



# ARKANSAS STATE BOARD of PUBLIC ACCOUNTANCY

## Board Meeting Minutes

January 17, 2025

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### GOVERNOR

Sarah Huckabee Sanders

### SECRETARY OF LABOR AND LICENSING

Daryl Bassett

### BOARD MEMBERS

Christina Ellis CPA  
*President*  
Hot Springs, AR

Barrett Belew CPA  
*Secretary*  
Little Rock, AR

Megan Turner CPA  
*Treasurer*  
Little Rock, AR

Shane Warrick CPA, PhD  
Magnolia, AR

Richard Bell CPA, JD  
North Little Rock, AR

Don Curdie JD  
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*

Nikita Montgomery  
*CPE Coordinator*

A regular meeting of the Arkansas State Board of Public Accountancy was held at the Board's offices of 900 West Capitol Avenue with Christina Ellis, President, presiding. Other members of the Board in attendance were Barrett Belew – Secretary, Megan Turner – Treasurer, Richard Bell, and Shane Warrick. Don Curdie attended via Zoom. Members of the staff in attendance were Tim Montgomery - Executive Director and Dale Edge – Investigator. Others in attendance included Marsha Moffitt with the ARCPA and Sarah DeBusk – Attorney General Liaison.

### CALL TO ORDER

Ms. Ellis officially called the meeting to order at 9:07 a.m. A quorum was found to be present.

Board Meeting Minutes: A motion was made and seconded to approve the minutes as written. The motion carried.

2025 License Renewal: Director Montgomery informed the Board members of the online renewal issues experienced during December 2024 for 2025 licensure.

Treasurer's Report: A Revenue & Expenditures report for the six months ended 12/31/2024 and 12/31/2022 was presented. Director Montgomery explained that he was still gathering information and hopes to present a full set of financial statements at the May meeting.

### COMMITTEE REPORTS

#### REVIEW

A draft copy of the reviewed financial statements as of June 30, 2023 and 2022 was presented to the Board for review. A member of Rasco Winter Thomas CPAs and Advisors will present the review report at the May 1, 2025 meeting.



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## COMPLIANCE

The Compliance Committee has met once since November.

There have been twelve (12) new complaints received:

- Request to reinstate a surrendered license.
- Referral from another State Board.
- Peer Review surrender request.
- External complaint regarding non-licensee.
- Two unregistered firms.
- Six licensees self-reporting and or answered yes regarding disciplinary action on 2024 renewal.

### **Requesting closure of fourteen (14) complaints, three (3) by consent orders:**

1. **C19-112 – (7335)** – Revoked license, with outstanding unpaid penalty, had requested to reinstate. Follow-ups requesting payment of the penalty, or to mediate a payment plan with Board, have gone unanswered. Compliance Committee recommends closure.
2. **C24-077 – (Firm Cert. #440LC)** New licensee had unlicensed firm. As soon as the licensee was contacted by the Board, she initiated a firm application. Firm licensed in 2024 and has renewed for 2025. Based on licensee's prompt response, Compliance Committee recommends a finding of closure with no further action.
3. **C24-079 – (Cert. #10515)** Referral from KS Board regarding licensee being held out as a CPA by a KS CPA firm. By the time KS addressed the issue, the licensee had moved back to AR and was no longer working in KS and had ceased the KS application process. Licensee was licensed in AR when he was held out as a CPA. Compliance Committee recommends a finding of closure with no further action.
4. **C24-081 – (Firm Cert. #243LC)** – Licensee has requested to withdraw from Peer Review. Last Peer Review, accepted in June 2022, received a pass rating. Licensee issued one report after acceptance date in Sept 2022. The Compliance Committee recommends closure with no further action.
5. **C24-082– (Non-Licensee)** - External complaint alleging that tax filer failed to file taxes. Review of Board records found that the person listed in the complaint is not licensed with the Board (sat unsuccessfully for exam in 2015). Further review did not find the person holding out as a CPA. The Compliance Committee recommends closure with no further action.

***Complaints 6 through 11 –Licensees self-reporting sanctions or other issues***



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6. **C24-074 – (Firm Cert. #5LP)** Licensee firm sanctioned by MN Board 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.
7. **C24-075 – (Firm Cert. #2LP)** Licensee firm sanctioned by WA and NV Boards of Accountancy. Sanction based on a 2022 PCAOB action. The AR Board has already reviewed the PCAOB action 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.
8. **C24-080 – (Firm Cert. #124LP)** Licensee firm sanctioned by MN Board of Accountancy. Sanction based on firms’ failure to have at least a two-thirds majority of MN licensed partners renewed when completing firm renewal. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
9. **C24-083 – (Firm Cert. #108LP)** – Licensee firm self-reported on their 2025 annual renewal that they are under investigation by the NY Board based on a PCAOB finding. NY has not issued a final finding. The AR Board has already reviewed the PCAOB finding at a prior meeting. The Compliance Committee recommends closure with no further action.
10. **C24-084 – (Firm Cert. #113LP)** – Licensee firm self-reported on their 2025 annual renewal that two partners were sanctioned by the PCAOB. Neither partner is an AR licensee. The Compliance Committee recommends closure with no violation.
11. **C24-085– (Firm Cert. #6LP)** Licensee firm self-reported Yes regarding firm having compliance issues in 2024 on 2025 renewal. In a follow up response, licensee firm stated that the firm has not been subject of any disciplinary action that has not been previous reported. The Compliance Committee recommends closure with no further action.

A Motion was made and seconded to accept the Compliance Committee’s recommended findings and proposed resolutions to items 1 through 11 as listed above. The motion carried.

### CONSENT ORDERS

1. **C24-056 – (Cert. #6343)** – – Applicant became void January 1, 2012. Applicant has requested to reinstate to a license to practice. Applicant has completed 163.5 hours of CPE: 103.5 hours A&A, 9 hours of ethics, 19.5 hours of Tax and 31.5 hours of Other. The study type consists of 50 hours of group and 113.5 hours self-study. Applicant has



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fourteen (14) months of experience. As part of the application process, a background check was completed, and it was noted applicant had a felony conviction.

The Board addressed the felony conviction at the November 2024 Board meeting and granted the applicant a waiver. Applicant has signed the consent order and agreed to pay 2025 licensure year fee of \$110.00, prior year fees of \$165.00 (for 2009, 2010 and 2011), and late fees of \$360.00 (for 36 months) for a total of \$635.00. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution. The motion carried.

2. **C24-066 – (Cert. #7736R)** – Applicant surrendered his certificate as a CPA on December 31, 2004. Applicant has requested to re-license to a license to practice. Applicant has completed 132 hours of CPE, 45 hours A&A, 4 hours of ethics, 3 hours of tax and 80 hours of Other. The study type consists of 119 hours of group and 13 hours self-study. Applicant has signed a consent order and the paid current year renewal fee of \$110.00. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution. The Motion carried.

3. **C24-076 – (Cert. #9154)** – Applicant surrendered his certificate as a CPA December 31, 2016. Applicant has requested to re-license to a license to practice. Applicant has completed 124 hours of CPE, 43 hours A&A, 7 hours of ethics, 17.5 hours of tax and 56.5 hours of Other. The study type consists of 69.5 hours of group and 54.5 hours self-study. Applicant has signed a consent order and the paid current year renewal fee of \$110.00. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution. The Motion carried.

### RULES

Proposed law changes were submitted to the Governor's office for approval in May 2024. There is no update at this time.

The Director will propose changes to the codified Board Rules, including rewriting the changes in former Board Rule 3 that was proposed last May, and present the proposed changes at the May 1, 2025 meeting for approval. If approved, the proposed rule changes will be submitted to the Secretary and Governor for approval.



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## PERSONNEL

Director Montgomery explained that there is hope that the salary range for the investigator position will be increased in the upcoming governor-proposed pay plan. If so, and if approved, the position will immediately be advertised.

## OTHER BUSINESS

Statement of Financial Interest: Each Board Member's Statement of Financial Interest is due by January 31.

*The Board members took a short break at 10:08 am and returned at 10:15 am.*

Stipend and reimbursement approval: A motion was made and seconded to approve a stipend of \$110.00 per day for each day of official business to Board Members. The motion passed and the stipend approved.

A motion was made and seconded to authorize expense reimbursement to each Board Member for performing official Board duties, and that reimbursement shall not exceed the rate established for state employees by travel regulations. The Motion was passed and the expense reimbursement approved.

Responses to NASBA Exposure Drafts: The Board briefly discussed the NASBA Exposure Drafts.

2023 Universal Licensure law: Director Montgomery explained how Arkansas's 2023 universal licensure law affects CPA reciprocal licensure.

Alternative pathway/automatically mobility legislation: Director Montgomery informed the Board of the numerous states that have filed legislation for an additional pathway to licensure and/or automatic mobility.

AR Forward: Director Montgomery shared portions of the AR Forward report; specifically, the part dealing with proposed Board consolidations.

Alternative Practice Structure Notification: A discussion was held regarding the ever-growing popularity of CPA firms taking in private equity (PE) ownership, whereby the firm is split into an audit company with no PE ownership and an advisory company with PE ownership. Discussion centered mainly on whether this type of ownership structure violated Board rules. No conclusions were made, and discussions will continue at future meetings.

Board Member Absence notification: Board Member Marty Gunaca has missed three consecutive Board Meetings. A Motion was made and seconded to excuse his absence for the January 2025 Board Meeting. The Motion passed unanimously, and the absence is excused. The Director will contact Mr. Gunaca to apprise him of the situation.



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Board Meeting Dates: The dates for the remaining 2025 regular Board meetings were set as follows:

May 1, 2025

June 27, 2025

August 22, 2025

September – day to be determined; will be held on the campus of UCA.

November 14, 2025

The 2025 CPA Swearing-in Ceremony will be held on September 13, 2025.

January 16<sup>th</sup>, 2026 is the projected date for the first meeting of 2026.

Wall Street Journal article: The Board briefly discussed the article.

Codification of Board rules: Director Montgomery briefly explained the numbering system of the newly codified Board rules.

2023 DLL Legislative Audit: A motion was made and seconded to accept the findings of the FY 2023 Legislative Audit. The motion was approved.

## **ADJOURNMENT**

A motion was made and seconded to adjourn the January 17<sup>th</sup> 2025 Board Meeting. The motion passed and the meeting adjourned at 11:49 am.