

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

**BOARD OF PUBLIC ACCOUNTANCY**

**MINUTES OF MEETING**

**February 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 meeting of the Board of Public Accountancy was held February 7-8, 2019.

**Thursday, February 7, 2019**

**Call to Order/Roll Call**

The meeting was called to order by Jeff Johnson, at 10:46 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA – Anchorage  
Donovan Rulien II, CPA – Anchorage  
Jeffrey Johnson, CPA – Fairbanks  
Karen Brewer-Tarver, CPA – Juneau (telephonic)  
Wayne Hogue, Public member – Kotzebue  
Marja Beltrami, CPA – Anchorage  
Karen Smith, Public member – Anchorage

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 #7)  
Marylene Wales, Accountant III (agenda item #8)  
Sharon Walsh, Deputy Director (agenda item #8)

Visitors present included:

Marjorie Kaiser, representing the Alaska Society of CPAs (AKCPA)  
Bernadette Kopyy, representing the Alaska Society of Independent Accountants (ASIA)

**Agenda Item 1 – Review Agenda**

It was noted that Mr. Johnson had agreed to chair the meeting, as Ms. Brewer-Tarver was not able to attend in person, due to weather/flight issues. Ms. Smith stated that she would need to leave the meeting around 3 pm on Thursday.

### **Agenda Item 3 – Review Meeting Minutes**

The Board reviewed the minutes of the last meeting.

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

**RESOLVED to approve the minutes of the November 15-16, 2018 meeting as written.**

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

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

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

Ms. Kaiser, was present to let the Board know about the following AK Society activities:

- Legislative committee happy to work with Board on next project
- NOCLAR came up; Society will be waiting to hear more about this and if it is really going to happen
- Interested in discussion about 150 hour requirement for licensure
- Five Paul Hagelbarger memorial scholarships awarded
- Upcoming CPE Anchorage & Fairbanks
- Society Board nominations closed
- 2019 annual meeting will be held at Alyeska May 29-31 \*business meeting on 5/31/19
- Continuing to work on CPE schedule
- WA/OR/ID/AK conference August 2, 2019 in Bellevue, WA – Brews & Buds
- Applications being accepted for the next leadership academy

### **Agenda Item 2 – Ethics Report**

It was determined that there was nothing to report.

### **Agenda Item 6 – CPA Exam**

The Board reviewed exam surveys from the last test window and noted that there were complaints about the heat at the Fairbanks test site. The Board

wanted to make sure that NASBA was aware of the heat concerns at the Fairbanks test center.

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

#### **ED Report**

Board appointments - Karen Smith (re-appointment) and Wesley Tegeler, CPA (new appointment) have been forwarded to the legislature for the confirmation process.

Travel – Hondolero approved to attend the ED conference on scholarship. There are new travel restrictions/policies in place that are likely to impact both regular Board meetings and out of state travel requests in the future.

AKCPA – The Board has been requested to participate at the Society annual meeting on May 30<sup>th</sup>. This may be a panel discussion and/or roundtable style with Board members assisting.

#### **Fees**

Mr. Johnson had reviewed the fee proposal and provided an outline to the Board. It was noted that the projections were done using FY17 data, not FY18 data and now expenses are higher (\$60k higher) and the Division's proposal would be a slight fee reduction. Mr. Johnson proposes not changing fees at this time, as indirect expenses for the current fiscal year are not currently known, but may increase (as they have in past years). With the unknown impacts of firm reciprocity in the future, there could be revenue impacts.

Ms. Kaiser asked what happens to any surplus – does it stay with the Board or does it roll in to the general fund. It was noted that any surplus would stay with the Board and could be the basis for fee reduction in the future. Ms. Brewer-Taver noted that she agreed that costs are likely to go up and it would be best to leave the fees alone for now.

#### **Travel**

Ms. Schmitz stated that it is very important for the Board to participate on the national level. Ms. Beltrami noted that the issue of deregulation has been discussed by the NASBA committee that she sits on and this may be part of that movement.

The Board agreed that it is important to keep making travel requests as outlined in the annual report, regardless of current State policy; the Board must still try to stay current on national trends. Ms. Beltrami noted that she could attend the Western Regional meeting if Ms. Brewer-Tarver was not able to. New members can attend their first regional meeting on scholarship.

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

**RESOLVED to request to send Ms. Hondolero and one seasoned Board member to the Western Regional meeting and to also send the new member (on scholarship), if he is available.**

May meeting – the Board talked about a work session with James Cox (AICPA) on May 29, morning participation at AKCPA annual meeting on May 30 with the possibility of conducting some regular Board business in the afternoon and regular Board meeting business on May 31. It was noted that a letter from the Society might be good to have in case it is helpful to Division management when they are reviewing the travel/meeting request.

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

The Board had some time and decided to review the imposition of civil fine documents that were uploaded to OnBoard for review.

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

**RESOLVED to accept the impositions of civil fine for cases #2018-000783 and #2018-000777.**

### **Agenda Item 9 – NASBA Updates**

#### **Committees**

Ms. Schmitz – CBT Administration Committee – teleconference in January that she was not able to attend. Committee working on technical cleanup, nothing major happening right now.

Ms. Beltrami – Legislative Support Committee – teleconference meeting tomorrow morning. The committee's main focus has been anti regulation legislation. NASBA is working on advocacy tool kit to help outline how important Boards/regulation are. This tool kit will be provided to all Boards once it is complete. SB11 regarding temporary courtesy licensing on NASBA radar for AK.

Mr. Rulien –Uniform Accountancy Act (UAA) committee – haven't met recently.

### **Agenda Item 15 – Administrative Business**

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

- May 29-31 in Anchorage

- August 1-2, 2019 in Fairbanks

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

The Board reviewed the list of statute/regulation topics on the agenda and it was agreed that Ms. Brewer-Tarver would work with Ms. Hondolero to update it.

Ms. Beltrami noted that the Board will want to include AK Universities if the Board is considering changes to the educational requirements and indicated that she would be willing to reach out to some faculty at the University of Alaska Anchorage.

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

Investigator Akers was present to provide the investigative report.

The report included in the packet was dated January 15, 2019 and covered the period of October 31, 2018 through January 15, 2019. During this period two matters were opened and eleven matters were closed. Twelve matters remain ongoing/open.

Investigator Akers recapped the main investigative process for the Board: Intake/inquiry → Complaint → Investigation.

The Board noted that they had already voted to adopt the two matters prepared for their review and thanked investigator Akers for the report. Ms. Akers indicated that investigations had a PowerPoint prepared if it might be of interest to the Board; the Board agreed that with a new member at the next meeting, it would be good to have an investigative overview.

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

The Board returned to their discussion about education and 120 vs 150 hours to qualify for licensure. The Board decided that maybe it would be best to review the requirements for an “accounting concentration” as part of the process.

Ms. Brewer-Tarver indicated that the breakout list of UAA changes that she had created (marked A-Q) would be the document to reference when reviewing changes.

There was discussion about peer review and it was noted that if under peer review, compilations are reviewed anyway. Mr. Johnson asked if a firm was not an AICPA member, do they only do compilations. It was decided to ask AICPA for assistance with updating draft language for adopting the full definition of attest. Mr. Johnson noted that when items are in written form, they provide better discussion.

It was noted that the peer review oversight committee might not apply to Alaska in the same way, since the Board/State do not maintain the peer review contract. Ms. Schmitz asked if the Society was the oversight committee.

Discussion about accreditation and the Board indicated that they are ok with adding additional language as long as the University of Alaska would still qualify.

Section D – verification of work experience. No changes at this time; UAA does not require the verifying CPA to be the supervisor.

Section E – Substantial equivalency. Mr. Johnson stated that he would leave this section alone. Ms. Brewer-Tarver noted that UAA wording is different from what Alaska currently has in place. It was decided to request that AICPA update this section with UAA language and then the Board could review and decide.

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

#### **Revenue/Expenditures & Fees**

Marylene Wales, Accountant III called in to speak with the Board and Deputy Director Walsh was also in attendance.

Ms. Wales went over the FY19 second quarter report with the Board. Ms. Schmitz asked about total expenses and if the Division projects the balance to be closer to zero at the end of the fiscal year. Are indirect expenses expected to increase? because that has been the historical trend.

Fees – Mr. Johnson asked why FY17 data was used for creating the current fees calculation. There should be available data on projected units for the period of 1/1/17-12/31/18 that could be used to calculate fees using more current data. Ms. Wales noted that the draft fees were created using the excel sheet that had been provided to the Board and that the Board could adjust the numbers in the excel sheet and provide its own recommendations to the Division.

Ms. Hondolero asked if Ms. Wales could address travel changes or if the Board should wait and have other Division staff address that topic. Ms. Wales indicated that she could not address travel questions.

The Board thank Ms. Wales for her time and wanted to note the Board was happy to have the draft fees early in the renewal year to review. It was noted that the Board would finalize their recommendation and forward it to the Division.

There was additional Board discussion about how the May meeting should be structured. It was decided that 5/29 should be a work session (members travel in that day), 5/30 the Board could participate with the State society and potentially conduct regular Board business if time allowed and 5/31 would be regular Board business (members travel out that day).

**Upon a motion duly made by Mr. Rulien, seconded by Mr. Hogue, and approved unanimously by the members present, it was:**

**RESOLVED to recommend that fees be left alone for this renewal cycle; the Board will revisit for the next renewal cycle if there is a surplus.**

The Board noted that they would monitor fees closely in the future and does not intend to leave a large surplus on the table. The Board will recommend a fee reduction for the 2021 renewal if necessary.

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

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

It was noted that there are always items of interest in this section. There was a highlight on peer review, CGMA issue and AICPA provides their drop list.

Ms. Brewer-Tarver and Ms. Hondolero will work on a bullet point list of items to include in a future newsletter, such as list of new licensees and exam statistics.

The meeting was recessed at 4:23 p.m., until Friday, February 8, 2019.

#### **Friday, February 8, 2019**

#### **Call to Order/Roll Call**

The meeting was called to order by Jeff Johnson, at 8:34 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA – Anchorage  
Donovan Rulien II, CPA – Anchorage  
Jeffrey Johnson, CPA – Fairbanks  
Karen Brewer-Tarver, CPA – Juneau (telephonic)  
Wayne Hogue, Public member – Kotzebue  
Marja Beltrami, CPA – Anchorage  
Karen Smith, Public member – Anchorage

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

Cori Hondolero, Executive Administrator  
Jun Maiquis, Regulations Specialist (agenda item #13)

Visitors present included:

Marjorie Kaiser, representing the Alaska Society of CPAs (AKCPA)  
Bernadette Kopyy, representing the Alaska Society of Independent Accountants (ASIA)

### **Agenda Item 10 – Review Agenda**

No updates to the agenda were made.

### **Agenda Item 11 – Public Comment**

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

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

The Board stated that they wanted to open the May meeting with a work session to really make progress on language for the next bill. The Board was hopeful that by the May meeting, they would have some draft language from AICPA to review and work from.

There was additional discussion about compilation and that it is sort of a report. Sometimes banks will accept these reports. There is no engagement letter, but you can print financial statements out of quick books. Ms. Schmitz noted that compilations have been elevated as part of attest and maybe these should now be included.

The Board moved on to review the different sections (A-Q), as listed on the sheet prepared by Ms. Brewer-Tarver.

Section P – Look at definition of report; special knowledge. Remove non SSARS wording because it's for non-licensees.

Section J – Ms. Beltrami had provided the Board two suggested options; the Board liked the alternate option.

Section B – Attest – move to full UAA definition; 3 statutes/1 regulation section impacted. Board could choose to exclude comps from peer review, but this might hurt the firm if not required with regards to mobility.

Section O – Ms. Beltrami had provided a draft for the Board to review; use this draft.

Section N – It was noted that update to this section was attempted previously. Feedback received was regarding payment and the section was removed from the last bill. Ms. Kaiser noted that work papers don't have to be turned over for non-payment or if the work is incomplete; too broad to require turnover of work without protections. The Board requested some clarity on this from AICPA. The end product is clients, but the formulas/scripts belong to the CPA.

There was discussion regarding the use of completion/completed in the definition. Mr. Johnson stated maybe this could be clarified by regulation. Another idea was to add clarification in the engagement letter. Ms. Brewer-Tarver asked to have AICPA draft; Mr. Cox can explain why and the Board can discuss. Mr. Johnson asked for the explanation to be in writing. Mr. Rulien asked for clarification regarding full data vs PDF being released to client. The Board would like AICPA to address incomplete work papers – what is their response to receipt of incomplete work? What definition do they use for what is part of client records? Excel, PDF, other software held by CPA. How does non-payment come into play? Ms. Brewer-Tarver also noted that the code of conduct contains information on this topic.

Section G – Reciprocity with other states. Repeal or leave as is? The Board reviewed AS 08.04.195 and decided to repeal (a)(3) and (a)(4).

Section C – Board noted that they would need to get AK universities involved before making this change. Ms. Beltrami indicated that she was willing to contact University staff to initiate dialog. Have AICPA update for Board review/discussion.

Section D – No change requested.

Section Q – Request update to current UAA definition.

Section A – Peer Review. Request update; compilation issue still undecided.

Section E – Substantial equivalency. Have AICPA draft, then the Board can review and discuss with AICPA to understand changes.

Section F – 120 vs 150 to sit for the exam. Remove reference to public accounting, so it mirrors the licensure requirement definition of experience. Must directly supervise – not just be verified by a CPA. AS 08.04.150(1)(A) add “or” so it's clear that there are three options under section (1).

Section H – Request that AICPA break this out by section; will be easier to review/understand.

Section I – Firm mobility – request draft language.

Section K – Adds some additional items; no change requested.

Section L – Adds actions; request that this section be drafted.

Section M – Request that this section be drafted.

Mr. Maiquis called in to the meeting to discuss the current regulations project with the Board.

It was noted that only one comment had been received; the Board reviewed that comment and noted that they would respond to the email and clarify that the intent is for the CPA with supervisory responsibility verify that the work experience meets the requirements of 12 AAC 04.180.

**Upon a motion duly made by Mr. Rulien, seconded by Mr. Hogue, and approved unanimously by the members present, it was:**

**RESOLVED to adopt the regulations as public noticed with no changes.**

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

**RESOLVED to elect Ms. Schmitz to serve as secretary/treasurer of the Board.**

Ms. Schmitz wanted to thank Mr. Johnson for his years of service on the Board and for the work that he always did regarding budget/fee analysis. Mr. Johnson indicated that he would still be happy to help with any future questions that the Board might have.

Ms. Beltrami provided a summary of information from her NASBA committee teleconference.

- Work with State Society; make sure their legislative committee is up to date
- Federal level bill has gone through re-writes; a little better and has momentum
- AICPA in contact with State Societies – make sure that spring council members are well versed
- Toolkit being prepared; will share once it is complete

- 2 antitrust committees at federal level – States should make sure that they know who their legislators/representatives are. Those names are also collected by NASBA
- SB11 active in AK; Board should review for possible impact

### **Agenda Item 12 – Application Review**

Ms. Brewer-Tarver did not participate in application review due to telephonic participation.

The Board members present completed application review and took the following action:

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

**RESOLVED to approve Abhijay Bani’s request for extension of REG score until 1/10/19.**

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

**RESOLVED to approve the Out-of-State firm permit of Loveridge Hunt & Co PLLC pending confirmation from the WA Board that the firm is in compliance with their peer review/consent agreement requirements.**

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

**RESOLVED to table the application for licensure by exam of Cassandra Wilhelm. Evaluation of education earned at a college/university that is not regionally accredited required.**

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

**RESOLVED to deny Sayed Ali Alawi’s request for extension AUD score; 12 AAC 04.200(i) credit not lost due to circumstances beyond applicant’s control.**

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

**RESOLVED to deny Saif Hawari's request for extension of FAR score; 12 AAC 04.200(i) credit not lost due to circumstances beyond applicant's control.**

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

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

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

**RESOLVED to deny Ali El Rida Mohammad Khraizat's request (3<sup>rd</sup>) for extension of BEC & 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. Rulien, and approved unanimously, it was:**

**RESOLVED to accept the amended consent agreement for case #2018-000607.**

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

**RESOLVED to accept the consent agreement for case #2018-001416.**

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

**RESOLVED to accept the consent agreement for case #2019-000036.**

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

**RESOLVED to approve the firm permit of Mary Jo Pruzenski CPA, LLC.**

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

**RESOLVED to approve the Out-of-State firm permit of Katz, Sapper & Miller LLP.**

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

**RESOLVED to approve Mary Ferguson and Jennifer Putnam for licensure by reciprocity.**

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

**RESOLVED to approve Ahmad Alyousuf, Khuraman Bayramova, Sana Britto, Jin Yeong Chi, Andrew Cornelius, Karen Courtney, Klint Ferris, William Gray, Gregor Gruenthaler, Gaylene Huntington, Rochelle Mascarenhas, Charmine Ng, Vladyslav Osadchyy, Jinita Patel, Casey Peterson, Heather Porter, Marissa Riopelle, Nehma Sleiman, Oksana Sofron, Victoria Stutzke and Helena Wong for licensure by exam.**

**Agenda Item 15 – Administrative Business**

**Sign Wall Certificates**

- Lyssa Kemper #127331
- Melvin George #128269
- Lalith Hariharan #128552
- Sampada Sane #133320
- Vikas Arora #133814
- Amanda Redinger #137039
- Jordan Whitehorn #137103
- Siva Sai Hari Neti #137141
- Yin-Fang Liao #137540
- Aron Panikian #137544
- Spencer Stewart #137545
- Yulia Uchaeva #137715
- Kayla Wisner #137736
- Alyssa Larsen #137815
- Monica Reid #138022
- Nada El Saadi #138024
- Tamara Barklem #138120
- Alyssa Klaameyer #138219
- Joseph Johnson #138237
- Mitchell Tacata #138515
- Elise Flayhan #139244
- Adam Tebow #139245

- Sarah Bolin #139319
- Ishan Bansal #139447
- Taylor Newhouse #139448
- Matthew Dodd #139912

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

**RESOLVED to adjourn the meeting**

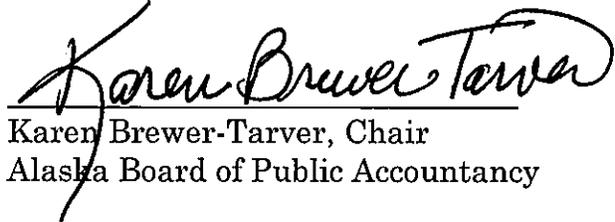
There being no further business, the meeting adjourned at 1:29 p.m.

Respectfully Submitted:



Cori Hondolero  
Executive Administrator

Approved:



Karen Brewer-Tarver, Chair  
Alaska Board of Public Accountancy

Date: 5/20/19