

**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, 2016**

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled teleconference meeting of the Board of Public Accountancy was held November 7-8, 2016.

**Monday, November 7, 2016**

**Call to Order/Roll Call**

The meeting was called to order by Don Rulien, Chair, at 8:31 a.m. Those present, constituting a quorum of the Board were:

Donovan Rulien II, CPA – Anchorage  
Jeffrey Johnson, CPA – Fairbanks  
Karen Brewer-Tarver, CPA – Juneau  
Leslie Schmitz, CPA – Anchorage  
Wayne Hogue, Public member – Kotzebue  
Craig Chapman, CPA - Kenai

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

Cori Hondolero, Executive Administrator  
Janey Hovenden, Director (agenda item #8)  
Sara Chambers, Operations Manager (agenda item #8)  
Greg Francois, Investigator III (agenda item #7)  
Sonia Lipker, Investigator III (agenda item #7)  
Amber Whaley, Investigator II (agenda item #7)

Visitors present included:

Amy Cooper, CPA, representing the Alaska Society of CPAs (ASCPA)  
**Agenda Item 1 – Review Agenda**

There were no changes to the agenda.

### **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 August 2016 meeting.

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

**RESOLVED to approve the minutes of the August 18-19, 2016 meeting as written.**

The Board all gave brief introductions for the new Board member (Mr. Hogue) and also provided a quick summary of some of the commonly used acronyms and recent topics of interest. Mr. Johnson provided a brief summary of the attest function and peer review. Audit/review = attest function and those firms/individuals doing the attest function are required to undergo peer review every three years.

The Board asked about the status of the request for AICPA assistance in drafting statute changes. Ms. Hondolero stated that nothing had been received yet and she would follow up with AICPA staff after the meeting.

### **Agenda Item 4 – Public Comment**

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

### **Agenda Item 6 – NASBA Updates**

#### **Conferences**

##### **Annual Meeting**

Ms. Schmitz was able to attend via NASBA scholarship and Ms. Hondolero was also approved to attend. Topics discussed at the annual meeting included:

- CPA exam is changing; update on status
- Discussion about the evolution of peer review
- Breakout session with Pacific region Boards
- Breakout sessions for Board staff and Board member(s)
- Update on education/accreditation -- AK had many foreign applicants
- Info on CPE changes (nano & blended learning)
- UAA model rules; request that Boards adopt code of conduct

#### **Committees**

Mr. Johnson – Legislative Support Committee – was re-appointed to this committee. No activity since the last Board meeting.

Mr. Rulien –Uniform Accountancy Act (UAA) committee – was re-appointed to this committee. They have most recently been discussing international pathways to licensure and the 18 month expiration date on exam scores; with the new exam, there may be a need to extend this to a 24 month window.

Ms. Schmitz – CBT Administration Committee – was re-appointed to this committee. Mostly the committee has been communicating through e-mail and Ms. Schmitz noted that there was an upcoming webinar about the new exam.

The Board asked about HB187 language for possible work on a proposed bill in the future. Ms. Hondolero was asked to send HB187 information out to the Board.

### **Agenda Item 7 – Investigative Report**

The Board reviewed the draft fine matrix (drafted by dept. of law). It was noted that there should be guidelines for unlicensed practice; both non-attest (tax preparer) and not licensed in AK, but licensed outside the State. There was also discussion about cutting the matrix down to only the types of cases that are seen most frequently.

The Board asked Ms. Hondolero to pull case history from the last 2-5 years and create a table/summary including the following data: case #, type of case, fine amount, suspended amount, terms (probation, etc.) and the statute and/or regulation that was violated. The Board indicated that CPE matters should be excluded from this list. The Board will review and discuss at their February meeting.

### **Agenda Item 8 – Board Business**

#### **ED Report**

Ms. Hondolero had provided a report in the packet that included the following:

- 2015 Renewal – updated statistics (lapsed license lists were included in the meeting packet)
  - As of 10/28/16 the following are the lapsed figures (12/31/15)
    - Individuals 139
    - Firms 8
    - Out-of- State permits 22
- Travel
  - Ms. Schmitz and Ms. Hondolero were approved to attend the NASBA Annual meeting (summary provided to Board).

- Marijuana position statement – draft provided to Board in packet. The Board had some questions/comments about the draft and asked Ms. Hondolero to send the following questions to the assigned AAG:
  - Is the Board supposed to pick an option from the footnotes? Does it have to be printed as is or can the Board pick & choose what is listed? The Board likes footnotes 1 & 2.
  - Can the statement be amended to list AS (Alaska statute) before 17.38.010?
  - Is the intent that only pg. 1 be distributed/posted?
  - Can statute 17.38 be listed first? (this is reverse of current version)

### **Agenda Item 7 – Investigative Report**

Investigator Lipker, Investigator Francois and Investigator Whaley were present to provide the current report; for the period of July 31st through October 19th:

- 24 matters opened
- 7 files closed
- 25 matters remain open
- 1 licensee completed probation

Investigator Lipker stated that the recent increase in cases being opened was due to IRS/PTIN issues; she noted that she would be sending matters out for Board member review within the next few weeks. The Board asked the investigators to make sure that unlicensed practice gets reported to the IRS; this could be a circular violation.

The case summary that was included in the packet was based on the last two years, with the most common action being an advisement letter with no fine. Investigator Francois noted that the investigators can't provide advice on how to set the matrix guidelines.

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

**RESOLVED to accept the imposition of civil fine for case #2016-000109.**

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

Amy Cooper called in and let the Board know about the following AK Society activities:

- The annual meeting will be held in June in Seward

- The Society office is starting to get questions about CPAs working for marijuana businesses
- CPE classes are having low registration numbers, but the Society will still offer some classes in December

Mr. Johnson asked for a status update on the school of business within the University of Alaska (UA) system. Ms. Cooper stated that only UAA & UAF will have the school of business and UAS will be liberal arts. There is a new idea to offer a Masters of accounting; this is just in the discussion/idea phase and is a collaborative effort. There was some general phase one research completed on the university system this summer and a draft implementation report is out with suggestions like common course numbering across campuses.

Ms. Brewer-Tarver asked if the leadership academy would be continuing. Ms. Cooper stated that yes it is and participants attend over a two year period. New attendees meet for the first time at the annual meeting and then there is a class in December. This year there were 8 new participants and they are hoping for more next year.

Mr. Rulien asked about the number of new graduates who are accounting majors. Ms. Cooper noted that there were recently record numbers of accounting graduates. It was also noted that AICPA has good resources for high schools and colleges to encourage students to pursue accounting.

### **Agenda Item 8 – Board Business**

#### **Division Update**

Janey Hovenden, Director and Sara Chambers, Operations Manager called in to speak with the Board.

#### **Revenues/Expenditures**

Final FY16 data is still not available; should be coming out within the next couple of weeks. Once it is available it will be sent to staff to forward to the Board.

Mr. Johnson asked if the FY16 statistics were available. Ms. Chambers stated that there were some statistics already posted on to the main Division page. Ms. Hondolero stated that she would look for them and forward to the Board. Ms. Chambers did note that the full packet of information on FY16 was not ready yet, but according to the numbers the CPA program had 5% growth (70 new licensees).

#### **Fee Analysis**

Ms. Brewer-Tarver asked about the projected timeline for fee analysis (CPAs expire 12/31/17). Ms. Hovenden stated that fee analysis should start in June 2017 and that the Board could forward their recommendations before then.

#### Travel

Mr. Rulien asked about timeliness of reviewing travel requests and noted that recent requests had taken a long time. Ms. Chambers stated that she tries to clear requests from her desk weekly. Mr. Chapman asked if requests could be turned around within 2 weeks. Ms. Chambers indicated that sometimes requests take longer.

#### Staff Turnover

The Board wanted to note that their assigned investigator keeps changing and there is concern about the learning curve and time/expense for continually training new staff. Ms. Chambers noted that if the time was truly for training (such as CLEAR), then the time would be charged to all programs.

#### Legislation

Mr. Chapman wanted to discuss legislation that would allow fine revenue to be credited back to individual Boards; he noted that he can talk to Representative Chenault. Ms. Chambers stated that the Board can work with a legislator, but the Division would be not providing the draft language. Mr. Chapman asked if the Division supports this effort. It was noted that the Division would only become involved if it got to the bill phase and they were asked to testify.

Ms. Brewer-Tarver asked if the Division was aware of any group that was also interested in this topic or if there was any new legislation out there. Ms. Chambers noted that there were rumors of an interested legislator and she would reach out to see if there was any information that she could share.

\*\*Ms. Chambers later provided information via e-mail with contact information for Representative Kito's office.

### **Agenda Item 9 – CPA Exam Surveys**

The Board reviewed the surveys that had been received and noted that only one had been received before the meeting and it was positive.

### **Agenda Item 10 – Test Site Visit**

The Board discussed and decided to wait to do the Anchorage test site visit until the May face-to-face meeting when all members can be present and the newest member(s) are available to attend.

### **Agenda Item 14 – Correspondence**

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

The Board discussed peer review and wanted to find out if you are required to be an AICPA member to participate in the peer review program. Ms. Brewer-Tarver was able to confirm that you do not need to be an AICPA member to participate.

The meeting was recessed at 3:08 p.m., until Tuesday, November 8, 2016.

**Tuesday, November 8, 2016**

**Call to Order/Roll Call**

The meeting was called to order by Don Rulien, Chair, at 8:30 a.m. Those present, constituting a quorum of the Board were:

Donovan Rulien II, CPA – Anchorage  
Jeffrey Johnson, CPA – Fairbanks  
Karen Brewer-Tarver, CPA – Juneau  
Leslie Schmitz, CPA – Anchorage  
Wayne Hogue, Public member – Kotzebue  
Craig Chapman, CPA – Kenai

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:

Amy Cooper, CPA, representing the Alaska Society of CPAs (ASCPA)  
Rhen Stevens, representing himself

**Agenda Item 11 – Review Agenda**

There was one addition to the agenda; add 9 am discussion about the draft marijuana policy with AAG Megyn Greider.

**Agenda Item 12 – Public Comment**

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

**Agenda Item 13 – Regulation/Statute Projects**

The Board noted that the regulation project adopted at the August meeting was currently under review by dept. of law.

There was discussion about potential projects for the future. Attest; should the Board adopt the UAA definition or adjust for compilation. This would impact non AICPA members doing compilations.

The Board is curious about the firms that do peer review and asked Ms. Hondolero to ask the Society if they can share statistics on peer review from CalCPA.

### **Agenda Item 8 – Board Business**

Megyn Greider, AAG from Dept. of Law joined the meeting to discuss the draft marijuana position statement.

The Board went through the statement section by section asking questions and making minor edits. Some of the footnotes were added into the body of the statement. Ms. Greider indicated that she would make the requested edits and send a final copy to Ms. Hondolero. The Board thanked Ms. Greider for attending and for her work on the position statement.

### **Agenda Item 13 – Regulation/Statute Projects**

The Board returned to their discussion on peer review for compilations (if included in attest definition). Mr. Chapman stated that he thinks small firms will disappear in the long run if compilations will require peer review.

Ms. Hondolero was requested to add the following items to the draft project being prepared by AICPA:

- Repeal AS 08.04.580-.598 and add draft language from prior AICPA recommendation
- AS 08.04.660 – have AICPA add draft language from prior AICPA recommendation; the Board can then decide whether to use it or not
- AS 08.04.662 – add (6) from AICPA past recommendation
- AS 08.04.680 (20) – update using suggested AICPA recommendation
- AS 08.04.120 – delete 2 year requirement reference; this can be defined in the regulations

Mr. Chapman had provided an overview of the recent CPE changes in the meeting packet and it was noted that the regulations may need to be updated later.

**Agenda Item 15 – Application Review**

There was Board discussion about doing file review paperless in the future (as requested by the Division). It was decided that the Board would try some file reviews this way for the February meeting. Ms. Hondolero will prepare PDF file copies for all firms, out of state permits and exam issues. Two Board members will be randomly assigned to each file and they will be sent out via ZendTo in advance of the meeting.

The Board completed application review and took the following action:

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

**RESOLVED to approve the firm permits of Kerr McVey Sheaffer & Associates P.C. and SG CPA's, PC.**

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

**RESOLVED to approve Taylor Allen, Grant Breager and Beau McClain to sit for the CPA exam.**

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

**RESOLVED to approve Maria Borisevich's request for extension of FAR score; FAR score will be extended to February 28, 2017.**

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

**RESOLVED to approve Manjiree Pirangute's request for extension of FAR score; FAR score will be extended to end of November 2016.**

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

**RESOLVED to approve the reinstatement applications of Karen Heinrichsohn, Rustamzhan Sattarov and Turgunboy Tokhirov.**

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

**RESOLVED** to approve Justin Bledsoe, Tai-Hui Chiu, Zhi Dou, Teresa Fair, Sheik Atif Farooq, Vladimir Fesenko, Niranjana Hariharan, Alexander Jackson, Jian Jia, Jun Jiang, Altaf Kasmani, Poh Yien Mar, Amber-Rae McCampbell, Mahesh Muthyala, Nicole Neeson, Laura Patin, Christon Petersen, Ksenia Polikakhina and Hongli Xiong for licensure by exam.

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

**RESOLVED** to approve the Out-of-State permit of Sockeye Blue, LLC.

### **Agenda Item 8 – Board Business**

The Board reviewed the updated draft marijuana position statement from AAG Megyn Greider.

Upon a motion duly made by Mr. Johnson, seconded by Mr. Chapman, and approved by a quorum of the Board (via roll call vote), it was:

**RESOLVED** to adopt the updated marijuana position statement as drafted.

#### **Roll Call Vote**

Mr. Chapman – Yes  
Mr. Hogue – Yes  
Mr. Johnson – No  
Ms. Schmitz – Yes  
Ms. Brewer-Tarver – Yes  
Mr. Rulien – Yes

\*copy attached

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

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

- February 8-9, 2017 Juneau (late start on 2/8/17)
- May 11-12, 2017 Anchorage
- August 3-4, 2017 Fairbanks

#### **Sign Wall Certificates**

- Taylor Mahan #110582
- Lifei Jiang #110601
- Meri Mainwaring #111024
- Melissa Jay #111105
- Rachel Bogard #111148
- Amin Mohamed Char #111766
- Sarradha Ravindran #111767
- Jesse Carpenter #111907
- Dmitry Petrishak #112082
- Denise Singery #112356
- Todd Albaugh #112574
- Kristine Morlock #112597
- Tiffany Hoogerhyde #112767
- Lida Tapias Hernandez #112778
- Ivan Gulevaty #112846
- Travis Dosser #113404
- Candace Crews #113411
- Tony Sleiman #113412
- Jennifer Youngberg #113421
- Syed Kazmi #113427
- Gregory Bonitatibus #113428
- Cesare Suardi #113429
- Lingjian Lu #113440
- Colin Olnier #113508
- Nicole Herbert #113547
- Anvarkhon Azamov #113570
- Tiara Renee Bergeron #113594
- Matthew Parris #113786
- Samuel Strobe #113788
- Kimberly Henkel #113840
- Anders Nostdahl #113917
- Victor Schinzel #113920
- Julie Odegard #114052
- Peter Gaunt #114257
- Premugh Bose Evans Dicruz #114521
- Stacey Paul #115143

### Task List

#### Cori Hondolero

- Follow up with AICPA on the status of the draft statute updates and ask for a couple more changes (noted in minutes)
- Pull data on last 2-5 years of Board actions (non-CPE related)
- Get updated Board ID cards

- Inquire with AK Society to see if they are getting questions about CPAs working for marijuana businesses & the types of questions they are receiving
- Forward AK Society of copy of the AICPA practice continuation article
- Let AK Society know that Boards & Commissions is looking to fill 2 open CPA seats on the Board; anyone interested can apply directly to Boards & Commissions via their online application.
- Ask Society if they can request peer review statistics from CalCPA.

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

**RESOLVED to adjourn the meeting.**

There being no further business, the meeting adjourned at 11:54 a.m.

Respectfully Submitted:



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Cori Hondolero  
Executive Administrator

Approved:



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Don Rulien, Chair  
Alaska Board of Public Accountancy

Date: \_\_\_\_\_

3/8/17