

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

BOARD OF PUBLIC ACCOUNTANCY

MINUTES OF MEETING

November 3-4, 2011

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 November 3-4, 2011 in Anchorage, Alaska.

Thursday, November 3, 2011

Call to Order/Roll Call

The meeting was called to order by Carla Bassler, Chair, at 8:48 a.m. Those present, constituting a quorum of the Board were:

Carla Bassler, Chair, CPA – Anchorage
Max Mertz, CPA – Juneau
Elaine Williamson, CPA – Fairbanks
Jeffrey Johnson, CPA – Fairbanks
Andre Horton – Anchorage
Kathleen Thompson - Fairbanks

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

Cori Hondolero, Records & Licensing Supervisor
Dawn Bundick, Investigator
Jun Maiquis, Regulations Specialist – via conference call

Visitors present included:

Melody Schneider, representing the Alaska Society of CPAs (ASCPA)
Bernadette Koppy, representing the Alaska Society of Independent Accountants (ASIA)
Lisa Rogers, representing the Alaska Society of CPAs (ASCPA)
Brian Donohue, representing himself

Agenda Item 1 – Review Agenda

The Board reviewed the agenda and made the following changes:

- Under item #5 – add discussion about the Board survey
- Under item #17 – add review of the Robert Maloney consent agreement

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

RESOLVED to adopt the agenda as amended.

Agenda Item 3 – Review Meeting Minutes

The Board reviewed the minutes of the August 4-5, 2011 meeting.

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

RESOLVED to approve the minutes of the August 4-5, 2011 meeting as written.

Agenda Item 4 – Public Comment

Lisa Rogers representing the Alaska Society of CPAs (ASCPA) was present and discussed the following:

- Proposed regulations – no push back, but wanted to make sure that it is clear how many days were available to get in compliance with ownership requirements.
- Inactive/retired license status – no consensus; maybe need to have a grandfathering period for people who want to go back to active practice. Maybe wait awhile because it is not a serious problem.
- AS 08.04.680(15) – the Board discussed and understands that the issue needs additional clarity.

The Board discussed the fee for being inactive – currently the fee is \$135. There was some discussion about possibly raising this fee.

Agenda Item 2 – Ethics Report

Ethics Reporting

It was determined that there was nothing to report.

Agenda Item 5 – Board Business

ED Update – position was open/closed. Working with Director on interviewing & posting. Joanna who is a CPA with the Department of Revenue is helping with the interviews. Looking for the best fit for the job.

Renewal Application/Ethics Course – Re-word to require proof of completion of the required AK ethics hours. Require licensees to submit by 12/31/11 or within 15 days after renewal; whichever is later.

Agenda Item 6 – Investigative Report

Investigator Dawn Bundick was present to present the following Investigative Report:

Open Investigations/Complaints:

601-09-001	Fraud/Misrepresentation	Litigation Pending
2011-000352	Unlicensed Practice/Advertising	In Progress

Closed Complaints/Investigations

2011-000505	Other-Ethics Violation	Closed – no action, no violation
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Ms. Bundick reported that there are two new investigators in the office and that there would be some shifting of investigators. Ms. Bundick noted that she may stay or go; the final decision would be up to the Chief Investigator.

Mr. Mertz asked about the status of the Real Estate Commissions fee increase. Ms. Bundick stated that she was not involved with that Board and she did not know the current status.

Ms. Bundick request an updated Board member list be provided to her.

Website update – Ms. Bundick stated that minor corrections were needed and then the updated report could be posted to the Board's website.

Agenda Item 5 – Board Business

FY12 Goals & Objectives – minor edits were made to goals two and five.

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

RESOLVED to approve the FY12 Goals & Objectives as amended.

Budget Report – The Board questioned why there was an increase in indirect expenses. It was noted that as of April, the total was already higher than the prior year and it was unclear about the percent of indirect expenses that are

being charged to the Board. The Board requests useful accounting including detailed expenses included in the indirect pool; even further than the detail provided in the past including: Who & what staff time is being charged? What contractual costs? RSAs? AGs? Facility costs? And how are these costs allocated? The Board requested that the Administrative manager be available at the next meeting to answer questions.

FY11 Annual Report – The Board reviewed the final version of the FY11 annual report.

Board Survey from University of Nevada Reno (UNR) – It was noted that the survey seemed to be based more on administrative issues and was not anonymous. Many members just did not respond to the survey.

Agenda Item 7 – Regulation Projects

Regulation project ready for public comment

The Board discussed waiting for an updated version of the *Standards for Performing and Reporting on Peer Reviews* and decided that it would be best to proceed with the project based on what is currently in place; 2011 version.

The Board called Jun Maiquis, Regulations Specialist to discuss the regulation project.

12 AAC 04.255 – The Board noted that this section was changed from what was submitted. This needs to go back to the way that it was originally submitted. Mr. Maiquis stated that he would change it back.

Late Renewal Fee

Ms. Thompson and Mr. Johnson will work together on draft amendments to 12 AAC 04.189 and 04.440.

CPA fee cleanup

Ms. Thompson passed out a list of exam fees. The Board discussed the possibility of increasing the fees, so that some of the fees come back to the Alaska Board. The Board would like more information including the term of the initial contract? When does the current contract expire? Can the Board increase these fees?

Inactive/Retired Status

AS 08.04.680(15) – a person preparing financial items is ‘in the practice of public accounting’ – can they still sign “CPA”? The Board noted that they would like to keep this on the table for future discussion/action.

The Board recessed for lunch at 11:50 a.m.

The Board resumed the meeting at 1:17 p.m.

Location of Board Members

Mr. Mertz stated that he had written the letter regarding geographic placement of Board members to Board & Commissions.

IFERs

It was noted that this is not a critical issue, so the Board will just keep it on the list for possible discussion/action in the future.

Agenda Item 8 – NASBA Updates

Annual Meeting – October 23-26, 2011

Mr. Horton attended this meeting and noted the following:

- Lots of good information and presentations.
- There were many multinational elements and the power of the U.S. CPA license was evident.
- Discussion about auditing term limits; could have negative impacts, but there are ethical issues as well.
- Was contacted by the Chinese representatives. They wanted to know about Alaska and taking the exams as an Alaska candidate.
- Re: Western Regional meeting; may be asked to write a letter to other States encouraging them to attend.

Committees

Ms. Thompson – Regulation Response Committee? Had not heard back regarding whether her request to remain on this committee was accepted.

Mr. Mertz – International Delivery of CPA Exam Committee.

Ms. Bassler – Enforcement Practices Committee.

Ms. Williamson – CPE Committee.

Exam

Ms. Thompson provided the Board with a screen shot showing some of the questions that candidates trying to register for the CPA exam are required to answer. She stated that she would contact NASBA to ask additional questions about this and report back to the Board.

Agenda Item 9 – Alaska Society of Certified Public Accountants (ASCPA) Report

Melody Schneider was present to discuss the following items with the Board:

- Western Regional meeting – Society will try to assist. Mr. Johnson suggested that the Alaska society contact the Nebraska society to see what they did or wished they would have done when they hosted the regional meeting.
- ED position – discussed the possibility of listing the position in the next newsletter, as well as on the society website. Asked the Board if they had considered posting on careerbuilder.com.

Agenda Item 10 – CPA Exam

The Board reviewed the exam survey responses.

Agenda Item 11 - Correspondence

The Board reviewed the various correspondence items contained in their Board packets and noted that there was nothing requiring a response.

Agenda Item 12 – New Business

Mr. Mertz asked that a copy of the letter he had sent to Boards & Commissions regarding the location of Board members be sent to all Board members.

Ms. Bassler stated that she would be happy to remain available to answer questions for the Board after her term is up. It was noted that this would be very helpful as some long standing members would be terming out over the next year.

Agenda Item 15 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- January 23-24, 2012 in Juneau – request prior evening travel for all members
- April 26-27, 2012 in Anchorage – request prior evening travel for all members

Sign Wall Certificates:

- Michelle Brumfield #2547
- Cynthia Morgan #2551
- Nicole Walsh #2552
- Kortney Redick #2553
- Kensaku Kimura #2555
- Sohrab Farhadov #2556
- Aziz Tursunov #2557
- Richard Sleboda #2558

Task Lists

Board Staff:

- Follow up on updated Board actions list and get it posted to the website.
- Change renewal application online, so that licensees must send in proof of their ethics course.
- Work on form revisions with Mr. Mertz.
- Update FY12 Goals & Objectives
- Ask Director Habeger to get ED position posted for another month.

- Follow final up to see if CE non-compliance letters were sent.

Ms. Bassler:

- Research project regarding inactive/retired license status.

Ms. Thompson:

- Work with Mr. Johnson on late renewal fee draft regulations.
- E-mail NASBA regarding the questions required to register for the CPA exam.
- Inquire what other States charge for the CPA exam and the amount of those fees that is returned to the States.

Mr. Johnson:

- Work with Ms. Thompson on late renewal fee draft regulations.

Mr. Mertz:

- Work on revising applications with Ms. Hondolero.

Mr. Horton:

- Follow up with NASBA regarding the Western regional meeting. Work with the AK society on advertising.

Agenda Item 16 – Form/Check Sheet Review

It was decided that Mr. Mertz would work with Ms. Hondolero to update forms and check sheets outside of the meeting.

Agenda Item 13 – Prometric Exam Facility Visit

The Board members available agreed to visit the Prometric test site and report back the next day.

The meeting was adjourned at 3:00 p.m., until Friday, November 4, 2011

Friday, November 4, 2011

Call to Order/Roll Call

The meeting was called to order by Carla Bassler, Chair, at 8:25 a.m. Those present, constituting a quorum of the Board were:

Carla Bassler, Chair, CPA – Anchorage
Elaine Williamson, CPA – Fairbanks
Jeffrey Johnson, CPA – Fairbanks
Andre Horton – Anchorage
Kathleen Thompson - Fairbanks

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

Cori Hondolero, Records & Licensing Supervisor
Dawn Bundick, Investigator

Visitors present included:

Melody Schneider, representing the Alaska Society of CPAs (ASCPA)
Bernadette Koppy, representing the Alaska Society of Independent Accountants (ASIA)
Brian Donohue, representing himself

Miscellaneous Items/Updates

Executive Administrator

The Alaska society will post a link to the position as soon as it is put on Workplace Alaska. Mr. Mertz and Ms. Williamson will try to make contact with the universities to help spread the word. Ms. Hondolero will e-mail the job posting link to Board members and the AK society as soon as it is posted.

Anchorage Prometric Site

Those that had visited the Anchorage test site gave a brief summary of the new location and the security measures in place.

Reinstatement Application

The application needs to be reworded. It was noted that 12 AAC 02.340(11) should be reviewed to see if/how it fits in.

Old Audit Issue/License Action

The Board requested that Ms. Hondolero review the files of those licensees that had entered into consent agreements with the Board after that last audit to assure that license action notification letters had been sent to the licensees other state(s) of licensure.

Agenda Item 17 – Application Review

The Board reviewed exam, reciprocity, reinstatement, Out-of-State permit, and consent agreement applications and took the following action:

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

RESOLVED to accept the non-disciplinary consent agreement for case #2011-000413.

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

RESOLVED to enter into executive session in accordance with AS 44.62.310(c)(2) and (3), and Alaska Constitutional Rights to Privacy Provisions for the purpose of discussing an application.

The Board entered executive session at 9:17 a.m.
The Board went back on the record at 9:47 p.m.

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

RESOLVED to table the reinstatement application of Brian Donohue pending additional investigative review.

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

RESOLVED to approve the reinstatement applications of Peter Pounds and Mary Perreault.

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

RESOLVED to approve the applications of Vincent Schmoyer, Shawn Hatfield, and Amy Hillenbrand for licensure by exam pending receipt of updated experience forms.

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

RESOLVED to approve Suvechchha Shrestha, Javid Seyidov, Evgeniy Tyan, Sarah Shaw-Stahlke, Dallas Mabry, Lyudmyla Kravchuk, Irina Morozova, Dayanat Sadullayev, Anatoli Slozhenitsin, Massimiliano Vergani, David Richards, Stacy Ross, Karen Heinrichsohn, Tural Jamalov, and Hai-Ran Xu for licensure by exam.

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

RESOLVED to approve the application for licensure by exam of Konstantin Lomidze pending receipt of verification of additional experience and verification that the 500 attest requirement has been met.

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

RESOLVED to approve Owen Freeman, Lurna Compton, and Conrad Kreutzer for licensure by reciprocity.

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

RESOLVED to approve the Firm applications of Coghill Group PC and Accounting & Forensic Services, P.C.

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

RESOLVED to approve Scott A. Holton for an Out-of-State Permit.

There being no further business, the meeting adjourned at 10:30 a.m.

Respectfully Submitted:



Cori Hondolero
Records and Licensing Supervisor

Approved:



Carla Bassler, Chair
Board of Public Accountancy

Date: 1/24/12