

State of Alaska
Department of Commerce, Community and
Economic Development
Division of Corporations, Business and Professional Licensing

BOARD OF PUBLIC ACCOUNTANCY

MINUTES OF TELECONFERENCE

May 6-7, 2021

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled teleconference of the Board of Public Accountancy was held May 6-7, 2021.

Thursday, May 6, 2021

Call to Order/Roll Call

The meeting was called to order by Leslie Schmitz, at 9:07 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA
Don Vieira, CPA
Rachel Hanks, CPA
Karen Smith, Public Member
Lance Johnson, Public Member
Steven Jordan, CPA
Wes Tegeler, CPA (agenda item #4)

Present from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, were:

Cori Hondolero, Executive Administrator
Dawn Bundick, Investigator III (agenda item #8)
Marilyn Zimmerman, Paralegal II (agenda item #8)
Amber Whaley, Senior Investigator (agenda item #8)
Sara Chambers, Director (agenda item #11)

Visitors present included:

Crista Burson, representing the Alaska Society of CPAs
Colleen Conrad, representing National Association of State Boards of Accountancy (NASBA)
Dan Dustin, representing National Association of State Boards of Accountancy (NASBA)

Pat Hartman, representing National Association of State Boards of Accountancy (NASBA)

Agenda Item 1 – Review Agenda

The Board welcomed new members Rachel Hanks and Steven Jordan and did brief introductions. Mr. Johnson noted that he had another meeting at noon and would need to leave the meeting a little before the lunch break.

Agenda Item 2 – Ethics Report

It was determined that there was nothing to report.

Agenda Item 3 – Review Meeting Minutes

The Board reviewed the minutes of the last teleconference meetings.

Upon a motion duly made by Mr. Vieira, seconded by Ms. Smith, and approved unanimously, it was:

RESOLVED to approve the minutes of the February 16, 2021, and February 8-9, 2021 teleconference meetings as written.

Agenda Item 4 – NASBA Updates

Colleen Conrad, Dan Dustin and Pat Harman joined the meeting to provide some updates on current industry topics.

Remote Testing

March 2020 testing centers closed. CPAs considered essential, so test sites were able to open back up at 50% capacity. It became clear that there needs to be a backup plan and the concept of remote testing is being reviewed. This would be a sterile/secure environment, watched by a proctor the whole time. For high stakes exams Prometric has developed a remote testing tool called ProProctor. AICPA would send the exam to ProProctor for the CPA exam to be given remotely.

NASBA is requesting confirmation that the Alaska Board will accept test scores received during pilot testing. Remote pilot testing would happen over a short period of a couple weeks. Participants will volunteer, have taken the exam before and will be domestic candidates only. Pilot testing will cover all four sections of the exam and approximately 250-1000 sections will be tested remotely during the pilot.

Penetration testing is ongoing, with high risk items being identified. Those items must be resolved before pilot testing can start. At this time, there are no

states who have indicated that they will not accept pilot test scores. A readiness agent will check the exam candidate in. They will require picture identification, they will check jewelry/pockets etc., they must show that the testing room is sterile. They can't have items on the desk. The proctor will watch candidates take the exam; one proctor can monitor up to eight candidates. The proctor can speak to the candidate and the whole session is recorded. Candidate can be referred to a security proctor if an issue is suspected.

Ms. Schmitz asked if it looks like there is a move to make remote testing the norm, not just for emergency use. Ms. Conrad indicated that yes, eventually it is likely that remote testing will be an option for candidates. Ms. Schmitz asked if there is a designation for those that test remotely. Ms. Hartman stated that it would be listed as a different test center and that information would be available in the Gateway system. Mr. Tegeler asked if there would be a cost different for remote vs test center testing. Ms. Conrad said there is no anticipated cost difference.

Each exam question has its own statistics; they will be able to see if there is any difference in how the question performs remotely vs at the test center. Mr. Johnson asked if the test taker is remoting into the Prometric server. Ms. Conrad stated that the test never resides on the test takers computer. Ms. Schmitz noted that Alaska does have internet connectivity concerns in some areas of the State. Ms. Hanks suggested that candidates possibly go to a public place, such as a library for connectivity and a sterile environment. Ms. Conrad stated that the area must be walled/private; could be in a home, office or public space.

NTS/Score Extensions

Ms. Hartman indicated that some countries such as China, India and Thailand continue to experience shutdowns and/or travel and border restrictions. NASBA suggests that the Board continue to review requests on a case by case basis. NASBA can continue to assist, as they have access to travel restriction information, border and test site closure information and candidate data including where the candidate has sat for past sections. Korea and Japan are open for testing and Prometric provides NASBA daily reports on test centers.

Ms. Schmitz asked if score extension (past the normal 18 months) will be accepted by other jurisdictions. Ms. Hartman stated that she has not seen a state that is not accepting another states scores. Ms. Hanks asked if there are any known scheduling issues in Alaska. Ms. Hartman indicated that Prometric has staff that monitors test capacity and they can add/extend test site hours as necessary.

SSN Requirement

Ms. Hartman stated that there is information on this topic in the accountancy licensing library (ALL). Many states have a SSN requirement for compliance with child support laws. Ms. Conrad noted that there is lots of interest in becoming a US CPA. Companies want people that know US code/law. The big four want international testing/licensing for their multinational companies. Being a CPA differentiates people and offers a level of public protection. Even if the work happens outside the US, the work is being done to set standards. Ms. Hartman also indicated that Alaska appears at the top of the list alphabetically; this is also a simple reason that we receive many foreign applications. Candidates see the requirements and apply to the first jurisdiction that they qualify for.

Education/Accreditation

Mr. Dustin indicated that the US department of education made changes to accreditation in July 2020. It was noted that it might be easiest to remove "regional" when referencing accreditation. It was noted that the accountancy licensing library (ALL) has around 60 canned queries that may be helpful to the Board on certain topics.

CPA Evolution

The goal is to modernize the licensure model. There is more need to understand technology. Fewer people are studying accounting and becoming CPAs. The updated exam model has accounting/audit/tax and will build technology into everything. Candidates will also be required to show additional competency in another area of their choice. They can choose from: tax compliance and planning, business analysis and reporting or information systems and controls.

The new version of the exam is scheduled to start January of 2024. Changes will need to be made to the model rules regarding accreditation and there is work being done to create a model curriculum. There will be additional information being distributed in June.

Mr. Jordan noted that likes the idea of all candidates taking the same exam vs picking a concentration. Mr. Dustin stated that there is lots of information about CPA evolution on the website evolutionofcpa.org.

Substantial Equivalency

The three E's are what should be considered when thinking about substantial equivalency: Education (150 semester hours), Exam (pass all 4 parts), Experience (must have at least one year of experience). Reciprocity as defined in the uniform accountancy act (UAA) states that if you have been licensed at least 4 of the last 10 years in another jurisdiction, we would license you.

The Board thanked NASBA staff for taking the time to provide information on such a wide variety of topics and indicated that they would discuss acceptance of the scores taken during the remote pilot testing and get back to Ms. Conrad.

Agenda Item 6 – Public Comment

There was no one present that made a request to address the Board.

Agenda Item 5 - Alaska Society of Certified Public Accountants (ASCPA)

Ms. Burson provided a summary of current AK Society activities:

- Due to covid19, no live/in-person events until further notice
- June 3rd annual meeting – virtual
- Bi-weekly tax roundtable meetings - virtual
- AICPA regional and spring council meetings – virtual
- August 5-6 – 3rd annual bottles, buds, brews conference
- 2021/2022 AKCPA Board elections complete – electronic voting
- Legislative committee has been busy (HB44 & HB126)
- CPA evolution – there will be a June 15-16 webcast. Information about a model accounting curriculum

Agenda Item 7 – CPA Exam

Upon a motion duly made by Mr. Vieira seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to accept the test scores from the remote pilot testing as valid for the purpose of licensure.

The Board reviewed the exam surveys that were included in the Board packet covering two quarters and noted that there did not appear to be any issues that required Board action.

Agenda Item 4 – NASBA Updates

Meetings

New Board member orientation – June 8, 2021
2021 Regional meeting – June 22-23, 2021
Annual Meeting – October 31-Nov 3, 2021

Committees

Ms. Schmitz – Ethics Committee – has met a couple times via Zoom – discussed NOCLAR and committee response to the proposal.

Mr. Tegeler – Enforcement Resources Committee – has met a couple times via Zoom – committee worked a questionnaire that will be sent to all executive directors. Committee plans to share the information regarding certain enforcement issues with Boards.

Agenda Item 8 – Investigative Report

Paralegal Zimmerman, Investigator Bundick and Senior investigator Whaley joined the meeting. Ms. Hondolero noted that there was one matter that had been placed in OnBoard for review/action.

Upon a motion duly made by Ms. Smith, seconded by Mr. Vieira, and approved unanimously, it was:

RESOLVED to enter into executive session for the purpose of reviewing a consent agreement.

The Board entered executive session at 1:06 p.m.
The Board went back on the record at 1:10 p.m.

Upon a motion duly made by Ms. Smith seconded by Mr. Vieira, and approved unanimously, it was:

RESOLVED to adopt the consent agreement for case #2020-001008.

Investigator Bundick provided a summary of the investigative report in the packet:

- 19 open cases
- 3 closed cases

Investigator Bundick provided a general overview of the investigative process via PowerPoint presentation. Licensees are investigated for violation of the statutes and administrative code. If the respondent agrees with the proposed action, it is presented to the Board for adoption. If the respondent does not agree with the proposed action an accusation is filed. This then goes to an administrative hearing and the decision/options are presented to the Board after the hearing. Ms. Smith asked how long an investigation can drag out. Investigator Bundick stated that the goal is to have case closure within 180 days, but delays can happen. It was noted that the additional part of the presentation would need to be done in executive session.

Upon a motion duly made by Ms. Smith, seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to enter into executive session for the purpose of discussing the investigative process.

The Board entered executive session at 1:34 p.m.
The Board went back on the record at 2:20 p.m.

Agenda Item 9 – Board Business

ED Report

Ms. Hondolero noted that confirmation hearings were ongoing for 4 Board members. General information on lapsed licenses was provided. Ms. Smith, Ms. Schmitz and Ms. Hanks asked to be sent the list of lapsed licenses/permits. The Board discussed NASBA continuing to assist with screening extension requests past June 30th.

Upon a motion duly made by Mr. Vieira seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to (starting 7/1/21) consider extension requests for NTS and test scores on a case by case basis. NASBA will continue to screen the covid related requests.

Ms. Hondolero was asked to reach out to NASBA regarding why the Fairbanks test site does not appear on the Prometric site (Anchorage does). Ms. Hondolero was also asked to provide copies of the 2019 renewal forms to the Board for review at the August meeting.

Board Positions/Future Planning

Ms. Schmitz indicated that elections could be held at the August meeting. The Chair is a resource to the exec and will often review technical questions, help with setting the meeting agenda and testify on legislation. Anyone with questions or interest was asked to reach out to Ms. Schmitz or Ms. Hondolero.

FY22 Goals & Objectives

The Board reviewed the FY21 Goals and Objectives and added the following new goal 1(g) – Monitor progress of CPA evolution project.

Upon a motion duly made by Mr. Vieira seconded by Mr. Jordan, and approved unanimously, it was:

RESOLVED to adopt the FY22 goals and objectives as amended (new goal 1(g)).

Revenue/Expenditure Report

The Board review the FY21 3rd quarter report.

Agenda Item 11 – Statute/Regulation Projects

Director Chambers joined the meeting to discuss legislation. It was noted that the last official day of regular session for the year is May 19th. Director Chambers provided some legislative updates.

HB126 (sunset extension) – bill has moved to the Senate side – Labor & Commerce and Finance.

HB44 – potential concern regarding budget authority and fines. Currently all fines collected go to the general fund, they are not credited to the licensing programs. It was noted that the current goal is to get the bill through the House side and updates could be made in committee on the Senate side. It was also noted that the intent for removal of the out of state permit process, is for there to be no notice/no fee.

General interest legislation:

SB86/HB15 – temp licenses and permits

SB21 – edits made within a paramedic bill that impact all licensing programs. There will be more information provided to Boards about this legislation and assistance for updates that need to be made

SB15 – Open meetings – this bill no longer applies to volunteer members

HB76 (HB4 covered in this bill – already effective; Governor declined to declare a disaster, but Dept. of Health declared a public health emergency. There is immunity to businesses and licensees; they won't be found liable if person gets covid if the business/licensee are in substantial compliance with best practices

The Board thanked Director Chambers for providing the legislative update.

Agenda Item 10 – Correspondence

The Board reviewed the correspondence in the meeting packet and noted that none of the items required response.

The meeting was recessed at 4:28 p.m., until Friday, May 7, 2021.

Friday, May 7, 2021

Call to Order/Roll Call

The meeting was called to order by Leslie Schmitz, at 9:05 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA
Don Vieira, CPA
Rachel Hanks, CPA
Karen Smith, Public Member
Lance Johnson, Public Member
Steven Jordan, CPA

Present from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, were:

Cori Hondolero, Executive Administrator

Visitors present included:

1 person called in, but did not identify themselves

Agenda Item 12 – Review Agenda

No changes made to agenda.

Agenda Item 13 – Application Review

Board members reviewed applications and took the following action:

Upon a motion duly made by Ms. Smith, seconded by Mr. Jordan, and approved unanimously, it was:

RESOLVED to enter into executive session for the purpose of discussing applications.

The Board entered executive session at 9:30 a.m.

The Board went back on the record at 10:14 a.m.

Upon a motion duly made by Ms. Smith seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to accept the recommendation from NASBA and approve the following for exam score extension:

- Go Nakadai
- Qingyu Luo
- Sakshi Pahwa
- Kazuko Fujii
- Takayuki Masuda

- Ellison Marina
- Nouraldin Alkurd
- Assad Khan
- Sharif Albasha
- Abdelrahman Alloun
- Toshioki Ito
- Shanice Davis
- Purnima Chhabra
- Abdulrahman Al Alshaykh
- Koichi Shirasu

Upon a motion duly made by Mr. Vieira seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to accept the recommendation from NASBA to deny the request for NTS extension from Zain Kawar.

Upon a motion duly made by Mr. Vieira seconded by Ms. Hanks, and approved unanimously, it was:

RESOLVED to accept the recommendation from NASBA to deny the request for NTS extension from Omar Alotabi.

Upon a motion duly made by Mr. Vieira seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to accept the recommendation from NASBA to deny the request for NTS extension from Venkateswararao Kotha.

Upon a motion duly made by Ms. Smith seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to accept the recommendation from NASBA and approve the following for NTS extension:

- Wanzhi Ke
- Amjdi Abu Koutnah
- Shigenori Goto
- Deepak Saini
- Amr Jalamneh
- Ramin Mammadli
- Tathagat Routray
- Wei-Chieh Peng
- Tzu-Ling Chang
- Aiman Muhammad Mumtaz

- **Takanori Hanzawa**
- **Koichic Shirasu**

Upon a motion duly made by Mr. Johnson seconded by Mr. Vieira, and approved unanimously, it was:

RESOLVED to approve Dimple Chaudhary's request for extension of FAR score to 9/30/21.

Upon a motion duly made by Ms. Smith seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to approve Stalin Kumar V. Narayanan's request for extension of BEC score to 6/30/21.

Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks, and approved unanimously, it was:

RESOLVED to approve Kaitlyn Gelenski's request for extension of REG score to 9/6/21.

The Board reviewed a request from Mahmoud Bassam Zoghoul and took no action. The Board noted that this applicant would need to follow the established process and submit his request for extension to NASBA.

Upon a motion duly made by Ms. Hanks seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to approve Robert Anderson, Bradley Barrett, Kayla Bishop, Grant Breager, Caroline Brown, Carrie Castellano, Tomas Fernandez, Justin Gardner, Teresa Gilligan, Laura Hansen, Brian Henderson, Priya Joshi, Umair Karim, Tatia Khoshtaria, Neetha Kuriakose, Rajeev Modi, Nolan Neises, Jessica Perry, Sarah Rafeh, Anoop Samuel Wynn Tran and Melanie Wernert for licensure by exam.

Upon a motion duly made by Mr. Johnson seconded by Mr. Jordan, and approved unanimously, it was:

RESOLVED to table the application of Kavis Sancheti. The Board requests more information about the education and exam credits being claimed. Some courses on the WES evaluation appear to also have been taken for exam credit.

Can't get credit for the same course twice; applicant to explain how the credits are different.

Upon a motion duly made by Ms. Hanks seconded by Mr. Vieira, and approved unanimously, it was:

RESOLVED to approve Chimena Campbell, Mark Diehl, Alison Lyon and Mark Megler for licensure by reciprocity.

Upon a motion duly made by Ms. Hanks seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to approve the firm permit application of Diehl CPA LLC.

Agenda Item 14 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- August 26-27, 2021
- November 8-9, 2021

Task Lists

Cori Hondolero

- Check with NASBA re: why Fairbanks test site is not listed on the Prometric website
- Add Board elections to the August meeting agenda
- Have copies of the 2019 renewal forms available for the Board to review at the August meeting
- Email the list of lapsed licenses/permits to Schmitz/Smith/Hanks

Upon a motion duly made by Mr. Vieira seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to adjourn the meeting.

There being no further business, the meeting adjourned at 10:39 a.m.

Respectfully Submitted:



Cori Hondolero
Executive Administrator

Approved:



Leslie Schmitz, Chair
Alaska Board of Public Accountancy

Date: 8/26/2021