

**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 7-8, 2013**

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 7-8, 2013 in Anchorage Alaska.

Thursday, November 7, 2013

Call to Order/Roll Call

The meeting was called to order by Jeffrey Johnson, Chair, at 8:40 a.m. Those present, constituting a quorum of the Board were:

Donovan Rulien II, CPA – Anchorage
Craig Chapman, CPA – Kenai
Jeffrey Johnson, CPA – Fairbanks
Andre Horton – Anchorage
Kathleen Thompson, CPA – Fairbanks
Karen Brewer-Tarver, CPA – Juneau
Wayne Don – Eagle River

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

Cori Hondolero, Executive Administrator
Alvin Kennedy, Investigator III (agenda item #7)
Quinten Warren, Chief Investigator (agenda item #7)

Visitors present included:

Rebecca Martin, CPA, representing the Alaska Society of CPAs (ASCPA)
Lisa Rogers, CPA, representing the Alaska Society of CPAs (ASCPA)
Bernadette Kopyy, representing the Alaska Society of Independent Accountants (ASIA)

Agenda Item 1 – Review Agenda

The Board made no changes to the agenda.

Agenda Item 2 – Ethics Report

Mr. Johnson noted that he had filed an ethics disclosure with the Division for his travel reimbursement received from NASBA for his attendance at his committee meeting.

Agenda Item 3 – Review Meeting Minutes

The Board reviewed the minutes of the August 1-2, 2013 meeting.

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

RESOLVED to approve the minutes of the August 1-2, 2013 meeting as written.

Agenda Item 4 – Public Comment

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

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

Rebecca Martin, was present and addressed the Board.

There will be an Alaska ethics webinar before the end of the year. The cost will be \$150-\$175 depending date of registration and the presenter will be the same one from the annual meeting.

The Society is still receiving questions about the required AK ethics course. Will the Board be checking the revision dates on courses to assure that they are current?

NASBA CPE registry approved providers meet the regulatory requirement. If they are not part of the registry, the Board may need additional information such as a table of contents. The Society would still like the Board to add additional information to the website.

The Society did renew the CALCPA peer review contract. Although there had been complaints about the time lag in completing reviews, CA says that they have hired more people, so this should no longer be an issue.

Agenda Item 6 – Board Business

Revenues/Expenditures

Draft final FY13 information was included in the Board packets. It was noted that information for the first quarter of FY14 had not yet been released by the Division.

AK Ethics Issue

Mr. Johnson noted that if the goal is to have licensees be aware of the difference between the Uniform Accountancy Act (UAA) and the Alaska statutes/regulations, the Board could create a one page summary of content that must be covered by continuing education providers. Once created this information would be available for distribution to new licensees and course providers. Mr. Rulien volunteered to work with NASBA to create this document and will bring it to the Board for review at a future meeting.

Renewal Discussion

Ms. Thompson asked if it would be possible to have a late renewal form completed for those who renew after 12/31/13. Ms. Hondolero stated that the renewal form was updated with options for those renewing after 12/31/13 and they would be required to submit a written explanation for their late renewal.

Agenda Item 4 – Public Comment

Lisa Rogers, with ASCPA was present and asked the Board if there has been any more discussion about attest. Mr. Johnson indicated that that Board had not taken any action on this topic. Ms. Rogers indicated that the State Society might start talking about this soon.

Agenda Item 8 – Statute/Regulation Projects

Renewal Date Discussion

Ms. Brewer-Tarver suggested contacting Dan Dustin with NASBA to see if there is information already compiled on renewal information for the various states.

Mr. Johnson asked if the goal was to still have renewals in December, but to not have licenses expire until June 30th of the following year. Ms. Thompson stated that there are some states that have renewal after the deadline for completion of the required continuing education.

It was noted that NASBA may also have a CPE tracker that can be added to the Boards website for licensees to use.

For future renewals the Board established the following goals:

- Electronic – ability to enter CPE including AK ethics course info.

- Electronic – ability to upload your records; eliminate the need to mail in hard copies.

For the 2013 renewal:

- Send all licensees under mandatory audit a CPE tracking form to fill out and send with copies of their certificates for review.

Agenda Item 7 – Investigative Report

Investigator Kennedy and Chief Warren were in attendance to discuss the investigative report.

Investigator Kennedy informed the Board that there are lots of complaints coming in. This could be due to industry members and public individuals noticing more Board action on items.

The Board requested assistance in assuring that the list of actions is updated on a regular basis. It was noted that this list must be generated by the investigative unit. Investigator Kennedy indicated that he would assist with this request even if it required him having to learn to produce the report himself.

Ms. Thompson asked how people find out about actions once they are taken; specifically items like a cease and desist. Chief Warren stated that the investigative section has a press board; they can distribute this information if it is requested.

The Board inquired about IT projects and Ms. Hondolero clarified that those are not handled by investigations. The Board did inquire about the possibility of adding copies of all agreements to the website.

Travel – the Board again affirmed its desire to have Investigator Kennedy attend the NASBA training for Board staff/legal counsel. Ms. Hondolero stated that she would work with Investigator Kennedy to make sure that travel approval requests for the spring 2014 travel are turned in as soon as NASBA releases the agenda (required for travel approval).

The Board thanked investigator Kennedy for all his work and noted that they have seen a huge improvement in the level of service provided to the Board and ultimately the public.

Mandatory Audits

The Board directed that a letter be sent out to all licensees under mandatory audit requesting that they send their certificates with a cover sheet that lists all hours being claimed. The letter should list a due date and provide guidelines for non-compliance.

Agenda Item 8 – Statute/Regulation Projects

License Period

The Board would like to check with Division's legal section to see if the Board can alter renewal/CPE deadline dates. If so; what kind of change would be required – statute/regulation? It was noted that AS 08.01.100(c) likely affects this answer. It was decided that Ms. Thompson and Mr. Chapman would work to identify all areas in the statutes/regulations where changes would be required if the Board decided to try to change the license period.

Retired/Inactive

The Board will wait for additional information from UAA/NASBA.

IFRS

No new information on this issue.

Statute/Regulation Tracking

The Board decided that it would add a section for potential projects to the tracking sheet and would immediately add the license period to the list.

The Board recessed for lunch at 11:43 a.m.

The Board resumed the meeting at 1:30 p.m.

Agenda Item 8 – Statute/Regulation Projects

The Board reviewed the project that had been sent out for public comment and considered friendly amendments received based on work between the assigned AAG and Board staff.

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

RESOLVED to adopt 12 AAC 04.185 as follows:

A foreign college or university whose degree program has been evaluated by an approved credentials evaluation service and determined to be equivalent to the degree program of an institution acceptable under (1) or (2) or this subsection; an approved credentials evaluation service is:

- (A) a member of the National Association of Credential Evaluation Services, Inc,**
- (B) recognized by the University of Alaska, or**
- (C) NASBA International Evaluation Services (NIES).**

Upon a motion duly made by Ms. Thompson, seconded by Ms. Brewer-Tarver, and approved unanimously, it was:

RESOLVED to adopt the changes to 12 AAC 04.033, 04.036, 04.130 and 04.440 as public noticed.

Agenda Item 9 – NASBA Updates

CPAES

The Board approved the acceptance of docufide transcripts by CPAES.

ALD

Request for automatic data feed is still not complete. The Board would like a letter prepared for Mr. Johnson's signature on this matter. The Board is concerned that this request has been in process for such a long time without being completed. Ms. Hondolero did advise that Ms. Chambers had recently directed that a meeting be set with the project manager of the IT section.

Committees

Mr. Johnson – State Board Relevance & Effectiveness Committee – noted that he attended a meeting. Would like the Board to develop its own Board manual; this would be different than the manual that was created for new members by the Division.

Ms. Thompson – Let the Board know that she had been appointed to the ALD/CPA verify committee.

Mr. Rulien – Let the Board know that he had been appointed to the Uniform Accountancy Act (UAA) committee.

Conferences

Annual Meeting – October 27-30, 2013. Mr. Johnson, Mr. Rulien and Ms. Hondolero attended. Mr. Johnson noted the Regional Director Don Aubrey might attend the February meeting in Juneau.

ED/Legal counsel conference (Spring 2014) – Ms. Hondolero and Investigator Kennedy to attend.

Western Regional meeting (June 2014) – It was noted that there might be a new member who could attend and they would be eligible to request a scholarship for first time meeting attendance. Ms. Brewer-Tarver also indicated that she would be willing to attend.

Annual Meeting (November 2014) – Mr. Chapman indicated that he would be interested in attending.

Agenda Item 10 – CPA Exam

The Board reviewed three surveys that had been received back. It was noted that one test taken provided an unsatisfactory rating for being able to get the test date(s) requested. It was noted that in the case the test taker did not attempt to schedule at least 45 days in advance and did not provide any additional comments.

Agenda Item 11 – Correspondence

The Board reviewed the correspondence items contained in the Board packet.

Item 1 – NASBA annual opt in/out of candidate information. The Board indicated that the response should be “no,” not without candidate approval.

Exam statistics – contact Mr. Suh of NASBA to request isolated exam statistics for Alaska candidates including:

UAA – University of Alaska Anchorage

UAS – University of Alaska Southeast

UAF – University of Alaska Fairbanks

And Alaska address vs. Out of State and Country addresses.

Agenda Item 12 – AICPA – Financial Reporting Framework (FRF)

The Board did not take any action on this agenda item at the meeting.

Agenda Item 16 – CPE Audits

Upon a motion duly made by Ms. Brewer-Tarver, seconded by Mr. Chapman, 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 reviewing consent agreements.

The Board entered executive session at 2:53 p.m.

The Board went back on the record at 3:15 p.m.

Upon a motion duly made by Ms. Thompson, seconded by Ms. Brewer-Tarver, and approved unanimously, it was:

**RESOLVED to adopt the consent agreements for case #'s:
2012-001136, 2012-001134, 2012-001560, 2012-001548, 2013-
001811, 2012-1021, 2012-001553, 2012-001542 and 2012-001552.**

Agenda Item 13 – Proposed Changes to UAA

The Board reviewed and discussed proposed changes to UAA for firm mobility and attest.

Mr. Johnson noted that the draft replaces 'financial statement' with 'attest' and this change if adopted by the Board would require additional review of compilation in the statutes/regulations.

Ms. Kopyy (ASIA) commented that as long as the definition of unlicensed does not change there should not be a problem. Mr. Johnson stated that if the proposed UAA change is adopted, the Board would have to regulate compilation reports and peer review would then become required. Mr. Johnson also noted that peer review is what really protects the public. Ms. Brewer-Tarver noted two places where this topic appears in the statutes/regulations AS 08.04.680(19)(A) and 12 AAC 04.038. Ms. Martin (ASCPA) mentioned valuations/litigation reports; they have a cover letter but are not traditionally in the attest category.

The Board discussed the concept of firm mobility – no fee, no notice and felt that this has the potential for some serious enforcement issues. It was noted that discussion at the Annual meeting reflected that many States had similar concerns.

The Board directed that a letter be prepared for Mr. Johnson's signature indicating that Alaska does not support firm mobility at this time.

The meeting was recessed at 4:04 p.m., until Friday, November 8, 2013.

Friday, November 8, 2013

Call to Order/Roll Call

The meeting was called to order by Jeffrey Johnson, Chair, at 8:33 a.m. Those present, constituting a quorum of the Board were:

Donovan Rulien II, CPA – Anchorage
Craig Chapman, CPA – Kenai
Jeffrey Johnson, CPA – Fairbanks
Andre Horton – Anchorage
Kathleen Thompson, CPA – Fairbanks

Karen Brewer-Tarver, CPA – Juneau
Wayne Don – Eagle River

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

Cori Hondolero, Executive Administrator

Visitors present included:

Rebecca Martin, representing the Alaska Society of CPAs (ASCPA)
Bernadette Kopyy, representing the Alaska Society of Independent
Accountants (ASIA)
Jacy Petersen, representing herself

Agenda Item 14 – Review Agenda

Reviewed; no updates required.

Agenda Item 15 – Public Comment

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

Agenda Item 16 – CPE Audits

Audits

The Board had consent agreements and special requests to review/discuss.

**Upon a motion duly made by Ms. Brewer-Tarver, seconded by Ms.
Thompson, 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
CPE audits.**

The Board entered executive session at 8:35 a.m.

The Board went back on the record at 11:20 a.m.

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

**RESOLVED to adopt the amended consent agreement for
case #2013-001736. The Board will suspend \$3700.00 of the**

\$5000.00; fee due is now \$1300.00 and the Board would like to allow up to 180 days for payment.

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

RESOLVED to enter a default order for CPA #734 (case #2012-001544) in accordance with AS 44.62.530 and the decision and order presented by the Division. This action will revoke the license.

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

RESOLVED to approve the waiver request for case #2012-001554 under AS 08.04.425 with no agreement required.

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

RESOLVED to have staff prepare a disciplinary consent agreement for case #2012-001019. The Board reviewed the documentation provided and noted that the AK ethics course was taken outside of the required licensing period.

***Ms. Brewer-Tarver recused herself from voting on this file.**

Upon a motion duly made by Ms. Brewer-Tarver, seconded by Mr. Rulien, and approved unanimously, it was:

RESOLVED to have staff prepare an updated consent agreement for prior case #2010-000662 for non-compliance with this agreement. The Board will waive the suspended portion of the fine (\$2500.00) from the original agreement due to hardship. The new agreement will assess an \$1100 fine for hours lacking on the 2010/2011 renewal (\$600.00 fine for the shortage/duplicate submission of AK ethics hours + \$500.00 for falsification of the application). It was noted that an additional AK ethics course was taken 6/2012, so the Board will suspend the \$1100.00 in the new agreement. The Board will also require an additional mandatory audit.

Upon a motion duly made by Ms. Brewer-Tarver, seconded by Mr. Chapman, and approved unanimously, it was:

RESOLVED to approve removal of the reprimand section of the agreement in case #2012-001561 due to hardship.

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

RESOLVED to adopt the consent agreement for case #2012-001550 pending receipt of the original.

Upon a motion duly made by Mr. Horton, seconded by Ms. Brewer-Tarver, and approved unanimously, it was:

RESOLVED to adopt the consent agreement for case #2012-001563 with no reduction in the fine amount.

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

RESOLVED to adopt the consent agreement for case #2012-001587/OAH 13-1076-CPA.

Upon a motion duly made by Mr. Horton, seconded by Ms. Brewer-Tarver, and approved unanimously, it was:

RESOLVED to adopt the consent agreements for case #'s: 2012-1567, 2012-001547, 2012-001018, 2012-001138, 2012-001555, 2013-1838, 2012-001010, 2012-001565, 2012-001135, 2012-001562 and 2013-000574.

Upon a motion duly made by Mr. Horton, seconded by Ms. Brewer-Tarver, and approved unanimously, it was:

RESOLVED to adopt the license surrenders for case #'s: 2012-001586, 2012-001016, 2013-000576, 2012-001566, 2012-001133.

Agenda Item 17 – Application Review

Upon a motion duly made by Ms. Brewer-Tarver seconded by Mr. Chapman and approved unanimously, it was:

RESOLVED to approve the firm permits for: WaineBrandt, LLC, Alpine Accounting, LLC, Cindy Shilling, CPA PC and John W. Clonan Jr., CPA PC.

Upon a motion duly made by Mr. Rulien seconded by Ms. Brewer-Tarver, and approved unanimously, it was:

RESOLVED to approve the Out-of-State Permit applications of Caldwell and Company and Novogradac & Company LLP.

Upon a motion duly made by Ms. Brewer-Tarver seconded by Mr. Chapman, and approved unanimously, it was:

RESOLVED to approve the reinstatement applications of Jeffrey Wood and Michael Weber.

Upon a motion duly made by Ms. Brewer-Tarver seconded by Mr. Chapman, and approved unanimously, it was:

RESOLVED to approve Douglas Charley Jr., Aurelie Denis, Scott Edwards, Nargiz Hasanova, Sheila Hill, Junrong Huang, Carmen Jackson, Pelagia Kaza, Krishnan Sharmila, Emin Mammadov, Gunel Mammadova, Alyssa Neubauer, Shusuke Takeuchi, Xinghua Wang and Aizhan Zainelova for licensure by exam.

Upon a motion duly made by Ms. Brewer-Tarver seconded by Ms. Thompson and approved unanimously, it was:

RESOLVED to approve the CPE documents for the 2012/2013 mandatory audit submitted by Mr. Resende (Case #2012-001555) and Mr. Lawlor (Case #2012-001587/OAH #13-1076-CPA).

Agenda Item 18 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- February 3-4, 2014 in Juneau
- May 1-2, 2014 in Anchorage *2 full days
- August 7-8, 2014 in Fairbanks

Items For Next Meeting:

- Keep UAA updates on February 2014 agenda
- CPE sanction/fine matrix review with new paralegal
- Elections

Sign Wall Certificates

- Hakan Ozacar #2674
- Stanislav G. Mishin #2675
- Nihad F. Azizli #2676

- Jessica A. Nutley #2677
- Petr Vasek #2679
- Hongmei Li #2680
- Akiyo Takashima #2681
- Cynthia W. Brandt #2683
- John W. Clonan Jr. #2684

Task Lists

Cori Hondolero:

- Send letter to licensees under mandatory audit with CPE reporting form
- Draft letter for Jeff's signature re: ALD project
- Draft letter to NASBA re: release of agenda's further in advance
- Contact James Suh (NASBA) re: AK resident exam statistics
- Draft letter for Jeff's signature re: UAA firm mobility changes
- Draft letter for Jeff's signature to Chief Warren re: making sure that Investigator Kennedy is trained to prepare historical case reports for posting on the Boards website
- Request future IT enhancement to allow for electronic submittal of documents
- Request that PDF copies of past actions be available on the Division's website – either linked to the main license search or via a list on the Board's website

Ms. Thompson:

- Work with Mr. Chapman on license period issue. Identify all required statute/regulation changes.

Ms. Brewer-Tarver:

- Create template for CPE case history tracking.

Donovan Rulien:

- 1 page summary outlining the differences between the UAA and Alaska statutes/regulations.

Craig Chapman:

- Work with Ms. Thompson on license period issue. Identify all required statute/regulation changes.

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

RESOLVED to adjourn the meeting.

There being no further business, the meeting adjourned at 12:53 p.m.

Respectfully Submitted:



Cori Hondolero
Executive Administrator

Approved:



Jeffrey L. Johnson, Chair
Alaska Board of Public Accountancy

Date: 2/3/14