

HFMA December CPE Seminar

Arkansas State Board Ethics: 2025 Board Update

December 11, 2025

2025 Statute Changes

Arkansas Code §17-12-309

Experience

Amends the language:

(a) An applicant for initial issuance of a certificate under this subchapter shall show that the applicant has had at least one (1) year of experience.

Arkansas Code §17-12-311

Substantial Equivalency

Replaces all the language with the following:

To promote the professional practice of accountancy within and outside the State of Arkansas, the Arkansas State Board of Public Accountancy may:

- (1) Determine substantial equivalency requirements and provide the parameters encompassing substantial equivalency; and
- (2) Promulgate any rules necessary to define or promote substantial equivalency and provide the parameters encompassing substantial equivalency.

Arkansas Code §17-12-504

Renewals and Renewal Fees (continued)

2. Amends the language from:

(h)(1) Any license or registration that is not reinstated within three (3) years following expiration shall be void and shall not be subject to renewal or reinstatement.

to

(h)(1) Any license or registration for which a reinstatement application has not been received on or before July 1 following the lapse of a license shall, after notice and a hearing, be revoked by the board and shall not be subject to renewal or reinstatement.

Board Rule Changes to be Proposed in 2025

Board Rules

Complete Set of Board Rules

Rule 1 – Definitions

Rule 2 – Board Rules and Meetings

Rule 3 – Examinations

Rule 4 – Repealed

Rule 5 – Foreign Accountants

Rule 6 – Practice Under Substantial Equivalency

Rule 7 – Ownership of Firms

Rule 8 – Professional Standards

Rule 9 – Communications, Change of Address or Business Affiliation

Rule 10 – Registration

Rule 11 – Hearings Before Board-Notice-Procedure-Review

Subpart 1. Generally

17 CAR §236-101. Definitions.

Subpart 2. Board Rules and Meetings

17 CAR §236-201. Arkansas State Board of Public Accountancy.

17 CAR §236-202. Rules.

17 CAR §236-203. Annual meeting.

17 CAR §236-204. Other meetings.

17 CAR §236-205. Rules of order.

17 CAR §236-206. Open meetings.

17 CAR §236-207. Rules of conduct.

Subpart 3. Examinations

17 CAR §236-301. Semester hour — Accredited colleges, universities, schools, and programs — Credit for courses.

17 CAR §236-302. Education Requirement.

17 CAR §236-303. Applications for examination.

17 CAR §236-304. Time and place of examination.

17 CAR §236-305. Examination content.

17 CAR §236-306. Determining and reporting examination grades.

17 CAR §236-307. Retake and granting of credit requirements.

17 CAR §236-308. Candidate testing fee.

17 CAR §236-309. Cheating.

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Subpart 3: Education, Examination, and Experience

17 CAR §236-302. Requirements for sitting.

- Earned at least **eighteen (18)** upper-level semester credit hours (SCH) in accounting
- Above the principles level.
- Earned a grade of “C” or better in each accounting course.

17 CAR §236-308. Candidate testing fee.

Adding the following text:

- Testing fees may be waived for a candidate that qualifies for any special program adopted by the board and therefore not collected upon application.
- Testing fees may be reimbursed for a candidate that qualifies for any special program adopted by the board.

Polling Question #1

What is the number for the rule defining basic continuing education requirements?

- a) 17 CAR § 236-1203
- b) CAR § 17-236-1203
- c) § 17 CAR 236-1203
- d) CAR 17 § 236-1203

ARIES Program

Arkansas Resident Initial Exam Reimbursement

- *3 year, \$250,000 pilot program*
- *Reimburses exam section fees for initial exam (currently \$262.64)*
- *Jurisdiction must be Arkansas*
- *Must be Arkansas Resident*
- *116 requests received since May 2024*

17 CAR §236-311. Requirements for licensure.

- Education requirements:
 - Baccalaureate or post-baccalaureate degree;
 - **Twenty-seven (27)** hours in accounting above the principles level. Must include courses in:
 - Financial accounting;
 - Management accounting;
 - Federal taxation;
 - Auditing and attestation; and
 - Accounting information systems
 - **Twenty-four (24)** hours in business.

17 CAR §236-311. Requirements for licensure.

- Experience requirements:
 - A year of experience shall consist of full- or part-time employment that:
 - Includes no fewer than two thousand (2,000) hours of performance of services; and
 - Extends over a period of no less than a year and no more than three (3) years.

17 CAR §236-311. Requirements for licensure.

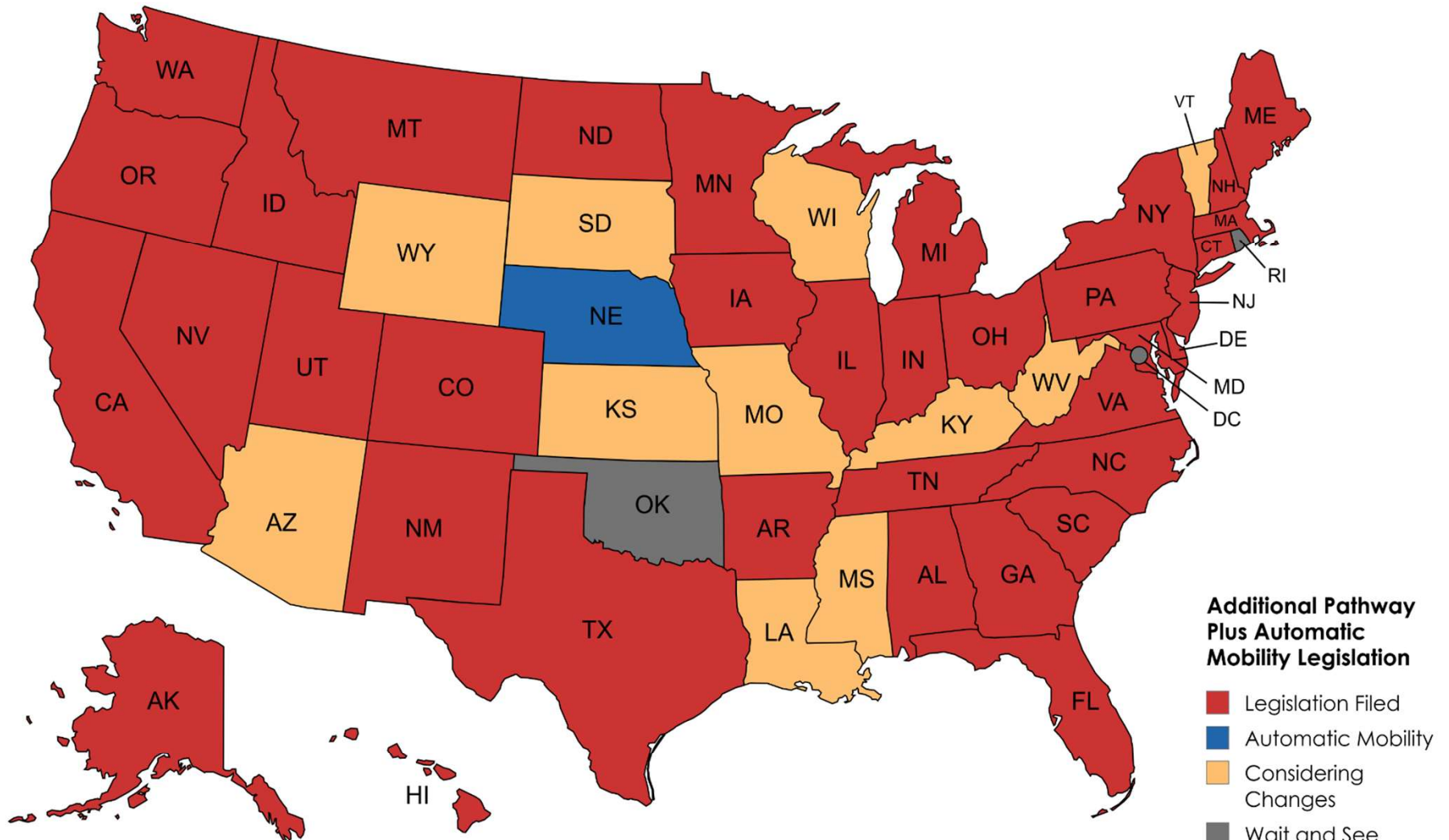
- Licensure pathways:
 - An applicant is eligible for CPA licensure upon:
 - Passing all 4 parts of the CPA exam; and
 - Obtaining a post-baccalaureate degree and gaining one (1) year of experience; or
 - Obtaining a baccalaureate degree, 150 SCH, and gaining one (1) year of experience; or
 - Obtaining a baccalaureate degree and gaining two (2) years of experience.

Map Shown at
2024 A&A Conferen



- States with universal mobility
- States not currently moving anything forward
- States talking about college
- States talking about changes to 15-hour rule
- State that does not have individual mobility
- States where the State Board is moving forward with change

Pathway Legislation August 2025



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Subpart 5: Substantial Equivalency

17 CAR §236-501. Individuals practicing under SE.

An individual whose principal place of business is not in this state, holds a valid active license from any state, and met the following requirements:

- passed the uniform CPA examination; and
- met one of the following pathways:
 - a post-baccalaureate degree w/concentration in accounting and 1 year of experience; or
 - a baccalaureate degree w/concentration in accounting, 150 SCH and 1 year experience; or
 - a baccalaureate degree w/concentration in accounting and 2 years experience; and
- met the continuing professional education requirements

17 CAR §236-501. Individuals practicing under SE.

An individual whose principal place of business is not in this state, and who holds a valid active license as a Certified Public Accountant from any state as of December 31, 2025 and, as of such date, has practice privileges in this state under this section, shall continue to have all the privileges of licensees in this state without the need to obtain a license under Arkansas Code § 17-12-301, § 17-12-308, or § 17-12-501.

17 CAR §236-501. Individuals practicing under SE.

- An individual that qualifies for practice privileges performing audit services must do so through a firm that is licensed with the board.
- An individual that exercises practice privileges and the firm that employs that individual consent and agree to:
 - The jurisdiction and disciplinary authority of the board;
 - Comply with the Public Accountancy Act of 1975 and rules of the board;
 - Cease offering or rendering professional services in this state if the individual's or firm's license is no longer valid.

17 CAR §236-501. Firms practicing under SE.

A firm that does not have an office in this state may perform professional services other than audit services for a client having its home office in this state, without notifying the board, registering with the board, or paying a fee, provided that.

- The firm meets the applicable firm licensure and peer review requirements;
- The firm performs the services through an individual who is an AR licensee or practicing under substantial equivalency; and
- The firm can lawfully perform the services in their home state.

Polling Question #2

Which situation does not require an out-of-state CPA to obtain a reciprocal CPA license in Arkansas?

- a) Establishing an office in Arkansas.
- b) Performing a tax return for an Arkansas client.
- c) Issuing an audit for a client based in Arkansas.
- d) Performing an agreed-upon-procedures engagement for an Arkansas municipality.

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Subpart 13: Practice Review Program

17 CAR §236-1302. Notification.

- The Arkansas State Board of Public Accountancy will send an email to one-third (1/3) of its licensees annually to inform them that their practice review is due.
- The practice review covers the period since the licensee's last practice review or since becoming licensed.
- The recipient shall respond to the email within the time specified with one (1) of the following responses:
 - No reports issued;
 - Compilation reports only issued; or
 - Attest reports issued.

17 CAR §236-1302. Notification.

- If a licensee did not issue any type of compilation or attest report during the practice review period, they shall complete the online process entitled No Reports Issued.
- If a licensee issued compilation reports and did not issue any attest reports during the practice review period, they shall complete and submit a Practice Review Survey form and follow the Quality Review procedures outlined in 17 CAR § 236-1303.
- If a licensee issued attest reports during the practice review period, they shall complete and submit a Practice Review Survey form and follow the Peer Review procedures outlined in Subpart 19.

17 CAR §236-1302. Notification.

- The following actions shall a basis for disciplinary action:
 - Failure to respond to a practice review within the time specified;
 - Failure to submit a practice review survey when reports were issued;
 - Failure to submit compilation reports for quality review when compilation reports were issued; and
 - Failure to meet the peer review requirements of A.C.A. §17-12-508 and Subpart 19.

Polling Question #3

Which is not a proper response to the Board's practice review program?

- a) No reports issued.
- b) Attest reports issued – enrolled in Peer Review.
- c) Governmental audit report issued.
- d) Compilation reports issued.

CPA Exam Statistics

Overall Stats: AR vs. National

ARKANSAS CPA EXAMINATION							NATIONAL			STATS
DATE	TOTAL CANDIDATES	TOTAL 1ST TIME CANDIDATES	TOTAL PASSED CANDIDATES	TOTAL SECTIONS TAKEN	TOTAL SECTIONS PASSED	SECTION PASSING RATE - %	SECTION PASSING RATE %	TOTAL CANDIDATES	TOTAL SECTIONS TAKEN	AR PR% to US PR%
2014	455	212	197	1,159	501	43.2%	49.5%	91,384	234,440	-6.30%
2015	429	298	199	1,152	535	46.4%	49.8%	93,693	240,886	-3.40%
2016	469	343	201	1,231	528	42.9%	48.7%	102,323	268,933	-5.80%
2017	475	342	207	1,180	514	43.6%	48.3%	95,654	234,991	-4.70%
2018	429	304	211	1,009	496	49.2%	51.9%	85,855	206,858	-2.70%
2019	395	295	198	963	482	50.1%	52.8%	83,017	199,417	-2.70%
2020	386	284	207	925	495	53.5%	56.7%	73,113	167,302	-3.20%
2021	354	268	177	859	429	49.9%	52.5%	72,270	172,610	-2.60%
2022	417	335	211	924	467	50.5%	51.7%	67,336	157,301	-1.20%
2023	526	436	261	1,243	617	49.6%	47.9%	84,980	202,986	1.70%

Arkansas Jurisdictional Rankings

ARKANSAS CPA EXAMINATION - JURISDICTION RANKINGS				
DATE	TOTAL CANDIDATES	SECTIONS	PASS RATE	AVG SCORE
2014	39	38	43	44
2015	39	38	38	38
2016	40	39	46	44
2017	39	40	44	36
2018	39	40	35	30
2019	40	40	36	30
2020	38	38	37	39
2021	39	39	39	30
2022	38	38	33	32
2023	38	38	19	17

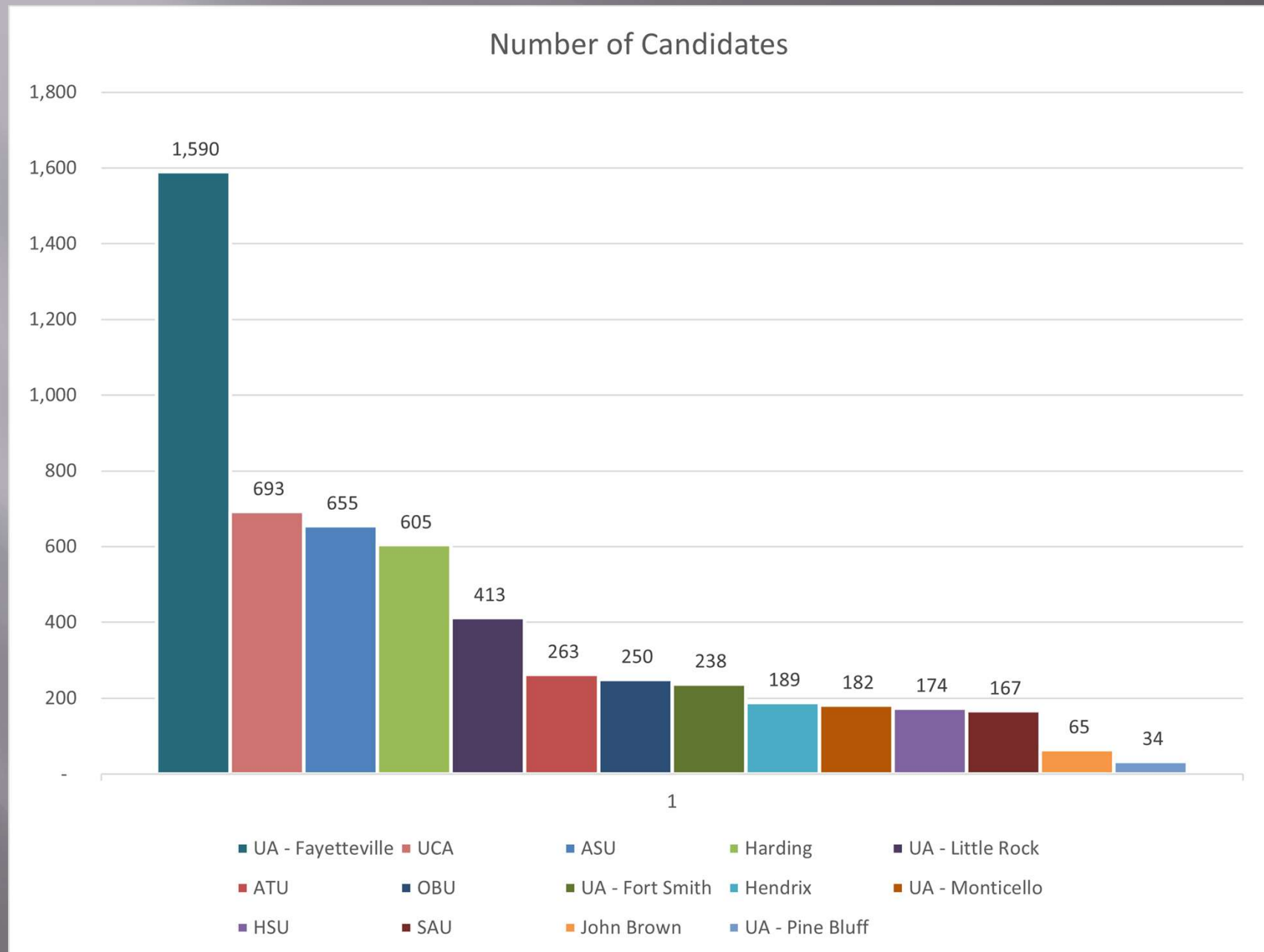
Exam Pass Rates by Age Group

DATE	ARKANSAS PASS RATE	ARKANSAS SECTIONS	<22			22-23			24-25		
			Cand.	Sect.	Pass Rate	Cand.	Sect.	Pass Rate	Cand.	Sect.	Pass Rate
2014	43.2%	301									
2015	46.4%	333	4	8	25.0%	142	373	39.3%	162	361	44.6%
2016	42.9%	328	6	10	60.0%	153	397	38.7%	168	397	40.3%
2017	43.6%	314	8	17	76.5%	186	444	33.6%	176	398	40.5%
2018	49.2%	496	3	8	62.5%	110	264	36.4%	92	182	30.5%
2019	30.1%	482	7	8	87.5%	123	284	60.6%	77	148	48.3%
2020	33.3%	493	9	14	71.4%	114	239	63.3%	82	183	33.6%
2021	49.9%	429	3	10	30.0%	107	243	63.0%	83	190	32.1%
2022	30.3%	467	8	20	85.0%	142	293	39.7%	82	136	30.6%
2023	49.6%	617	11	20	65.0%	204	499	39.3%	114	217	49.3%
Averages →			7	13	64.8%	142	338	39.8%	113	248	47.8%

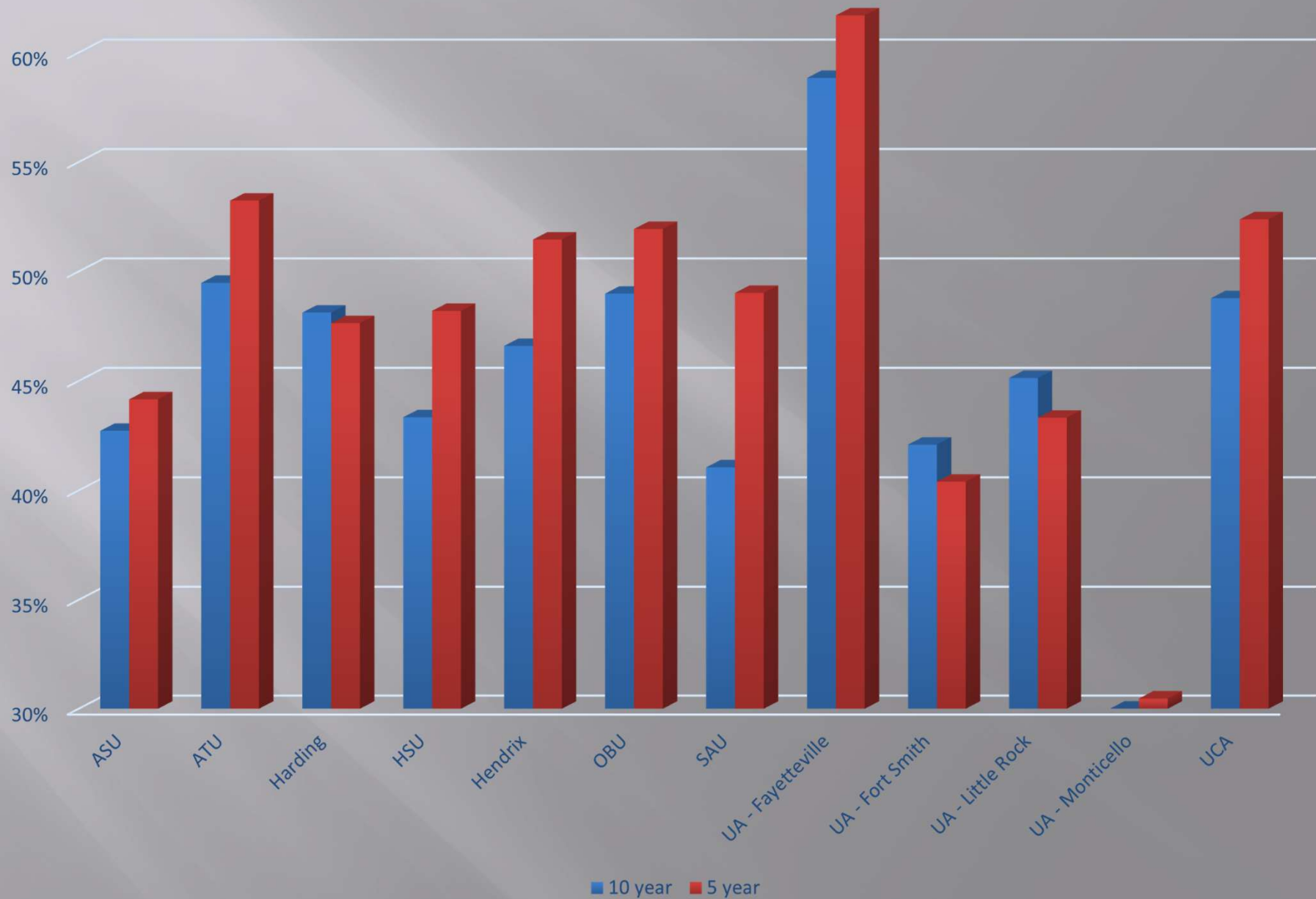
Exam Pass Rates by Age Group

26-27			28-29			30-34			35+		
Cand.	Sect.	Pass Rate	Cand.	Sect.	Pass Rate	Cand.	Sect.	Pass Rate	Cand.	Sect.	Pass Rate
101	229	53.7%	62	137	43.1%	75	180	34.4%	99	216	44.0%
87	199	36.2%	67	170	38.2%	94	226	44.3%	115	238	44.5%
93	198	41.9%	59	131	45.8%	78	185	40.0%	117	222	41.9%
64	142	41.5%	38	76	43.4%	64	125	44.0%	99	212	48.6%
61	127	42.5%	33	66	53.0%	55	116	50.0%	88	217	39.6%
51	109	44.0%	34	63	49.2%	53	118	61.9%	84	199	39.7%
36	59	45.8%	37	71	49.3%	38	80	48.8%	84	206	34.5%
39	78	41.0%	29	58	44.8%	57	111	38.7%	89	206	45.6%
48	81	42.0%	29	55	32.7%	59	149	42.3%	118	222	38.3%
64	136	43.2%	43	92	44.4%	64	143	44.9%	99	215	41.9%

Number of Candidates by University



10-year vs. 5-year Pass Rate Percentage



Average Age by University

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Avg.
ASU	29.3	29.8	31.4	30.5	30.1	29.5	28.1	31.1	29.7	29.3	29.9
ATU	29.5	30.1	29.7	28.7	29.9	30.9	30.3	30.4	33.4	30.0	30.3
Harding	25.7	26.3	26.1	26.4	26.6	25.4	25.7	25.9	25.3	27.3	26.1
HSU	29.8	28.9	29.4	26.8	29.8	33.1	27.1	29.6	34.7	30.2	29.9
Hendrix	24.5	25.0	26.8	27.3	25.9	25.0	27.3	28.3	29.6	28.4	26.8
John Brown	27.8	27.1	29.5	27.5	26.5	24.8	25.3	-	-	26.9	26.9
OBU	24.1	25.1	26.6	26.8	24.4	23.5	24.2	24.4	25.9	25.1	25.0
SAU	28.8	29.9	30.4	29.7	26.9	35.8	31.6	31.7	27.5	31.6	30.4
UA - Fayetteville	26.7	27.0	27.1	26.4	25.1	24.9	25.3	25.5	25.0	25.2	25.8
UA - Fort Smith	28.1	28.0	27.9	27.3	34.4	30.9	34.4	31.0	32.4	32.8	30.7
UA - Little Rock	31.9	35.6	33.6	33.0	33.9	35.7	36.5	34.9	33.9	31.7	34.1
UA - Monticello	29.1	29.1	29.0	29.4	30.0	31.9	34.6	35.1	34.7	33.1	31.6
UA - Pine Bluff	NA	NA	32.0	39.5	36.7	-	41.5	41.9	-	-	38.3
UCA	27.7	30.8	28.5	29.0	28.5	27.7	28.4	28.7	28.4	28.4	28.6
Arkansas Average	28.8	29.0	29.4	29.2	29.5	29.3	29.8	29.9	29.5	28.6	29.3
National Average	29.3	28.9	28.9	28.8	28.0	28.0	28.6	29.0	29.2	29.5	28.8

Accounting Career Awareness Program

- 2-week Accounting Exploration Curriculum developed for 8th graders.
- Plan to use local accountants to assist teachers in teaching the program.
 - Develop the curriculum.
 - Training sessions.
 - Initial pilot program Spring 2026.
 - Delivery to every Arkansas 8th grade classroom by Fall, 2026.

Polling Question #4

Which of the following is not a rule change being proposed by the Board?

- a) The number of upper-level accounting courses required for licensure.
- b) The number of group hours needed to meet CPE requirements.
- c) The number of upper-level accounting courses required to sit for the exam.
- d) The number of core accounting courses required for licensure.

Investigation Difficulties

Got to get to 150!

Academic Year 2022-2023 - SUMMER					
ARTS-2300	Introduction to Visual Art	A	3.00	12.00	
EDPA-1211	Lifetime Fitness	A	2.00	8.00	
HIST-2355	History of Arkansas	A	3.00	12.00	
HLSC-2300	Nutrition	A	3.00	12.00	
		Att	Ernd Points	Divisor	GPA
Term Totals:		11.00	11.00 44.00	11.00	4.00

Got to get to 150!

Course Level: Post Baccalaureate

Current Program
Program : Undeclared Postbaccalaureate

SUBJ	NO.	COURSE TITLE	CRED	GRD	PTS	R
INSTITUTION CREDIT:						
2024 Spring						
HHPS	2303	Theory & Practice Health Educ	3.00	A	12.00	
HHPS	3334	Sports Marketing Management	3.00	A	12.00	
Ehrs:		6.00	GPA-Hrs:	6.00	QPts:	24.00
			GPA:		4.00	
2024 Summer						
ERSC	1302	Physical Geology	3.00	A	12.00	
HHPS	3320	History of Health & PE	3.00	A	12.00	
HHPS	3401	Nutrition	4.00	A	16.00	
HHPS	3422	Exercise, Wellness & Lifestyle	4.00	A	16.00	
Ehrs:		14.00	GPA-Hrs:	14.00	QPts:	56.00
			GPA:		4.00	
2024 Fall						
FINC	3370	Real Estate Principles	3.00	A	12.00	
HHPS	3372	Advanced First Aid	3.00	A	12.00	
MCOM	2306	Intro To Motion Pictures	3.00	A	12.00	
Ehrs:		9.00	GPA-Hrs:	9.00	QPts:	36.00
			GPA:		4.00	
***** TRANSCRIPT TOTALS *****						
		Earned Hrs	GPA Hrs	Points	GPA	
TOTAL INSTITUTION		29.00	29.00	116.00	4.00	

CERTIFICATE OF COMPLETION

This certificate is presented to

Arkansas Licensee

for successfully completing

Drake 101 - Program Settings and Tools

Course Name

Specialized Knowledge and Applications

Field of Study

1.0

Number of CPE Credits

11-02-2018
~~12/5/2017~~

Date

DrakeSoftware

In accordance with the standards of the
National Registry of CPE Sponsors,
CPE credits have been granted based
on a 50-minute hour.

National Registry of Sponsors ID Number - 103137
Instructional Delivery Method - Group-internet-based
IRS Sponsor ID Number - FQTGU

Christine Reynolds

Signature of CEO or individual responsible for
administration of continuing education

235 East Palmer Street · Franklin, North Carolina 28734

California Tax Institute

Federal Income Tax Fundamentals 1.1
Tax Preparation Course



In Recognition that

Fosse Fyer

License No. 0999

Has Successfully Completed a Twenty-Four Hour Continuing Education
Course in Federal Income Tax Fundamentals Provided by
California Tax Institute, Torba Linda, California. Course No. 0237-20-5-00

October 23, 2015

W. J. Mc Knight

Administrator



Western Schools

Certificate of Completion Continuing Professional Education for Accounting & Tax Curriculum



This will verify that

Attendee Name:

FOSSE FYER

License Number:

0999

has successfully completed all courses indicated on this certificate for continuing professional education credit in the amount of ²⁰ recommended self-study credit hours.

GAAS GUIDE

Date of Issuance: November 27, 2015

Attendee Name & Address:

FOSSE FYER
1111 N MAJOR DR STE 5555
MID MAJOR CITY, AR 72999

Verifier:


SIGNATURE

MAVIS J. WOOD, STUDENT SERVICES MANAGER

NAME

Western Schools, Inc.
7840 El Cajon Blvd., Ste. 500, La Mesa, CA 91941

VERIFIER ADDRESS

Tim Montgomery

From: licenseefirmcpa@hughes.net
Sent: Friday, June 24, 2022 7:07 PM
To: Tim Montgomery
Subject: Peer review
Attachments: Peer Review.pdf, Letter to Committee re Corrective Action.pdf

Mr. Montgomery,

I'm sorry for the late response. The certified letter that you sent me gave me until today, June 24th to respond.

I have attached documentation concerning my peer review.

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

checked with the man with the state board

(I forget his name)

From: Inactive Licensee
Sent: Friday, April 18, 2025 3:55 PM
To: Dale Edge
Subject: RE: Request to Upgrade Back to Active

Hey Dale – Thanks for your reply.

One of my former Partners has had cancer treatments for the past eleven months and was pretty much unable to work during this tax season that just ended. So, early this tax season, our managing partner asked me to come back to the office and help obtain the tax information for about a dozen of my former clients that had been assigned when I retired in 2021. I would NOT be signing any returns – but trying to assist with the CPAs that were actually preparing the returns. Our managing partner checked with the man with the state board (I forget his name) that was at our firm conducting the required ethics course and was told that I needed to set up a schedule to complete 120 hours of CPE over the next three years.

Dale, I have (very detailed summary of health issues suffered by licensee and spouse).

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.

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*