

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

BOARD OF PUBLIC ACCOUNTANCY

MINUTES OF MEETING

August 24-25, 2023

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Board of Public Accountancy was held August 24-25, 2023.

Thursday, August 24, 2023

Call to Order/Roll Call

The meeting was called to order by Don Vieira, at 9:02 a.m. Those present, constituting a quorum of the Board were:

Don Vieira, CPA
Mark Diehl, CPA
Rachel Hanks, CPA
Lance Johnson, Public Member
Beth Stuart, CPA

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 #6)

Visitors present included:

Pat Hartman, NASBA – National Association of State Boards of Accountancy

Agenda Item 1 – Review Agenda

The Board reviewed the agenda and added the last-minute items that had been emailed to members under Board business.

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 meetings.

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

RESOLVED to approve the minutes of the May 11-12, 2023, May 31, 2023 and June 13, 2023 meetings as written.

**Agenda Item 4 - Alaska Society of Certified
Public Accountants (ASCPA)**

Ms. Burson had provided a listing of current Society activities; Ms. Hondolero provided the list to the Board.

1. Alaska Society of CPAs Board of Directors met on August 16th.
2. Bi-weekly Tax Round Table Meetings virtual – next meeting is Tuesday, September 5th at noon.
3. AICPA Fall Council and Leadership Conference is October 23rd – 25th, 2023 in Pasadena, CA.
4. 2024 Annual Meeting is Wednesday, May 29th – Friday, May 31st at the Land's End Resort in Homer.
5. CPE Season – Ongoing live webcast classes and in-person classes in Juneau, Anchorage and Fairbanks in September and December. November 6th – 7th partnering with Hawaii Society of CPAs and K2 to offer the second annual 2-day virtual technology conference.
6. ELE Program (Experience, Learn & Earn) – Tulane School of Professional Advancement (SoPA) selected by the AICPA and NASBA to pilot ELE program beginning this Fall. The ELE courses will not count towards a degree. We already know of Alaska firms participating in the ELE pilot. Will these courses be accepted towards 150 hours requirement by the Board of Public Accountancy?
7. CPA Exam Credit Extension – Attached is a letter from the AICPA to NASBA supporting reinstating lapsed exam credits for exam sections passed during 2020 – 2023.
8. Legislative Committee comments on draft proposed regulation changes attached.
9. Applications are being accepted through November 20th for the Paul Hagelbarger memorial scholarship fund. The primary objective of the fund is to provide financial support to promote accounting education for the practice of public accounting in the State of Alaska. The awarding of the scholarships is based on the scholastic achievement, the student's intent to pursue a career in public accounting in Alaska and financial need. The

scholarships are open to all junior, senior, and graduate students who major in accounting and attend a four-year institution in the State of Alaska. Although the size of the scholarships can vary, the minimum award has been set at \$2,000.

Ms. Hartman with NASBA was online and commented on the test site issues at the Fairbanks location. She stated that she has monthly calls with Prometric's capacity team and will keep on top of the issue. She indicated that they are exploring other options for Fairbanks.

Agenda Item 5 – Public Comment

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

Agenda Item 7 – CPA Exam

The Board discussed the letter regarding resurrecting scores lost during the pandemic. It was noted that if extensions were granted now and they were valid into 2024, the scores would be extended even further into 2025 under a previous Board action on score extensions while the new exam is launched. The Board indicated that they are not okay with retroactive approval and blanket score extensions under the credit relief initiative.

Agenda Item 6 – Investigative Report

Investigator Bundick joined the meeting. Investigator Bundick provided a summary of the investigative report in the packet.

The current report covered the period April 27, 2023 to August 8, 2023.

- 25 open cases
- 8 closed cases

The Board asked about the 2019 case. Ms. Bundick indicated that she was hoping to have the case resolved by the end of September. She noted that the 2020 and 2021 cases are also being worked. The Board stated that this is a renewal year and there would likely be additional new cases.

Ms. Hanks had completed some updates to the draft matrix following the last meeting. The Board noted that the matrix could be used as a guide that would provide a range of remedies. Ms. Hanks asked Ms. Bundick to review the matrix and let the Board know if she saw anything that needed to be amended.

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

RESOLVED to adopt the disciplinary matrix as a working document that can be updated as needed.

It was noted that a current revision date would be added to the matrix.

The Board thanked the investigator for the report that was presented.

Agenda Item 7 – CPA Exam

The Board reviewed the exam survey and performance data in the meeting packet. It was noted that the scheduling tool that is used by candidates only allows two weeks to be viewed at a time; the candidate must keep amending the dates to check for additional availability. The issue with the Fairbanks location is that sometimes the availability is only opened a month in advance making it difficult for candidates to get necessary test dates scheduled.

A letter from NASBA was included in the packet encouraging Boards to adopt the change to 30 months for exam credit, with a target implementation date of January 1, 2024 but no later than July 1, 2025. The Board noted that this update is part of the current regulation project. The letter also suggested that the executive director be allowed to extend credit on a case-by-case basis until the change is in place. The Board indicated that they would continue to review any requests received.

Agenda Item 8 – NASBA Updates

Meetings

Western Regional meeting: Hanks/Hondolero attended.

Annual Meeting – Stuart/Hondolero approved to attend.

Committees

Mr. Johnson – Continuing Professional Education (CPE) Committee – the committee passed the final draft of the CPE standards changes and approved it to move forward. The goal is to have it published by the first quarter.

Ms. Hanks – Education Committee – no committee meetings. Ms. Hanks noted that she may be moving to a new committee later in the year.

Ms. Hartman stated that she would send Mr. Diehl some committee information in case he is interested.

Agenda Item 9 – Correspondence

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

Mr. Vieira wanted the Board to briefly discuss peer review. The program is run by AICPA and very few issues with peer review come before the Board. An issue would be brought to the Board's attention eventually if a complaint was filed. The Uniform Accountancy Act (UAA) has broad language geared to much larger licensing jurisdictions. The current regulations could be condensed down.

Agenda Item 10 – Board Business

ED Report

Board vacancy – One seat vacant (public member).

Division staffing – Ms. Hondolero is assisting with other programs; time worked on other programs is charged accordingly.

AKCPA annual meeting – Chair Vieira attended and provided an update during the business meeting.

Revenue/Expenditure Report - FY23 3rd quarter report was included in the packet.

Renewal Forms - The Board reviewed the renewal forms and noted that an additional section should be added for a licensee to disclose that they did not meet the 20 hours of CPE each year and to require that a written explanation be provided if this option is selected.

AICPA letter (8/8/23) – Letter to NASBA (sent to all State Boards) regarding an initiative to reinstate credit earned during the pandemic. The Board reviewed and noted that covid extensions had already been granted multiple times during the pandemic. The Board indicated that they would not be adopting this initiative and would continue reviewing requests on a case-by-case basis.

Experience, Learn & Earn (ELE) – AICPA & NASBA launched a learning program designed to ease the path to CPA licensure. Tulane School of Professional Advancement has a pilot program with credits at affordable rates. AKCPA had inquired if these credits would be acceptable to the Board for licensure. The Board indicated that yes, if the credits are earned at an accredited college/university and they show on the transcript as credit earned, they will be accepted.

Western Governor's University (WGU) - The Board had received an inquiry from an applicant asking if education earned at WGU would be accepted by the Board; the university operates on competency units versus traditional semester hours. It was noted that the university is regionally accredited. Ms. Hondolero also confirmed with NASBA that WGU is accepted by CPAES when screening exam applications.

Upon a motion duly made by Mr. Diehl, seconded by Mr. Johnson, and approved unanimously by the members present, it was:

RESOLVED to accept WGU education credits for licensure.

Agenda Item 13 – Application Review

The Board started application review and noted that there were files that required discussion.

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

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

The Board entered executive session at 1:07 p.m.
The Board went back on the record at 2:55 p.m.

It was noted that the April 2024 meeting should be an in-person meeting so the Board can get through the CPE audits.

Ms. Hondolero mentioned the Society inquired about bringing back the Board/Society luncheons that happened pre-pandemic.

Chair Vieira noted that he would try to combine all of the draft comments into one document for Board review.

The meeting was recessed at 3:16 p.m., until Friday, August 25, 2023.

Friday, August 25, 2023

Call to Order/Roll Call

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

Don Vieira, CPA
Mark Diehl, CPA
Lance Johnson, Public Member
Beth Stuart, CPA
Rachel Hanks, CPA

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

Cori Hondolero, Executive Administrator
Alison Osborne, Regulations Specialist II

Visitors present included:

Crista Burson, AKCPA - Alaska Society of CPAs
John Johnson, NASBA – National Association of State Boards of Accountancy
Pat Hartman, NASBA – National Association of State Boards of Accountancy

Agenda Item 11 – Review Agenda

No changes were noted.

Agenda Item 13 – Application Review

The Board took the following action on the applications that had been reviewed.

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

RESOLVED to deny the requests for Exam Score extension from Rahman Ahmad, Gaurav Arora, Alisha Dos Remedios, Omar ElMansoury, Rasha Habeeb, Tamer Hanania, Shaman Krishan, Silpa Perooli, Kaushal Sanghvi, Prajakta Surve and Harish Yejendra (12 AAC 04.200(i)).

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

RESOLVED to deny the licensure by exam application of Sarina Thottathil; applicant has not met the experience requirements (12 AAC 04.180).

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

RESOLVED to approve Srishti Chopra's request for extension of FAR and BEC score credit to 6/30/23.

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

RESOLVED to approve Maria Olson's request for extension of AUD score credit to 2/22/20; exam should show as conditioned/passed.

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

RESOLVED to approve Hemant Pahuja's request for extension of FAR and AUD score credit to 11/15/23.

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

RESOLVED to approve Samiksha Satpute's request for extension of FAR score credit to 4/30/23.

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

RESOLVED to approve Majd Hamarsheh's request for extension of REG score credit to 11/27/23.

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

RESOLVED to approve the firm license of Chinook Accounting, LLC.

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

RESOLVED to approve Andraya Albright, Evgeny Aleksandrushkin, Onadjefe Alli, Atul Awashthi, Marharyta Borysenko, Katie Damon, Morgan Finn, Lama Hassan, Muhammad Khan, Jie Kwong, Zachary Layton, Andrea McDermott, Elie Mourra, Olena Myronenko, Lindsey Nuss, Simone Raiola, Travis Reid, Francesca Roberts, Pailin Ruttanasupagid, Gavin Schultze, Shinya Seike, Natalia Sem, Joseph Syren and Yuki Tarada for licensure by exam.

The Board reviewed the request for CPE waiver from Ms. Batista Alves and requested that the licensee be informed that she should complete her 80 hours of CPE by December 31, 2023 and make note on the renewal form that she did not meet the 20 hours per year CPE requirement.

Agenda Item 12 – Statute/Regulation Projects

Ms. Osborne was present to review the draft regulations. Both AKCPA and NASBA had sent in comments on the draft; those documents were emailed to Board members for their review.

The Board noted that the intent is for the 30 months to pass the CPA exam update to be in place by the beginning of 2024. The Board will not be granting any blanket credit relief extensions.

AKCPA made the following comments on the draft:

- 12 AAC 04.038(a) – remove “financial statement”
- 12 AAC 04.151 – no guidance on temporary licensing; add definitions for ‘temporary’ and ‘full’ licenses.
- Question about references and background checks; are both necessary.
- 12 AAC 04.165 – Question about intent; are there barriers for CPAs that can’t apply via reciprocity.
- 12 AAC 04.180 – request for clarification on “supervising” – could this phrase be defined? Question surrounding remote workers and remote supervision.
- 12 AAC 04.185 – Question noted regarding the new ELE (experience, earn and learn) and how this fits.
- 12 AAC 04.189(c)(1) – change “permit holder” to firm.
- 12 AAC 04.189(c)(2) – change “quality” to “peer.”
- 12 AAC 04.200 – add hyphen; 30-months.
- 12 AAC 04.200(i) – concern with the Board repealing ability to extend exam scores.
- 12 AAC 04.255(c) – liked that this was added; provides clarity for sole proprietors.
- 12 AAC 04.285 – question about the term “interstate practice” – should this be “mobility”?
- 12 AAC 04.285 – shouldn’t substantial equivalency and mobility be separate sections?
- 12 AAC 04.285(c) – “present verification” is confusing – should “upon request of the board” be added to end the sentence?
- 12 AAC 04.340(1) – consider omitting “activities relating to” – confusing if left the way it currently reads.
- 12 AAC 04.340(2) – same comment noted above
- 12 AAC 04.440 – why would this section be edited to remove requirements?
- 12 AAC 04.520 – Why list fine amount?
- Article 8 – Issue with this section being completely repealed. Statute specifically states that licensees should look to regulations.

NASBA made the following comments on the draft:

- AS 08.04.680(1)(D) says “or,” the Uniform Accountancy Act (UAA) says “and” – recommendation that AK statute be corrected.
- 12 AAC 04.151 – no reference to mobility.
- 12 AAC 04.161 – recommendation to make it clear that the report shall come from the proper authority.
- 12 AAC 04.185 - recommendation not to only say CHEA schools; this opens it up to international schools also.

The Board went through section by section, and reviewed the comments noted above:

- 12 AAC 04.038 – ok with suggestion from AKCPA
 - 12 AAC 04.151 – no changes made.
 - 12 AAC 04.161 – no changes made.
 - 12 AAC 04.165 – Board noted that statutory language is there; leave as is.
 - 12 AAC 04.175 – Principal place of business for AK; does not restrict reciprocity, but intent is to limit jurisdiction shopping.
 - 12 AAC 04.180 – no changes made.
 - 12 AAC 04.185 – Re: ELE – too early to add this to regulation. Edits from NASBA accepted; go back to original language.
 - 12 AAC 04.189 – Pull the peer review language; it will have its own section.
 - 12 AAC 04.200 – Amend to limit extensions going forward. Amend to say all 4 sections must be completed/passed before extension could be requested.
 - 12 AAC 04.280 – language is ok as is; can add semicolon after “in this state.”
 - 12 AAC 04.285 – separate substantial equivalency and mobility
 - 12 AAC 04.285(d) – ok with adding “if requested by the Board.”
 - 12 AAC 04.285(f) – add “without an office” to this section.
 - 12 AAC 04.340 – no changes made.
 - 12 AAC 04.440 – keep the items that were going to be repealed; change the reference number(s) if necessary.
 - 12 AAC 04.520 – ok with removing the fine amount.
- Article 8 – Discussion about complete repeal. It was noted that participation with AICPA peer review is required if doing attest. Ok with amending article 8 to list a briefer outline of peer review.
- 12 AAC 04.600 – amend to cut this section down to only what is essential.

Mr. Diehl asked about firm with multiple CPAs who only do tax. Under the updated definition of firm, do they need a firm permit? Regulations should clearly identify when a firm permit is required. Ms. Stuart indicated that she would work on draft language and send it to Ms. Hondolero and Ms. Osborne. If holding out as a CPA; need licensure and a permit. Want to make that clear for individuals and firms. Need to outline when you need to obtain licensure and how to qualify.

It was noted that the most recent draft being reviewed at the meeting had updates to articles three and five. The Board inquired about the status moving forward. Ms. Hondolero asked if the Board would need to meet again before the draft is sent to Department of Law. Ms. Osborne indicated that the Board could make a general motion and be able to forward the draft to Department of law. The Board noted that the goal is to have the updates in place by the start of the new year (2024).

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

RESOLVED to approve the regulations as amended for public comment; subject to legal review.

Agenda Item 14 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- November 8-9, 2023
- February 8-9, 2024
- April 25-26, 2024 – in-person Anchorage

Task Lists

Cori Hondolero

- Make requested updates to renewal forms

There being no further business, the meeting adjourned at 12:28 p.m.

Respectfully Submitted:



Cori Hondolero
Executive Administrator

Approved:



Don Vieira, Chair
Alaska Board of Public Accountancy

Date: 11/8/23