

HFMA CPE Event

Arkansas State Board Ethics: 2024 Board Update

December 12, 2024

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Proposed Board Rule and Statute Changes and Other Board Announcements

(in no particular order)

(well, maybe)

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Reduced Sitting Requirements

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CPA Exam Sitting Requirements

- ***Board Rule 3 – Examinations (current)***
 - Bachelor's degree
 - 30 hours upper-level accounting courses
 - Must cover 6 core subjects
 - 30 hours business courses

- ***Board Rule 3 – Examinations, Education and Experience (proposed)***
 - 18 hours upper-level accounting courses

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Education Requirements to License

- *Bachelor's degree*
- *30 hours upper-level accounting courses*
- *Must cover 5 core subjects*
 - *Removes governmental and not-for-profit accounting*
- *30 hours business courses*

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Other Notes Regarding Examinations

- *Test section credit window increased to 30 months*
- *Window begins on the score release date of the 1st test section*
- *339 sections valid on 1/1/2024 automatically extended to June 30, 2025*
- *26 applicants (28%) were granted credit relief for 39 sections*

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Additional Pathway to Licensure

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Licensure Requirements (current)

- ***Board Rule 3.11 – Education Requirement for Licensure***
 - Bachelor's degree
 - 150 semester credit hours
 - 30 hours upper-level accounting courses
 - Must cover 6 core subjects
 - 30 hours business courses

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Licensure Requirements (proposed)

- ***Board Rule 3.11 – Education and Experience Requirements for Licensure***
 - Education Requirements
 - Bachelor's degree
 - 30 hours upper-level accounting courses
 - Must cover 5 core subjects
 - 30 hours business courses
 - Internship and Independent Study rules unchanged

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Licensure Requirements (proposed)

- ***Board Rule 3.11 – Education and Experience Requirements for Licensure***
 - Experience Requirements
 - One year of experience is defined as full or part-time employment that includes no fewer than 2,000 hours of performance of services extending over a period of no less than one year and no more than three years.
 - Experience must be verified by both direct supervisor and CPA. Two notarized forms.

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Licensure Requirements (proposed)

- **Board Rule 3.11 – Education and Experience Requirements for Licensure**
 - Licensure Pathways
 - 150 + 1: remains the same
 - Bachelor's + 2: Bachelor's degree plus 2 years of experience obtained within 6 years preceding the date of licensure application.

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Licensure Requirements (proposed)

- **Board Rule 3.11**
 - Any other pathway included in the Uniform Accountancy Act will also be accepted through substantial equivalency.
 - Until such time that Section 3.11(c)(1)(B) is adopted into the AICPA/NASBA Uniform Accountancy Act, an applicant licensed under this pathway will not be deemed substantially equivalent to the CPA licensure requirements of the UAA by NASBA's National Qualification Appraisal Service and, therefore, may not be deemed to be substantially equivalent to practice in other states.

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Polling Question #1

What are the current requirements to license as a CPA in Arkansas?

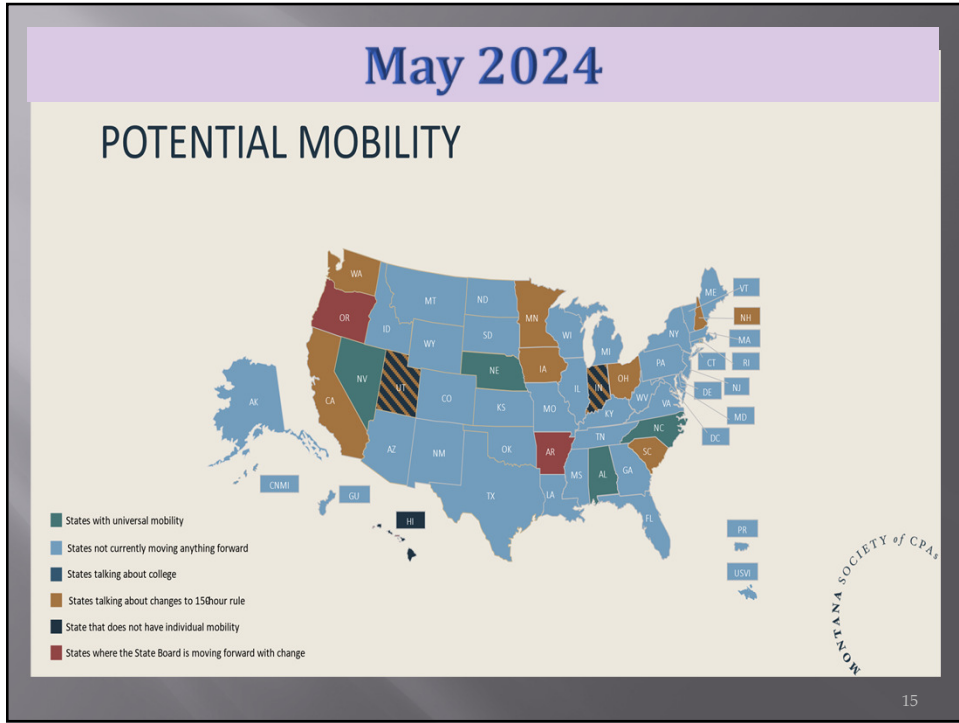
- a) Exam, 150 hours of education, master's degree, and 1 year of experience
- b) Exam, master's degree, and 1 year of experience
- c) Exam, 150 hours of education, and 1 year of experience
- d) Exam, 150 hours of education, bachelor's degree, and 1 year of experience

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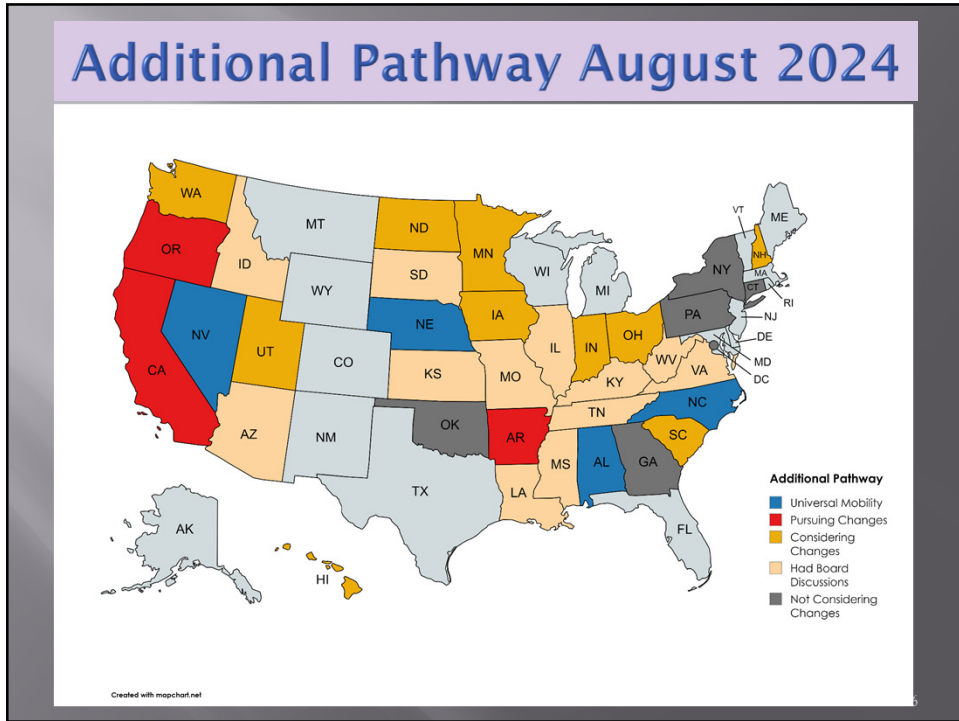
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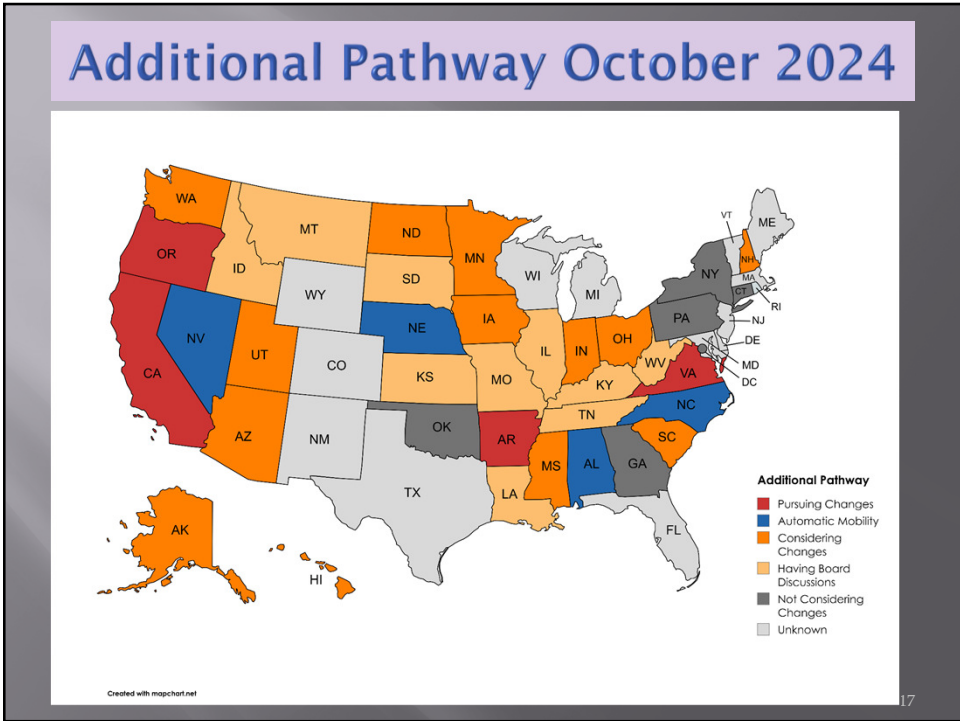
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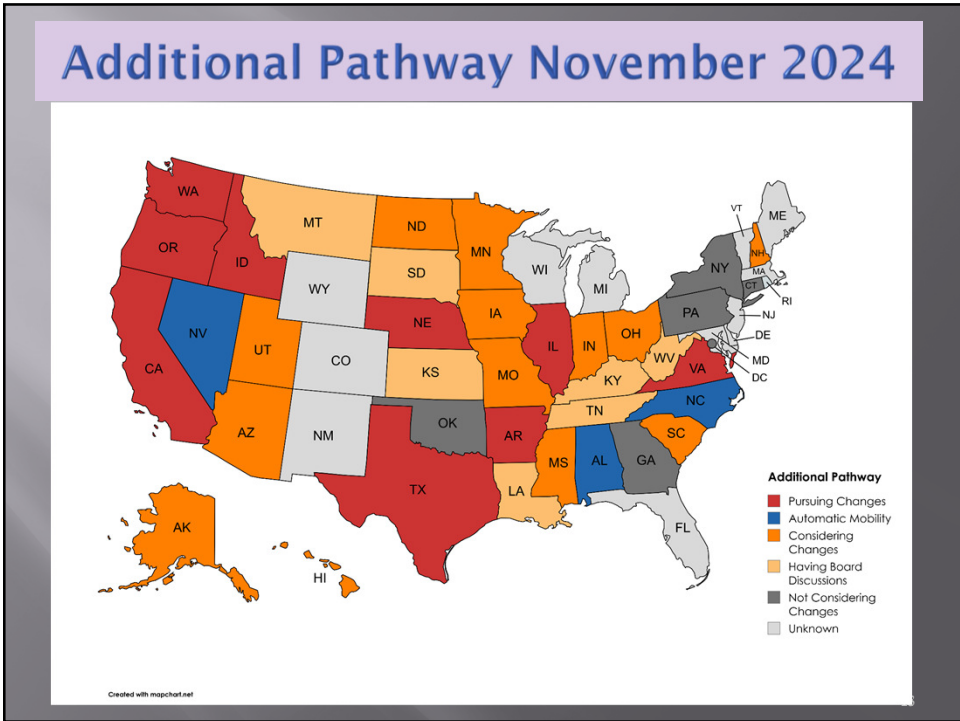
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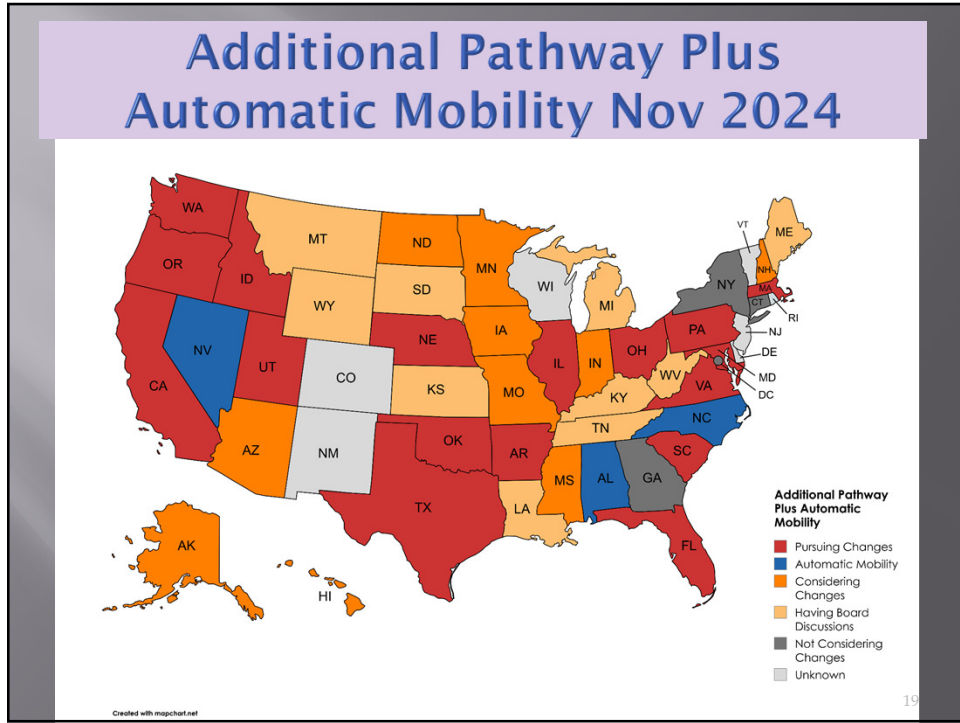
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NASBA's Exposure Draft

Exposure Draft

CPA Competency-Based Experience Pathway

Issued September 12, 2024
Comments are requested by December 6, 2024

Contents

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- 3 Comment Period Guide
- 5 Introduction to the CPA Competency-Based Experience Pathway
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Competency-Based Experience Pathway



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Competency-based Experience

Model Subcommittee

Professional Competencies

- Ethical Behavior
- Critical Thinking & Professional Skepticism
- Communication
- Collaboration, Teamwork, and Leadership
- Self-Management & Continuous Learning
- Business Acumen
- Technology Mindset

Technical Competencies

- Audit and Assurance
- Tax
- Reporting, Including Financial, Not-For-Profit, and Governmental

Considerations

Blend of Professional & Technical Competencies

Professional Competencies are needed by all CPA candidates regardless of their chosen career

Bridging the application of knowledge to work experience

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Competency-based Experience Certification Form

Professional competency 6	Business acumen						
CPAs must understand how a business fits within the broader context of an industry and the geopolitical environment so that they can optimize opportunities, minimize risks, and execute planned objectives.							
Did the Candidate exhibit the business acumen competency?	<table style="display: inline-table; border: none;"> <tr> <td style="padding: 0 10px;">Yes</td> <td style="padding: 0 10px;">No</td> <td style="padding: 0 10px;">NA</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	No	NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No	NA					
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Professional competency 7	Technology mindset						
CPAs must use technology and data ethically as an enabler to optimize decision making and to promote business efficiencies and controls.							
Did the Candidate exhibit the technology mindset competency?	<table style="display: inline-table; border: none;"> <tr> <td style="padding: 0 10px;">Yes</td> <td style="padding: 0 10px;">No</td> <td style="padding: 0 10px;">NA</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	No	NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No	NA					
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Technical Competencies							
Candidates are required to exhibit only <u>one</u> technical competency. However, Candidates may exhibit multiple technical competencies if they work in more than one area of practice. In this case, the CPA Evaluator should use professional judgment to evaluate if the exhibited technical competencies, in combination, are sufficient for licensure under the Pathway.							
Technical competency 1	Audit and assurance						
CPAs participate in assurance engagements, including audit, attestation, and accounting and review services, or work internal to an organization such as internal audit. These services are performed across many clients and industries and under multiple regulatory environments. By the end of their experience, a Candidate must have sufficient experience in audit- and assurance-related tasks, such as those detailed in the Framework based on the nature and scope of the specific engagements on which they work.							
Did the Candidate exhibit the audit and assurance competency as defined by the framework?	<table style="display: inline-table; border: none;"> <tr> <td style="padding: 0 10px;">Yes</td> <td style="padding: 0 10px;">No</td> <td style="padding: 0 10px;">NA</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	No	NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No	NA					
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

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Certification of CPA Evaluator

During the course of the Competency-Based Experience, the Candidate exhibited the professional and technical competencies as defined in the CPA Competency-Based Experience Pathway Framework.

The Candidate has completed _____ hours of the required minimum of 2,000 hours of Competency-Based Experience working hours.

I hereby certify that the Candidate has been supervised or employed by me or my organization for the period indicated herein and, in the course of such employment, has obtained the experience indicated on this **Certificate of Experience.**

I hereby certify that I have met the CPA Evaluator requirements as defined in the Competency-Based Experience Framework.

Organization Name: _____

Organization Address: _____

Contact Name: _____

Contact Title: _____

Contact Email & Phone: _____

CPA Evaluator Name: _____

CPA Evaluator License Number: _____

State and Date of Issuance: _____

CPA Evaluator Signature: _____

Date: _____

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Substantial Equivalency

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Automatic Mobility
(may be proposed)

- *Moving substantial equivalency out of statute to Board Rule*
 - *To accommodate moving target of Substantial Equivalency and Mobility*
- *Automatic Mobility*
 - Separating substantial equivalency and mobility
 - Retaining substantial equivalency with reciprocity

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Polling Question #2

What is mobility?

- a) The ability to service international clients without an international CPA license.
- b) The ability to have offices in other states without obtaining a CPA license from those other states.
- c) The ability to move freely from state to state without notifying the state board.
- d) The ability to service clients in other states without obtaining a CPA license from those other states.

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Arkansas Resident Initial Exam Support Program

ARIES

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- *3 year, \$250,000 pilot program*
- *Reimburses Exam section fees for initial exam (currently \$254.80)*
- *Jurisdiction must be Arkansas*
- *Must be Arkansas Resident:*
 - *Arkansas driver's license*
 - *Employment offer letter from AR based company*
- *20 requests received*

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Fees

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- **Board Rule 12**
 - *Removes non-refundable status*
 - *Removes PA application fees*
 - *Removes Grade Transfer fees*
 - *Adds the following verbiage regarding exam section fees:*
 - *The Board may, by resolution, waive exam section fees (e.g. AICPA, NASBA and Prometric) for some or all applicants.*

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➤ **A.C.A. 17-12-306(d)**

➤ *The applicable fees payable pursuant to this section shall be paid by the applicant at the time he or she applies for examination or reexamination unless the applicant is eligible for any Board program whereby any or all applicable fees are waived or assumed by the Board.*

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Other Changes

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- **Board Rule 14 – Quality Review**
 - *Renames rule to Practice Review*
 - *Changes verbiage to match current practice*
 - *Corresponding changes in A.C.A. 17-12-507*
- **Board Rule 16 – Experience Required**
 - *Repealed (incorporated into Board Rule 3)*

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- **Board Rule 19 – Service Members**
 - *Changes verbiage to match new law*
- **A.C.A. 17-12-504 – Renewals and Renewal Fees**
 - *Sets July 1st as day that license is revoked if not renewed, retired or surrendered.*

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Polling Question #3

Which item below is not an eligibility requirement for the ARIES program?

- a) Must be an Arkansas resident or have an offer letter from an Arkansas-based company.
- b) Must sit for the exam in Arkansas.
- c) Must apply for the exam in Arkansas.
- d) Must complete a reimbursement request.

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Alternate Path to Certification

Proposal 1

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Proposal 3: Filling the Pipeline

- aka Introducing Accounting Career Awareness
- Step 1: Develop a 2-week Accounting Exploration Curriculum
 - Suitable for Arkansas students in grades 8–12 grades
 - To be delivered jointly by accountants and 8–12 grade teachers
 - We Are Accounting has just begun planning this curriculum

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Proposal 3: Filling the Pipeline

- Step 2: Staff and Training for Delivery
 - Current young accountants
 - Trained for delivery and marketing the profession
 - Need commitments from accounting employers
- Step 3: Delivery Annually
 - Beginning in academic year 2025–2026
 - Need commitment from schools and teachers

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Proposal 3: Benefits

- More pre-college students learn about accounting as a career
 - And the 2-yr employment opportunity (proposal 2)
- More accounting majors
- More practicing accountants

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Proposal 3: Ask the State of Arkansas

- Coordination from Arkansas Department Education to get the program in every middle and high school
- Financial assistance for We Are Accounting
- Financial and Personnel Support from Arkansas State Board of Public Accountancy
- Personnel Support from Arkansas Society of CPAs and their Emerging CPAs Committee



Investigation Difficulties

From: Licensee <licensee@gmail.com>
Sent: Friday, March 29, 2024 2:50 PM
To: Dale Edge <dale.edge@arkansas.gov>
Subject: RE: Your AR CPA Certificate Has Expired

What is this? I have mailed my certificate back and completed the paperwork. I am complaining to your director first thing Monday Morning. You people are vultures!!

900 West Capitol, Suite 400, Little Rock, AR 72201 along with your 14" x 11" Arkansas CPA certificate.

If no further communication is received, a request to issue a Notice of Hearing in this matter will be made at the May Board meeting.

If you have any questions, please contact the Board.

Regards,

Dale Edge
 Arkansas State Board of Public Accountancy
 501-682-5525
 501-682-5538 Fax
www.arkansas.gov/asbpa

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From: Administrator <administrator@abandcompany.com>
Sent: Wednesday, April 24, 2024 1:59 PM
To: ASBPA <ASBPA@arkansas.gov>
Subject: Website Inquiry

Hello,

Our CPA on staff has been suspended due to license suspension and once the suspension was removed, he was on sabbatical for renewal issues. He notified us that his license was back in good standing but when searching the Roster, his License number is not showing. On CPA Verify, it is still saying expired-active. As our firm provides financial statements, we do need the CPA to sign off. Please give us a call so that we can verify he can legally do so and end his sabbatical.

Thank you,

Administrator | AB and Company
 T: 501-999-9999 E: admin@abandcompany.com
 Little Rock, AR 72299

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From: Tim Montgomery <Tim.Montgomery@arkansas.gov>
Sent: Wednesday, December 27, 2023 9:58 AM
To: Partner <Partner@abccpa.com>
Subject: RE: License Renewal

Can you send me their names so I can look to see exactly what the system is looking for?

From: Tim Montgomery <Tim.Montgomery@arkansas.gov>
Sent: Wednesday, December 27, 2023 10:46 AM
To: Partner <Partner@abccpa.com>
Subject: RE: License Renewal

Well, I'm an idiot. I asked for their names and you had already sent them to me. I need to add that to my Ethics presentation.

Tim Montgomery
 Executive Director
 Arkansas State Board of Public Accountancy
 501-682-5533 | 501-682-5538 Fax
www.arkansas.gov/asbpa

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Sent: 29 August 2024 16:30
To: Tim Montgomery <Tim.Montgomery@arkansas.gov>
Subject: 🟢 ACHIEVED FAIRNESS & JUSTICE UNDER SIMILAR TREATMENT OF SAME MUTUAL RECIPROCAL AGREEMENT MRA PROVISIONS GIVEN TO YOUR STATE.

Good Morning Virtuous Sir Tim,

Hopefully you are well and feeling with inner peace.

There are relevant facts and factors to be taken into your appreciated considerations. I felt with Sadness, because I should be admitted directly to your state CPA Certificate and License based on Mutual Reciprocal Agreement MRA.

accountants.

Logically, I have the legitimate right for Issuance of CPA Certificate and License under "Similar Treatment" that entitled to your state accountants of direct admission, because these above


[2] Your state accountants are "not" asked to provide either US- SSN or even SSN of these countries.
 [3] Your state accountants are "not" asked of experience verification specifically under CA, ACCA, ACA, CPA or PA of these countries.
 [4] Your state accountants are not asked to provide US Notary Agency of US or even these countries.

May God to bless you and your kind heart parents.

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Sent: Tuesday, September 24, 2024 9:13 AM
To: Tim Montgomery
Subject:  REQUIRED OFFICIAL COMPLAINT FORM.
Attachments: Justice.jpg

Importance: High

Please **EMAIL OFFICIAL COMPLAINT FORM**, I will make 12 Copies for Circulation to 12 Official Regulators including UK King Charles Office, UK Parliament Secretary and Governor of Arkansas Sarah Huckabee Sanders, US White House, UK Prime Minister Sir Keir Rodney Starmer, Professional Organisations and UK, Australia and US Humanity Organisations who will undergo Investigation of Staff Poor Performance & Bad Service and Injustice and Unfairness.

Because the staff has been asked to Email Requested CPA Certificate Paper Application, the Experience Form has been Printed here and only Remained CPA Certificate.

All staff **WITHOUT** exception will be Monitored Rigorously, which will led to Mutual Reciprocal Agreement MRA will be **SCRAPPED**, thereby by your stage accountants will be **PREVENTED** from joining other professional Bodies and will **MISTREATED** in Similar Manner.

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State: CIB 1100002000 in NPA0000 is NOW zero that should not be a not.

Board: There is no house bank account anymore, it has been closed.

State: Ok it may be closed but no entry was made in AASIS to move the cash from the cash line. Where did the money from the bank account get moved to?

Board: Arkansas State Treasury - we made entries to move the \$ but apparently not correctly.

State: AASIS Balance is now \$3.20; matching the bank.

Board: Thanks. I'd like to write off the \$3.20 as the account is closed and we have no way to get the money.

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State: Do you have a bank statement that shows a -0- balance? Until then there's nothing we can do; you'll continue to receive a statement and possibly interest, which HAS to be booked in AASIS.

Board: No, they closed the account and will not be issuing any more statements or more interest.

State: So you do NOT have a statement or anything with a -0- balance??

Board: No.

State: We have to see a statement in this office showing a balance of zero. This should include closing with drawl. Your agency will have to pay the \$10 cashier check to get the \$3.20 to close if you cannot write a check off the old bank account. The AASIS balance cannot be written off.

Board: ???

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Polling Question #4

Do you agree with the Board creating an additional pathway consisting of a bachelor's degree, specified course requirements, passing the CPA exam, and obtaining 2 years of general experience?

- a) Yes
- b) No

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ASBPA
 SEP 22 15 9-17-15

I **Ricky** and **Bubba** an co-
 worker was in the company
 truck which **Bubba** was driving
 and we parked the truck and
 paid for parking. When we re-
 turned to the parking place
 the truck was not there. So as
 an result **Bubba** and I (**Ricky**)
 was fired and told to get home
 the best way we knew how from
 Louisiana were the company.
 sent us to work upon finding
 our way back to Arkansas we
 were denied our checks for 2 ~~that~~
 weeks and was told we had to
 pay for the missing vehicle.

Ricky B.

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Questions???

Board staff members are always available to answer any questions about this course or any accountancy statutes or Board rules.

www.arkansas.gov/asbpa

tim.montgomery@arkansas.gov

*The Board is here to help every
Arkansas CPA licensee*

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