

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Wade Turner CPA, President  
Jeremy Watson CPA, Secretary  
Robert Redfern CPA, Treasurer  
Mike Watts CPA, JD



Sherry Chesser, CPA  
Lloyd Franklin, CFE  
Jim Gately, EdM

Jimmy Corley, CPA  
Executive Director

**BOARD MEETING MINUTES**  
**January 8, 2016**

A regular meeting of the Arkansas State Board of Public Accountancy was held in Suite 450 of the Main Street Mall building on January 8, 2016 with Wade Turner, President, presiding. Other members of the Board in attendance were: Jeremy Watson, Michael Watts, Robert Redfern, Lloyd Franklin, Jim Gately and Sherry Chesser. Members of the staff in attendance were: Jimmy Corley, Executive Director; Dale Edge, Investigator; Tim Montgomery, Investigator; Mark Ohrenberger, Legal Counsel; Alan Fortney and April Murphy. Also in attendance were Evelyn Gomez, Hearing Officer; and Gwendolyn LaSalle, Court Reporter.

**CALL TO ORDER**

Mr. Turner officially called the meeting to order at 9:00 am. A quorum was found to be present.

The Board moved immediately to public hearing H16-001. A hearing was held to consider an appeal for QR15-1703. The licensee requested a hearing to appeal the QR classification of fail on a Compilation without Disclosures report. The Board's decision was to uphold the fail ruling on the report.

**APPROVAL OF MINUTES**

A motion was made and seconded to approve the minutes of the November 20, 2015 and the December 2, 2015 Board meetings. The motion passed unanimously.

**TREASURER'S REPORT**

A motion was made and seconded to approve the November 2015 Treasurer's Report, as presented. The motion passed unanimously.

## COMMITTEE REPORTS

### AUDIT

Mr. Corley distributed copies of the audit report to be reviewed and discussed at a later date.

### COMPLIANCE

The Compliance Committee has met once.

#### **Twenty-three new complaints:**

Licensee holding out without using inactive status.  
Licensee checked yes to moral turpitude question on renewal.  
Two applicants requesting reinstatement.  
Two applicant firms with issues.  
Three non-licensees holding out.  
Four licensees with Quality Review issues.  
Five licensees with CPE Audit issues.  
Five conduct unbecoming complaints.

#### **Requesting closure of 9 complaints – 5 by Consent Order:**

- 1) **C15-024 – (Unregistered Firm)** – Unlicensed firm. Licensee registered firm name with AR Secretary of State but never practiced under firm name. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but further recommends closure of the complaint based on the licensee's registration of the firm and lack of holding out.
- 2) **C15-031 – (Void Firm)** – Voided firm still registered with AR Secretary of State. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but further recommends closure of the complaint based on dissolution of firm.
- 3) **C15-103 – (Firm Regist. #831C)** – Firm responded no reports on QR response, upon further follow up, firm acknowledged attest work performed just not in AR. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but further recommends closure of the complaint based on firm providing current Peer Review System Review with a rating of pass.
- 4) **C15-106 – (Non-Licensee)** – External Complaint alleging conduct unbecoming. After review of documentation provided, it appears defendant is an attorney not a CPA. Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure of the complaint.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolutions as to items 1 through 4, listed above. The motion passed unanimously.

### CONSENT ORDERS

- 1) **C15-086 - Consent Order (3330)** – Applicant requesting reinstatement to retired status. Applicant failed to timely renew in 2014. In April 2014 applicant submitted a reinstatement request with a medical hardship request. Applicant failed to respond to additional follow up correspondence from the Board. On January 9, 2015 a hearing was held and applicant certificate was revoked for failure to renew license. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. Applicant has signed consent order and provided the medical hardship documentation originally requested by the Board. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution and to close C15-086. The motion passed unanimously.

- 2) **C15-092 - Consent Order (5223R)** – Respondent failed 2015 QR with regard to a governmental audit. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. In lieu of completion of an additional 16 hours of A&A, respondent has agreed to a limitation consent order and will no longer provide attest or compilation services. Licensee has signed the limitation consent order. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution and to close C15-092. The motion passed unanimously.

- 3) **C15-095 - Consent Order (Applicant)** – Applicant failed to disclose a criminal conviction on his application for CPA Exam and application for a license as a Certified Public Accountant. Conviction was discovered when background check was performed. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. Licensee has agreed to consent order and paid \$250.00 penalty. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution and to close C15-095. The motion passed unanimously.

- 4) **C15-096 - Consent Order (7SP)** – Respondent firm entered into a compliance statement with Board in January 2015 agreeing to have a System Peer Review completed by October 29, 2015. Respondent firm failed to ensure completion of a System Peer Review. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. Respondent firm has agreed to the consent order and paid the \$500.00 penalty. In addition, Respondent firm agreed to be under pre-issuance for work performed for

AR clients until receiving System Peer Review with an acceptable rating.  
Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution and to close C15-096. The motion passed unanimously.

- 5) **C15-102 - Consent Order (8161R)** – Applicant requesting re-licensure of surrendered AR CPA certificate. Applicant surrendered in good standing. Committee recommends re-licensure and closure via the proposed consent order. Requesting closure contingent on receipt of \$110 for 2016 license to practice fee and acceptable FBI back ground check.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution and to close C15-102. The motion passed unanimously.

### **Requesting Permission to Issue 8 Notice of Hearings**

**C14-177- (693)** –Licensee failed to resolve 2014 CPE audit. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.

**C15-088 - (8323)** –Licensee's 2014 license is lapsed. Licensee has requested reinstatement. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.

**C15-111 - (6047)** –Licensee failed to respond to 2015 CPE Audit. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.

**C15-112 - (1872R)** –Licensee failed to respond to 2015 CPE Audit. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.

**C15-113 - (2202)** –Licensee failed to respond to 2015 CPE Audit. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.

**C15-114 - (2674)** –Licensee failed to respond to 2015 CPE Audit. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.

**C15-115 - (8186)** –Licensee failed to respond to 2015 CPE Audit. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.

**C15-116 - (applicant)** – Applicant voluntarily surrendered license in lieu of further disciplinary action. Applicant has now requested re- licensure. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the applicant for a formal hearing before the Board.

A motion was made and seconded to approve permission to issue eight Notices of Hearing, listed above. The motion passed unanimously.

### **CPE**

**Based on finding from the 2015 CPE Audit, the CPE Committee is requesting closure of following 9 CPE complaints. All by Compliance Statement:**

- 1) **CE15-004 - (Cert # 7449)** – Licensee was deficient 1 hour Ethics CPE. The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$125.00 penalty paid.
- 2) **CE15-022 - (Cert # 5513R)** – Licensee was deficient 2 hours Ethics CPE. The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$250.00 penalty paid.
- 3) **CE15-026 - (Cert #5779)** – Licensee was deficient 4 hours Ethics CPE. The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$500.00 penalty paid.
- 4) **CE15-050 - (Cert #6299)** – Licensee was deficient 2 hours Ethics CPE. The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$250.00 penalty paid.
- 5) **CE15-052 - (Cert #9147)** – Licensee was deficient 1 hour Ethics CPE. The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$125.00 penalty paid.
- 6) **CE15-088 - (Cert #2966)** – Licensee was deficient 2 hours Ethics CPE. The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$250.00 penalty paid.

- 7) **CE15-138 - (Cert #1727)** - Licensee's CPE content was deficient 4 hours. The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$120.00 penalty paid.
- 8) **C15-174 - (Cert #2365)** - Licensee was deficient 2 hours Ethics CPE. The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$250.00 penalty paid.
- 9) **C15-179 - (Cert #5589)** - Licensee was deficient 1 hour Ethics CPE and deficient 1.5 hours total CPE. The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$225.00 penalty paid.

A motion was made and seconded to close items 1 through 9, listed above. The motion passed unanimously.

#### **OLD BUSINESS**

##### **Peer Review Oversight Committee**

A motion was made and seconded to approve the following individuals for the Committee: Karen Garrett, George Foster, and Jim Goad. The motion passed unanimously.

#### **NEW BUSINESS**

##### **Annual Authorization of Payment of Board Members Expenses and Stipends**

A motion was made and seconded to approve the Annual Authorization of Payment of Board Members Expenses and Stipends. The motion passed unanimously.

#### **OTHER BUSINESS**

##### **CPE Renewal Waiver/Extension Requests**

The Board agreed to approve CPE Renewal Waivers and Extension Requests with appropriate documentation.

#### **RATIFICATION OF LICENSE APPLICATIONS**

A motion was made and seconded to approve the Executive Director and Board Legal Counsel's recommendations as to applications and surrenders based on the list presented to the Board. The motion passed unanimously.

### **ADJOURNMENT**

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 11:42 pm.