

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Robert Redfern CPA, President
Michael M. Watts CPA, JD Secretary
Sherry Chesser CPA, Treasurer
David Vaden CPA



Deana Infield CPA
Denton Woods JD
Jim Gately EdM

Jimmy Corley, CPA
Executive Director

**Board Meeting Minutes
November 17, 2017**

A regular meeting of the Arkansas State Board of Public Accountancy was held in Room 307 of the College of Business building on the campus of the University of Central Arkansas on November 17, 2017 with Robert Redfern, President, presiding. Other members of the Board in attendance were: David Vaden, Michael Watts, Sherry Chesser, Deana Infield, and Jim Gately. Board member Denton Woods was absent. Members of the staff in attendance were: Jimmy Corley, Executive Director; Dale Edge, Investigator; Tim Montgomery, Investigator; Mark Ohrenberger, Legal Counsel; Alan Fortney, April Murphy, Trista Saylor, Tiffany Vano, and Hanna Windley. Also in attendance were Susan Whitson, Court Reporter*; Mindy Pipkin, Hearing Officer;* and Brian Thompson of the ASA.

CALL TO ORDER

Mr. Redfern officially called the meeting to order at 9:05 a.m. A quorum was found to be present.

PUBLIC HEARINGS

The Board moved immediately to Public Hearings.

*Susan Whitson, Court Reporter; and Mindy Pipkin, Hearing Officer, left at the close of the hearings.

REGULAR MEETING

Appeal of Licensure Denial

Applicant David Bushby presented an appeal to the denial of licensure. A motion was made and seconded to grant licensure. The motion passed by a vote of three to one. David Vaden recused himself from the discussion and decision on this matter.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the September 29, 2017 Board meeting, as amended. The motion passed.

TREASURER'S REPORT

A motion was made and seconded to approve the September 2017 and October 2017 Treasurer's Reports, as presented. The motion passed.

COMMITTEE REPORTS

COMPLIANCE

The Compliance Committee has met once.

Seven new complaints:

DOL referral
Licensee sanctioned by a non-accounting regulatory body
Request for re-licensure of a void certificate
Two 2017 QR Failures
Two non-licensees holding out as Public Accountants

Requesting closure of complaints

- 1) **C12-021 – (Unlicensed firm)** – Unlicensed firm using certified public accountants in letterhead. Firm has ceased the use of certified public accountants in letterhead. The Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure with no further action.
- 2) **C12-060 – (Cert. # 2219/395C)** – Licensee and Firm failed to respond timely to the 2011 CPE Audit and 2012 Quality Reviews. Hearing 17-047 was held October 2, 2017. Licensee was assessed a \$750.00 penalty. Requesting closure.
- 3) **C16-133 – (Cert. # 063)** – Licensee failed to respond to a certified letter and failed to submit CPE documentation for the 2016 CPE audit. Licensee has since surrendered certificate. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but closure of the complaint with no further action due to the surrender of the PA license.
- 4) **C17-088 – (Cert. # 6657)** – Inactive licensee working in public accounting. Licensee has since upgraded to license to practice. Compliance 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 collected.
- 5) **C17-094 – (Cert. # 8631)** – Licensee originally failed 2017 CPE audit but was able to provide acceptable documentation upon appeal. The Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure with no further action.
- 6) **C17-095 – (Cert. # 4626)** – Licensee failed to timely resolve 2017 CPE Audit failure. Compliance 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 \$510.00 penalty assessed and licensee has agreed to complete 33 additional hours of CPE. These hours are over and above the hours needed for renewal.

- 7) **C17-104 – (Cert. # 3968)** – Licensee failed the 2015 Quality Review and agreed to obtain 16 additional CPE hours. Licensee did not obtain the additional CPE hours by the given due date but has since obtained the necessary hours. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but closure of the complaint with no further action.
- 8) **C17- 112 – (Cert. # 7930)** – Licensee failed to respond to the 2017 CPE Audit in a timely manner. Licensee has since submitted the necessary CPE documentation and passed the CPE Audit. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but closure of the complaint with no further action.
- 9) **C17- 117 – (Cert. # 5072)** – Licensee failed to respond to the 2017 Quality Review in a timely manner. Licensee has since submitted a response of No Reports. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but closure of the complaint with no further action.
- 10) **C17- 121 – (Cert. # 9392R)** – External complaint received regarding a licensee that was sanctioned by a non-accounting regulatory body. Sanctions had previously been self-reported by the licensee; the Compliance Committee reviewed the sanctions and determined that no further action was needed. The Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure with no further action.

A motion was made and seconded to accept the Compliance Committee’s recommended findings and proposed resolutions as to items 1 through 10, listed above. The motion passed.

CPE

Based on findings from the 2017 CPE Audit and the 2017 Annual Registration the CPE Committee is requesting closure of the following 8 CPE complaints. All by Compliance Statement:

- 1) **CE17-008 – (CERT # 9321)** - Licensee aggregated all or part of their CPE hours during their 2017 Annual Registration. 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 \$100.00 penalty paid.
- 2) **CE17-037 – (CERT # 5951R)** - Licensee was deficient 48 hours Group CPE and 1 hour Arkansas Ethics 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, \$605.00 penalty paid, and 49 additional CPE hours have been taken in the appropriate categories.
- 3) **CE17-051 – (CERT # 8752)** – Licensee was deficient 2 hours Ethics CPE, 1 of which was the Arkansas Rules and Laws Ethics. Committee recommends a finding

- of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$250.00 penalty paid, and 2 additional Ethics CPE hours have been taken, 1 of which was the Arkansas Ethics.
- 4) **CE17-065 – (CERT # 3959)** – Licensee was deficient 13 hours CPE and 8 hours Content 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, \$210.00 penalty paid, and 13 additional CPE hours have been taken.
 - 5) **CE17-071 – (CERT # 9365)** - Licensee aggregated all or part of their CPE hours during their 2017 Annual Registration. 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 \$100.00 penalty paid.
 - 6) **CE17-158 – (CERT # 8253)** - Licensee aggregated all or part of their CPE hours during their 2017 Annual Registration. 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 \$100.00 penalty paid.
 - 7) **CE17-209 – (CERT # 962)** - Licensee was deficient 2 hours Group 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, \$100.00 penalty paid, and 2 hours Group CPE hours have been taken.
 - 8) **CE17-236 – (CERT # 6567)** – Licensee was deficient in the required number of CPE hours completed on or before December 31, 2016. Additional hours were taken during 2017. 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.

A motion was made and seconded to accept the CPE Committee’s recommended findings and proposed resolutions as to items 1 through 8, listed above. The motion passed.

RULES

A motion was made and seconded to approve the changes to Rule 1, Rule 13.8, and Rule 302 of the Code of Professional conduct to be submitted to the Legislative Council, and to defer Rule 20 to the Rules Committee for further review. The motion passed.

Mr. Ohrenberger gave a brief presentation of the history of the Board Rules.

NEW BUSINESS

CPE Group Study Exemption Request

A motion was made and seconded to approve an exemption of Group Study CPE for Dale Wood due to medical reasons. The motion passed.

CPE Group Study Exemption Request

A motion was made and seconded to approve an exemption of Group Study CPE for Kevin Cox due to being stationed overseas. The motion passed.

CPE Exemption Request

A motion was made and seconded grant a CPE extension to March 31, 2018 and to waive the Group Study requirement for Erin Himes due to medical reasons. The motion passed.

Rule 9.3 Request – Deceased Firm Owner

Thomas Gammill Co., Ltd. petitioned the Board for the ability to continue using the firm name following the death of Mr. Gammill. A motion was made and seconded to approve the continued use of the firm name for a period of 180 days. The motion passed.

OTHER BUSINESS

AICPA References in Board Statutes and Laws

After discussion by the Board, it was decided that Mr. Corley and Mr. Ohrenberger will draft a response to NASBA's Reorganization Impact Task Force regarding the issues concerning the AICPA name.

CPA Exam Discussion

The Board conducted a discussion regarding CPA Exam Candidates credit for exam sections due to the 18-month window. No motion was made in this matter.

REVIEW OF LICENSING ACTIVITY

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 2:10 p.m.