by September 2021. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C21-029. The motion passed

6. **C21-030- Consent Order (Firm Cert. #541C)** – Licensee Firm performed attest work without being enrolled in Peer Review. Licensee has since requested to withdraw from Peer Review. Licensee has signed a consent order agreeing to cease performing attest work and paid a \$1,500.00 penalty. If licensee wishes to commence attest work in the future, licensee must enroll in Peer Review, submit reports for pre-issuance review, and obtain an acceptable System Review before consideration will be given to lifting the Pre-Issuance requirement. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C21-030. The motion passed

7. **C21-085- Consent Order (Firm Cert. #799C)** – Licensee Firm originally enrolled in Peer Review but has now requested to withdraw. Licensee has signed a consent order agreeing to cease performing compilation and attest work. If licensee wishes to commence compilation work in the future, licensee must submit reports for pre-issuance review. If licensee wishes to commence attest work in the future, licensee must enroll in Peer Review, submit reports for pre-issuance review, and obtain an acceptable System Review before consideration will be given to lifting the Pre-Issuance requirement. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C21-085. The motion passed

PERSONNEL

Jessica Lewis joined the ASBPA, and Alan Fortney left for another job in state government.

NEW BUSINESS

Fictitious firm name request

Assurance Dimensions, Inc. was determined to be acceptable as it is not false or misleading. A motion was made and seconded to approve the name. The motion passed.

CPE Extension request

A licensee requested extension of the CPE deadline for this year due to maternity. The reason given was determined to not be an acceptable reason for not completing the annual CPE requirement, and that there was still enough time left in the year to complete the required hours. The request was denied.

CPE waiver request

A licensee requested a medical exemption waiver for this year's CPE. Because he is a 5% owner of a firm, he cannot take retired status. A motion was made to grant the waiver on the condition a medical letter is provided, and ownership transferred to another owner by June 30, 2022. Shane recused himself from the vote. The motion passed.

NASBA CPT Chapters in Arkansas

Deana proposed having a Chapter established in Arkansas. She proposed to meet with representatives from NASBA and the AR Society, as well as with the Universities to possibly establish the program in Arkansas.

Deana will discuss with Marsha about proposing the Chapter at the next Educator's Conference.

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 11:00 am.