

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

**BOARD OF PUBLIC ACCOUNTANCY**

**MINUTES OF TELECONFERENCE**

**November 7-8, 2019**

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 November 7-8, 2019.

**Thursday, November 7, 2019**

**Call to Order/Roll Call**

The meeting was called to order by Karen Brewer-Tarver, at 10:15 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA  
Karen Brewer-Tarver, CPA  
Wayne Hogue, Public member  
Wesley Tegeler, CPA  
Don Rulien, CPA  
Marja Beltrami, CPA (agenda item #7, #8, #11)

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

Cori Hondolero, Executive Administrator  
Nina Akers, Investigator (agenda item #6)  
Amber Whaley, Senior Investigator (agenda item #6)

Visitors present included:

Bernadette Kopyy, representing the Alaska Society of Independent Accountants (ASIA)  
John Rodgers, representing the Alaska Society of CPAs

**Agenda Item 1 – Review Agenda**

The Board reviewed the agenda and no changes were made.

### **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 meeting. Ms. Brewer-Tarver had one small edit (it changed to if).

**Upon a motion duly made by Mr. Tegeler, seconded by Ms. Schmitz, and approved unanimously, it was:**

**RESOLVED to approve the minutes of the August 5-6, 2019 meeting as amended.**

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

Mr. Rodgers provided a summary of current AK Society activities:

- The AKCPA Board of directors would be meeting the following week
- CPE webcasting has started; December 3<sup>rd</sup> ethics class in Anchorage
- More CPAs taking virtual classes
- Marijuana class in Anchorage in November
- AICPA fall council in Seattle; CPA evolution
- Hagelbarger scholarship applications are due soon
- The first meeting of the 2020 leadership class will be December 13<sup>th</sup>
- 2020 annual meeting will be May 27-29 at Alyeska (Girdwood)
- AKCPA annual membership dues being collected

### **Agenda Item 5 – Public Comment**

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

### **Agenda Item 12 – Statute/Regulation Projects**

The Board started to review the updated version of the project. Mr. Cox had sent in a summary letter. There was discussion about tiered fees for firms. Ms. Brewer-Tarver noted that the Board can provide fee recommendations, but the Division has final say on fees. Ms. Hondolero stated that the Board could inquire about the ability to tier fees when speaking with the Division later in the meeting.

Ms. Schmitz stated that clarity is needed for the firms with one CPA and multiple other people (unlicensed) doing tax. Ms. Brewer-Tarver noted that public perception is that CPA businesses are firms. With the move to firm

mobility, all attest services will be overseen. The Board made a note to ask Mr. Cox about when an issue arises with firm mobility, who is responsible – Alaska or their home state?

### **Agenda Item 6 – Investigative Report**

Investigator Akers was present to provide the investigative report and Senior Investigator Whaley was present for a matter on behalf of the Division paralegal.

The report included in the packet was dated October 16, 2019 and covered the period of July 18, 2019 through October 16, 2019. Nine matters remain ongoing/open.

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Rulien, and approved by a quorum of the Board, it was:**

**RESOLVED to accept the imposition of civil fine for case #2018-000780.**

\*Ms. Brewer-Tarver abstained from voting

Senior investigator Whaley was present to cover a default revocation for the Division. The documents had been loaded to OnBoard for review prior to the meeting.

**Upon a motion duly made by Ms. Schmitz, seconded by Mr. Hogue, and approved unanimously, it was:**

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

The Board entered executive session at 11:56 am  
The Board went back on the record at 12:06 pm

This case involved a licensee who was non-responsive to requests for verification of CPE.

**Upon a motion duly made by Ms. Schmitz, seconded by Mr. Tegeler, and approved unanimously, it was:**

**RESOLVED to accept the default revocation for case #2019-000375.**

There was discussion about the questions on the exam application regarding convictions. Contact CPAES to ask if they have standard questions that they

ask all exam candidates or is they use Alaska specific questions; maybe mirror the exam application.

### **Agenda Item 7 – Board Business**

#### **Revenue/Expenditure Report**

Director Chambers joined the meeting to discuss the FY19 final figures. She noted that this report was in a slightly different format including: feature changes, combined formatting, breaking down investigative and non-investigative expenditures, added yellow (caution)/green (good) red (deficit), and added the number of licensees.

It was noted that investigative costs were up. Ms. Schmitz noted that the Board did not have much activity and would like more information about this increase. Director Chambers indicated that Ms. Dumas could be contacted for additional detail. The Board asked if paralegal time was considered investigative or non-investigative. Ms. Hondolero indicated she would follow up with Ms. Dumas to gather additional information about investigative costs. Ms. Brewer-Tarver asked about the yellow/caution rating for fee analysis. Director Chambers indicated that fees for all professions are reviewed every year; one-year surplus is good to have to avoid a rollercoaster effect on fees.

The Board wanted to discuss sole proprietors and the potential of a tiered fee structure. Director Chambers stated that real estate appraisers have something similar, so this is a possibility. The Board also wanted to update Director Chambers on the possibility of upcoming legislation, including firm mobility. Director Chambers noted that this sounded like it would be in line with the Governors push for right touch regulation. Ms. Hondolero provided a brief summary regarding working with AICPA to update the statutes to be more in line with current national practices and terminology. Director Chambers asked to be kept in the loop on the project and noted that it may be something that the Division could come out in support of.

Ms. Brewer-Tarver asked about facility costs and if there was any incurred cost for Ms. Hondolero's temporary office location. Director Chambers stated that the office was within Commerce, so there was no additional cost and the goal would be to move CPA/REC staff back to the main office. Director Chambers also noted that she hoped to have the Marine Pilot recruitment out within the coming weeks and would like to have a hire made before the end of the year.

There was discussion about indirect expenses; the Board noted these tend to increase annually. Ms. Schmitz asked if statewide indirect is similar; is it pushed down to each Division? Director Chambers stated that yes, statewide indirect expenses have a similar effect.

### **Agenda Item 8 – Right Touch Regulation**

Director Chambers noted that the goal is a balance between public protection and less red tape. Boards should work to analyze their rules and find the right touch. Included in the meeting packet were the July memo, presentation slides and a workbook sample. It was noted that the Board is already doing what is mentioned in the memo; reviewing its statutes/regulations for areas that need to be updated and looking for areas that may ease barriers to entry. Director Chambers provided a brief overview of the PowerPoint content.

Director Chambers noted that Division leadership would be present at all legislative hearings to provide information on fiscal notes and would like to have all information about the bill and be able to provide support. Ms. Hondolero stated that she would provide the Division an updated copy of the project

### **Agenda Item 8 – NASBA Updates**

#### **Meetings**

Annual Meeting – Ms. Beltrami gave her summary of the annual meeting and noted that CPA evolution was the big topic. There was discussion about a new format that would require candidates to have a core competency and then choose a specialty; tax, attest or technology. The new format was compared to engineering; obtain basis and then pick a specialty.

It was noted that there is not a move to go back to the 120 hour requirement. There was discussion about new requirements to sign off on attest. Mr. Rulien stated that the peer reviewer would need to check on this. It will impact small firms. Mr. Tegeler stated that peer review has changed over the past 15 years; small firms can't really justify the cost of doing audits. Ms. Brewer-Tarver noted that small firms more likely to make mistakes if they don't do lots of audits. In the future it is likely that small firms will do financials and large firms will do reviews.

Mr. Rulien noted that the UAA committee has received feedback that many states are not on board with 2,000 hours to sign off on attest; could impact mobility. Ms. Beltrami also noted that NASBA mentioned an available resource called alliance for responsible professional licensing (ARPL). This contains information on a trade vs a professional license. Ms. Beltrami wanted to note that she is thankful for the opportunity to attend the annual meeting.

The Board wanted to talk about the next meeting and decided that it would be in Anchorage. The Board also discussed upcoming Board appointments and noted the importance of representation from different geographic regions.

The Board discussed elections and noted that with Ms. Brewer-Tarver terming out soon, it was time to elect members to fill positions.

**Upon a motion duly made by Mr. Rulien, seconded by Mr. Tegeler, and approved unanimously, it was:**

**RESOLVED to elect Ms. Schmitz to become Chair.**

**Upon a motion duly made by Ms. Schmitz, seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to elect Mr. Tegeler to become the secretary/treasurer.**

The meeting was recessed at 4:15 p.m., until Thursday, November 8, 2019.

**Friday, November 8, 2019**

**Call to Order/Roll Call**

The meeting was called to order by Karen Brewer-Tarver, at 8:30 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA  
Donovan Rulien II, CPA  
Karen Brewer-Tarver, CPA  
Wayne Hogue, Public member  
Wesley Tegeler, 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:

James Cox, representing the American Institute of CPAs (AICPA) (agenda item #12)  
Bernadette Kopyy, representing the Alaska Society of Independent Accountants (ASIA)  
Crista Burson, representing the Alaska Society of CPAs  
John Rodgers, representing the Alaska Society of CPAs  
Zachary Kennedy (agenda item #15)

**Agenda Item 9 – Review Agenda**

The Board added setting May meeting dates to the start of the meeting while everyone was online. It was decided that the meeting would be set as a teleconference May 7-8, 2020 in Anchorage.

### **Agenda Item 10 – CPA Exam**

The Board reviewed the information in the packet regarding exam performance and noted that no exam questionnaires had been received for the last test period. The Board asked if NASBA had responded about the testing issues that had been forwarded to them. Ms. Hondolero indicated that she had not received a response yet.

### **Agenda Item 11 – NASBA Updates**

#### **Meetings**

Western Regional Meeting – Mr. Tegeler can attend on scholarship; confirm which regionally meeting might work better before submitting request. It was noted that the new member joining the Board could also attend on scholarship for their first meeting.

#### **Committees**

Ms. Schmitz – CBT Administration Committee – there had been no meetings of the committee since the last Board meeting.

Ms. Beltrami – Legislative Support Committee – not present to provide report.

Mr. Rulien – Uniform Accountancy Act (UAA) Committee – a report was included in the Board packet. There is now a push to require 2000 attest hours within five years; audit, not review/compilation. The committee findings were going to be presented to the Board. Small practitioners will be out of won't qualify. Ms. Brewer-Tarver noted that this could force people to stay at firms longer before they go out on their own. Mr. Rulien stated that if a CPA is found to not qualify, they would have to go back to the client and let them know.

### **Agenda Item 12 – Statute/Regulation Projects**

Ms. Brewer-Tarver had prepared a color-coded copy to share; it grouped the project in to topics, so that it was easier to follow. There was discussion about what is being scoped out for firms; is it firms doing attest work and/or that have CPA in the name or is it firms that do “public accounting” vs just attest.

There was discussion about how sole proprietors would register. Would the applications need to be updated to ask if a CPA is a sole proprietor? If they are, then they would be issued a firm permit. There was a suggestion that the business license number be added to the print lines on the license. Mr. Tegeler asked about the timing of the regulations project. It was noted that the

legislation would need to pass first, but the Board could start working on drafting updated regulations.

Mr. Cox from AICPA joined the meeting. He explained that their assistant general counsel had worked on the draft and let him know that it needed work. If the goal is to proceed with firm mobility, there will need to be a whole new section to address the change vs trying to edit the out of state permit section.

Ms. Brewer-Tarver explained the color-coded copy; the project is comprised of the following four topics:

- License sole proprietors
- Firm mobility
- Changes to peer review (currently listed as quality review)
- Miscellaneous confirming changes

AS 08.04.240 – attest or CPA in firm name. Ms. Brewer-Tarver noted that this section was little different than the Board originally thought it would be. Mr. Cox stated that the UAA definition was used. Ms. Brewer-Tarver asked if this section could be taken a little further; sole proprietors also rolled in that don't necessarily do attest or have CPA in the firm name. Would this impact other sections? Mr. Cox said that the unlawful acts section would need to be checked. He shared the last draft with NASBA staff; their outside legal counsel will review and he will review any changes that they recommend and send an updated draft to the Board. Ms. Brewer-Tarver asked about a timeline on NASBA review. Mr. Cox stated that it he hopes soon and will follow up with them and let them know that the Board would like to pre-file in December if possible.

The Board decided that it would be helpful to do a section by section analysis. More in depth than the that last cover letter; translate color coded copy into words. The Board will share the updated version with the Director once the section by section narrative has been drafted. Mr. Cox noted that he already has the draft language for the peer review section and he's working on the rest. He has also started reviewing the regulations. Ms. Brewer-Tarver stated that the Board can do additional reviews by teleconference and the Board will review an updated draft at the February Board meeting.

Mr. Cox mentioned that the updated draft of firm could include "public accounting" activities. Ms. Schmitz asked if it should be "firm" or "CPA firm" that is used. Mr. Cox stated that firm is the better term to use. Ms. Brewer-Tarver noted that page 22, new #5 says CPA firm; just be consistent. Mr. Cox will work on updating for consistency throughout the document.

The updated draft being reviewed had a new section for firm mobility; this will strike the out of state permit section. The peer review section is conforming changes and adding the option to have a peer view oversight committee (PROC)



and facilitated state Board access. The definition of report, compilation and foreign certificate are all conforming changes.

Mr. Cox stated that he would have the draft to as close to final as possible within the next week or so. Ms. Burson listed the dates the legislative committee might be meeting and Mr. Cox noted that he would be available to participate.

Mr. Cox noted that Texas has a tiered fee structure based on licensees in the firm. Ms. Brewer-Tarver noted that it may not be possible to have sole proprietor at no fee initially. The Board thanked Mr. Cox for all of his/AICPAs help with this project. It was noted that the agenda could be updated to remove the statute items now.

The Board will now move on to work on the regulations:

- Professional references (Smith)
- Inactive; holding out (Brewer-Tarver)
- CPE review – CPE reciprocity & general review (Beltrami?)
- Annual updates of dated materials (Hondolero)
- Continuous testing (Schmitz)
- Accounting concentration (Schmitz)
- Accreditation (what if AK loses accreditation) (Schmitz)
- Changes due to legislative updates

The Board requested that someone from NIES be available to speak with the Board at the February meeting to talk about education. Ms. Schmitz wants to check with the investigators to see if they have any areas that they think need work or that could be clearer. Ms. Brewer-Tarver also stated that there is still an issue with “inactive” out of country CPAs still practicing. Mr. Rulien noted that UAA only recognizes retired or active. Ms. Brewer-Tarver noted that the inactive status needs to be refined. It was requested that Mr. Cox be sent the list of regulation sections the Board will want to work on.

### **Agenda Item 13 – Correspondence**

Zachary Kennedy called in to the meeting; his application was being considered by the Board.

There were no correspondence items in the packet that required Board response.

The Board wants to keep a newsletter on the radar. A template was picked in the past; the Board would need to forward content to NASBA. There was discussion about when the best time to roll a newsletter out is and how often. It was noted this would be a good way to communicate changes. The Board decided that content would be set by the Board, then the Chair and the exec

would finalize. The Board asked if the Division would require that the newsletter be proofed and/or approved before being sent out.

The AICPA drop list was also included; the Board stated that the investigator could contact AICPA directly if she had additional questions.

#### **Agenda Item 14 – Public Comment**

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

#### **Agenda Item 15 – Application Review**

The Board members present reviewed applications and took the following action:

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Tegeler, and approved unanimously, it was:**

**RESOLVED to approve Zachary Kennedy for licensure by exam.**

The Board asked that the extension request from Christina Owen be sent to NASBA, so that they are aware of the issue.

\*907-452-7111 called in to the meeting, but would not announce themselves.

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to approve Ebonette Bain-Minnis, Fabrizio Colombo, Kimberly Connaker, Marisa De La Torre, Teodor Dornea, Samuel Epp, Hafiz Faheem, Matthew Glynn, Julia Green, Rachel Hanks, Courtney Lee, Jong Hun Lim, Ankit Mathur, Thomas McClelland, Baasanjav Ochirkhuyag, Craig Ollinger, Emeka Ononye, Heidi Pichler, Malcolm Rencken, William Sogge, Melissa Talbert, Wenwen Xie, Marina Zaripova and Linan Zhang for licensure by exam.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Hogue, and approved by a quorum of the Board, it was:**

**RESOLVED to approve Lisa Jo Marcinek for licensure by exam.**

\*Mr. Tegeler abstained from voting

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Tegeler, and approved unanimously, it was:**

**RESOLVED to approve Kevin Overholt for licensure by reciprocity.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to approve the Out-of-State firm permit of Davidson & Company, LLP.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Hogue, and approved unanimously, it was:**

**RESOLVED to approve the firm permit of Shaun M. Tacke CPA, LLC.**

**Upon a motion duly made by Mr. Tegeler seconded by Mr. Hogue, and approved unanimously, it was:**

**RESOLVED to approve Zachary Dameron for licensure by exam pending completion of two full years of experience (on or after 11.30.19). The Board will accept confirmation by email from the supervisor.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to table the application of Neal Braham for licensure by exam; the Board requests an updated NIES evaluation that includes CLEP credits. The Board needs confirmation that NIES would assign at least 6 semester credits.**

It was noted that the applicant had sent in CLEP transcript and the credits had not been evaluated by NIES and were not on a transcript from a regionally accredited college/university.

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Tegeler, and approved by a quorum of the Board, it was:**

**RESOLVED to approve William Paneak's application to sit for the CPA exam.**

\*Ms. Brewer-Tarver abstained from voting

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Tegeler, and approved unanimously, it was:**

**RESOLVED to approve Christina Owen's request for extension of REG score until 8/7/20.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Tegeler, and approved unanimously, it was:**

**RESOLVED to approve Thomas Jackson's request for extension of AUD score until 1/15/20.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to deny Majdi Abukoutnah's request for extension of AUD score; 12 AAC 04.200(i), credit not lost due to circumstances beyond applicant's control.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Hogue, and approved by a quorum of the Board, it was:**

**RESOLVED to deny Traci Dugdale's request for extension of REG score; 12 AAC 04.200(i), credit not lost due to circumstances beyond applicant's control.**

**\*Mr. Tegeler was not present for the discussion or voting on this application.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Tegeler:**

**To deny Saif Elghishan's request for extension of AUD score; 12 AAC 04.200(i), credit not lost due to circumstances beyond applicant's control.**

**\*the motion failed**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to approve Saif Elghishan's request for extension of AUD score until 12/1/19.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Tegeler, and approved unanimously, it was:**

**RESOLVED to deny Wajid Hameed Khan's request for extension of AUD, BEC and FAR scores; 12 AAC 04.200(i), credit not lost due to circumstances beyond applicant's control.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Hogue, and approved unanimously, it was:**

**RESOLVED to deny Shanice Mattis' request for extension of REG score (2<sup>nd</sup> extension request); 12 AAC 04.200(i), credit not lost due to circumstances beyond applicant's control.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Rulien:**

**To deny Ziad Wanna's request for extension of FAR score; 12 AAC 04.200(i), credit not lost due to circumstances beyond applicant's control.**

**\*the motion failed**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Rulien, and approved unanimously, it was:**

**RESOLVED to approve Ziad Wanna's request for extension of FAR score until 1/28/20.**

### **Agenda Item 16 – Administrative Business**

#### **Confirm Upcoming Meeting Dates/Locations**

- February 3-4, 2020 in Anchorage (Zoom meeting)
- May 7-8, 2020 in Anchorage (Zoom meeting)

#### **Task Lists**

##### **Karen Brewer-Tarver**

- Work on CPE summary for new Board member training
- Update project list excel sheet

##### **Leslie Schmitz**

- Work on draft regulation language for continuous testing
- Look at regulations regarding accounting concentration for possible changes for credit earned by testing (CLEP/DANTES, etc.)

##### **Karen Smith**

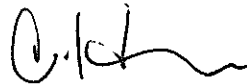
- Review regulation regarding professional references and application form to suggest possible changes for the Board to consider (pending from past mtg)

Cori Hondolero

- Draft letter regarding travel for the Board to review (pending from past mtg)
- Request Mr. Barrier (NIES/NASBA) participate at a future meeting to answer education questions for the Board

There being no further business, the meeting adjourned at 4:58 p.m.


Respectfully Submitted:



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Cori Hondolero  
Executive Administrator

Approved:



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Karen Brewer-Tarver, Chair  
Alaska Board of Public Accountancy

Date: 2/3/2020