

Annual Report

Fiscal Year 2019

ALASKA BOARD OF PUBLIC ACCOUNTANCY



**Department of Commerce, Community
and Economic Development**

**Division of Corporations, Business
and Professional Licensing**

This annual performance report is presented in accordance with
Alaska statute AS 08.01.070(10).

Its purpose is to report the accomplishments, activities, and the
past and present needs of the licensing program.

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Regulation Recommendations Proposed Legislation for FY 2020

No Recommendations

The Board has no recommendations for proposed regulations at this time.

Recommendations

The Board has the following recommendations for proposed regulations:

If the Board has legislation pass during FY20, they will need to work on regulation updates for any sections impacted and will also review for general cleanup.

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Goals and Objectives (continued)

Part I

FY 2019's goals and objectives, and how they were met:

Goal 1

Monitor legislation, evaluate and review statutory/regulatory changes related to:

- a. Update regulations to incorporate HB147 statute changes in 2018/2019.
- b. Review of UAA through a coordinated effort with the ASCPA for recent changes and identify additional areas where Alaska statutes and regulations differ and evaluate impact of differences to include:
 1. Adopt UAA attest definition.
 2. Adopt UAA firm definition.
 3. Adopt peer review requirements for compilations.
- c. Review the definition of 'practice of public accounting'
- d. Conduct CPE random audits.
- e. Complete a review of firm/licensee renewal forms and processes.
- f. Review requirements for CPA firm permits.
- g. Monitor NASBA discussion re: required years of experience.
- h. Review and monitor potential changes to how we use the peer review reports in the future.
- i. Review statutes and regulations for areas of clarification with AKCPA.

The Board completed the required regulation project after HB147 passed (a). The Board is working with both AICPA and the State Society on draft legislation that will hopefully be introduced in FY20 (b, c, f, g, h, i). There will be a renewal during FY20, the Board will audit/review the required percentage of random audits and will continue to review/monitor the mandatory audits (d). The Division has updated the online renewal process, so the upcoming online renewal will be via the newest system. The Board will monitor the process and review forms as necessary (e).

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Goals and Objectives (continued)

Part I (continued)

FY 2019's goals and objectives, and how they were met:

Goal 2

Review and evaluate National Association of State Board of Accountancy (NASBA) services.

- a. Continue to monitor NASBA CPA Exam Services (CPAES).
- b. Evaluate and analyze other services offered by NASBA.
 - 1. Inquire with the communications department to see how they can assist with an electronic newsletter and possibly other items, such as social media, announcements and the website.

The Division/Board will review/amend the contract as necessary before each renewal; NASBA is requesting a minimal fee increase for FY20 (a). The Board is compiling a list of topics for a future newsletter and will work with NASBA on a final version (b).

Goal 3

Ensure Alaska CPA candidates have positive examination opportunities.

- a. Monitor testing experiences by visiting sites and using the post-testing survey for all candidates testing at the Anchorage and Fairbanks sites. Monitor that the surveys are delivered timely.
- b. Follow-up on concerns indicated in the surveys.
- c. Keep the ASCPA and the public abreast of new developments.

The Board reviews exam surveys at their quarterly meetings and conducts test site visits at both Alaska locations (Anchorage and Fairbanks) (a). The Board will elevate issues to NASBA/CPAES as necessary (b). The State Society usually has a representative in attendance at the Board meetings, so they are able to hear any concerns or updates that come up regarding testing at Alaska locations (c).

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Goals and Objectives (continued)

Part I (continued)

FY 2019's goals and objectives, and how they were met:

Goal 4

Evaluate and address changes in the professional environment to continue to fulfill our mission to protect public interests.

- a. Review new rules proposed by NASBA and the AICPA, for impact on Alaska CPAs and make changes to Alaska statutes and regulations as needed.
- b. Represent Alaska CPA concerns at regional, annual, and special meetings and support NASBA committee participation.
 - 1. Promote attendance by staff and new Board members at regional, special and annual meetings to provide understanding of current regulatory issues being dealt with at a national level and a state-by-state level.
 - 2. Promote attendance of continuing Board members at regional and annual meetings to provide input and to obtain information at both national and state levels regarding matters impacting Alaska CPAs.
- c. Mentor executive administrator in developing procedures and goals for timely response to public, CPAs and CPA candidate requests.

The Board reviews proposed changes to the Uniform Accountancy Act (UAA) and has been making attempts to update Alaska statutes/regulations as appropriate (a). The Board continues to make an effort to have both staff and Board members attend NASBA meetings/conferences, but were not approved to participate at their desired level in FY19 (b). Response time has been maintained within Division standards and requests/correspondence requiring Board action were addressed at quarterly meetings (c).

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Goals and Objectives (continued)

Part I (continued)

FY 2019's goals and objectives, and how they were met:

Goal 5

Work with the Division regarding.

- a. Future licensee fee structure; fees must cover monitoring expenses and operating costs while not being cost prohibitive to licensees.
- b. Board and staff travel and participation at NASBA/AICPA meetings including:
 1. Executive Administrator attendance at NASBA annual and regional meetings and the NASBA Executive Director conference.
 2. No less than three (3) Board members will attend the NASBA regional conference and three (3) Board members will attend the annual NASBA meeting.
 3. One Board member and/or the Executive Administrator will attend any special NASBA or AICPA meetings as they arise.
 4. Investigator will attend NASBA ED/Legal counsel conference.
 5. One or two Board members and the Executive Administrator will attend the Alaska Society of CPAs annual meeting.
 6. Continue outreach to licensees by holding Board meetings in various State locations.
- c. Ongoing improvements and maintenance of the Board website.
- d. Collections of licensee emails for future correspondence and newsletters.
- e. Timely review and resolution of CPE audits.
- f. Obtaining more information with fiscal reports, including personnel and legal costs.
- g. Work with Division on cost saving measures.

The Board recommended no fee changes for the renewal that will take place in FY20 (a). The Board continues to outline travel requests in the annual report and to submit travel requests, but has been unable to meet the goals as outlined above due to ongoing travel restrictions (b). The Board attempts to list relevant information and links to external sources on its website (c). The Division has a new online system for licensees/applicants called MyLicense (accessed through MyAlaska); when a person "opts-in" their email address is collected and can be used as official means of communication (d). The executive administrator/Board attempt to notify licensees of their selection for random CPE as soon as possible and the Board was very timely with their review of CPE audits and resolution of matters during the last renewal (2017). The Board intends to conduct the upcoming audits within the same timelines (e). The Board reviews all quarterly financials prepared by the Division and asks for additional detail if there are questions (f). The Board complies with required State policies and is also mindful of expenses. For in person meetings, members travel on the day the meeting starts, carpools and attempt to save costs wherever they can (g).

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Goals and Objectives (continued)

Part I (continued)

FY 2019's goals and objectives, and how they were met:

Goal 6

Pursue public awareness of enforcement activities.

- a. Timely update of investigative information and statistics on the Board website.
- b. Interact with the investigative unit regarding consistency and monitoring of cases.
- c. Continue participation with the NASBA Accountancy Licensee Database (ALD).

Board actions are updated on the Board website and can now be linked to individual license records that can be viewed using the public license search (a). The Board investigator provides quarterly reports and the Board will ask for additional information when necessary (b). The Board has continued to participate with the ALD database (c).

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Goals and Objectives (continued)

Part II

FY 2020's goals and objectives, and proposed methods to achieve them.

Describe any strengths, weaknesses, opportunities, threats and required resources:

Goal 1

Monitor legislation, evaluate and review statutory/regulatory changes related to:

- a. Review of UAA through a coordinated effort with the AKCPA for recent changes and identify additional areas where Alaska statutes and regulations differ and evaluate impact of differences to include:
 - 1. Adopt UAA attest definition
 - 2. Adopt UAA firm definition
 - 3. Update peer review requirements
 - 4. Adopt firm mobility
- b. Review requirements for CPA firm permits.
- c. Monitor NASBA discussion re: required years of experience.
- d. Review and monitor potential changes to how we use the peer review reports in the future.
- e. Review statutes and regulations for areas of clarification with AKCPA.
- f. Monitor NASBA committee activity.

Goal 2

Review and evaluate National Association of State Board of Accountancy (NASBA) services.

- c. Continue to monitor NASBA CPA Exam Services (CPAES).
- d. Evaluate and analyze other services offered by NASBA.
 - 1. Inquire with the communications department to see how they can assist with an electronic newsletter and possibly other items, such as social media, announcements and the website.

Goal 3

Ensure Alaska CPA candidates have positive examination opportunities.

- a. Monitor testing experiences by visiting sites and using the post-testing survey for all candidates testing at the Anchorage and Fairbanks sites. Monitor that the surveys are delivered timely.
- b. Follow-up on concerns indicated in the surveys.
- c. Keep the AKCPA and the public abreast of new developments.

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Goals and Objectives (continued)

Part II

FY 2020's goals and objectives, and proposed methods to achieve them.

Describe any strengths, weaknesses, opportunities, threats and required resources:

Goal 4

Evaluate and address changes in the professional environment to continue to fulfill our mission to protect public interests.

- d. Review new rules proposed by NASBA and the AICPA, for impact on Alaska CPAs and make changes to Alaska statutes and regulations as needed.
- e. Represent Alaska CPA concerns at regional, annual, and special meetings and support NASBA committee participation.
 - 3. Promote attendance by staff and new Board members at regional, special and annual meetings to provide understanding of current regulatory issues being dealt with at a national level and a state-by-state level.
 - 4. Promote attendance of continuing Board members at regional and annual meetings to provide input and to obtain information at both national and state levels regarding matters impacting Alaska CPAs.
- f. Mentor executive administrator in developing procedures and goals for timely response to public, CPAs and CPA candidate requests.

Goal 5

Work with the Division regarding:

- h. Future licensee fee structure; fees must cover monitoring expenses and operating costs while not being cost prohibitive to licensees.
- i. Board and staff travel and participation at NASBA/AICPA meetings including:
 - 1. Executive Administrator attendance at NASBA annual and regional meetings and the NASBA Executive Director conference.
 - 2. No less than four (4) Board members will attend the NASBA regional conference or the annual NASBA meeting.
 - 3. One Board member and/or the Executive Administrator will attend any special NASBA or AICPA meetings as they arise.
 - 4. Investigator will attend NASBA ED/Legal counsel conference.
 - 5. One or two Board members and the Executive Administrator will attend the Alaska Society of CPAs annual meeting.

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Goals and Objectives (continued)

Part II

FY 2020's goals and objectives, and proposed methods to achieve them.

Describe any strengths, weaknesses, opportunities, threats and required resources:

Goal 5, continued...

- 6. Continue outreach to licensees by holding Board meetings in various State locations.
- j. Ongoing improvements and maintenance of the Board website.
- k. Use of MyLicense for renewal and communication with licensees.
- l. Conduct CPE random audits and complete timely review and resolution of CPE audits.
- m. Obtaining more information with fiscal reports, including personnel and legal costs.
- n. Work with Division on cost saving measures.
- o. Complete a review of firm/licensee renewal forms and processes.

Goal 6

Pursue public awareness of enforcement activities.

- d. Timely update of investigative information and statistics on the Board website.
- e. Interact with the investigative unit regarding consistency and monitoring of cases.
- f. Continue participation with the NASBA Accountancy Licensee Database (ALD).
 - 1. Work with Division on automatic reporting of license action.
- g. Executive Administrator to provide enforcement decisions to the general public.

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Sunset Audit Recommendations

Date of Last Legislative Audit: 06/01/2012
Board Sunset Date: 06/30/2021

Audit Recommendation:	DCBPL's Director should continue to address deficiencies in the investigative case management system.
Action Taken:	A task force of investigative staff and IT professionals was formed to identify weaknesses and propose solutions.
Next Steps:	Continue to monitor the case management system.
Date Completed:	Ongoing monitoring by Division