

**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 12-13, 2015**

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 12-13, 2015 in Anchorage Alaska.

**Thursday, November 12, 2015**

**Call to Order/Roll Call**

The meeting was called to order by Karen Brewer-Tarver, Chair, at 8:29 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  
Andre Horton, Public member – Anchorage  
Leslie Schmitz, CPA – Anchorage  
Wayne Don, Public member – Eagle River  
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  
Sara Chambers, Operations Manager (agenda item #6)  
Greg Francois, Investigator III (agenda item #7)  
Alvin Kennedy, Senior Investigator (agenda item #7)

Visitors present included:

Rebecca Martin, CPA, representing the Alaska Society of CPAs (ASCPA)  
Carol Anderson, representing Mikunda Cottrell Accounting & Consulting

**Agenda Item 1 – Review Agenda**

The Board reviewed the agenda and no changes were made.

### **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 most recent 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 July 30-31, 2015 meeting as written.**

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

Rebecca Martin asked about the status of the regulations package that had been sent out for public comment in the spring and was informed that the project was still with dept. of law for review. Ms. Martin stated that this is a hardship for those that have completed all licensing requirements except for the attest hours. She also noted that she would support the project being broken into two parts, so that some of the changes could be effective as soon as possible.

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

Rebecca Martin was present and let the Board know about the following AK Society activities:

- Attended the AICPA council meeting
  - NASBA mentioned that there are major exam changes coming including more analytical work and the exam being geared more to test reasoning.
  - They would be adding about 10 additional test days to each window.
- June 1-3, 2016 Annual Meeting in Anchorage
- More AK ethics courses had been added (4)
- More CPE classes before the end of the year

### **Agenda Item 6 – Board Business**

#### **ED Report**

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

- 2013 CPE case update

- 2 cases currently in the hearing process
  - Consent Agreements for Board review Friday 11/13
- 2015 Renewal
  - Online/paper renewals open
  - Online renewal will close 12/31/15 at midnight
- NASBA Annual Meeting
  - Johnson/Ruien/Hondolero attended; topics discussed:
    - Attended meeting with NASBA staff and their legal counsel regarding acceptance of foreign education/experience. They provided some additional guidance that is included in the meeting packet.
    - Next version of the CPA exam – exposure draft out for comment
    - Peer Review
    - \*Regional breakout session
    - Recognizing changes in education
- Foreign education evaluation
  - Leslie and Cori met with UAA staff and NASBA staff in September to discuss foreign evaluations and current differences/concerns with different providers. It was noted that the University of Alaska system (Anchorage, Fairbanks, Southeast) all accept different providers.

#### Peer Review

AICPA filters reports. Deficiencies are forwarded to State Societies (only for members). CalCPA contract with State Society; the contract is being reconsidered. Licensees are encouraged to provide the Society with feedback. The Board would like to confirm if the Society receives the reports and what they do with them. The Board asked Ms. Hondolero to find out about the AICPA ethics committee and how it works. How are Boards notified? Work with the State Society regarding peer review reporting.

#### Annual Meeting

Mr. Johnson noted the following from the Annual meeting:

- New test may take longer to grade; may need to adjust the regulations?
- AICPA request for comment; maybe the Board should send a response
- CGMA (Certified Global Management Accountant) – non CPAs can now be members of the AICPA; this has the potential to be very confusing/misleading to the public. NASBA gave strong feedback against this. This should be a watch item for the Board.
- There is a group trying to eliminate all Boards

The Board asked Ms. Hondolero to request the exam pass rate statistics for AK residents (those reporting AK Addresses).

### Division Update

The Board called Sara Chambers, Operations Manager.

### Revenues/Expenditures

Final FY15 financials were reviewed. Ms. Chambers noted:

- Increased non-renewal year revenue
- 3<sup>rd</sup> party reimbursement
- Investigative costs of \$53,691; down some from the prior year
- Line 71000 is staff costs, including investigator
- Line 73000 is legal costs
- Line 71871 – Board asked what this is and Ms. Brewer-Tarver explained it was from an Access table.

The Board stated that they still want the personnel breakdown for FY15 and for future reports. Ms. Chambers stated that she and Ms. Hondolero would follow up with Ms. Hewlett.

Mr. Johnson asked for a footnote reflecting fines/penalties that went to the general fund.

Ms. Chambers stated that the report to the Legislature from the Division would be out soon.

### Board proposed regulations

Ms. Chambers was asked for assistance with the project. Ms. Hondolero explained that the project could be broken in to two parts, so that the majority of the project could proceed, with the rest being kicked back to the Board for additional review/work.

The Board asked about how the AK ethics component would be handled if the changes were in effect before 12/31/15. Ms. Chambers stated that licensees are held to the standards in place, so if the change goes in to effect before the end of the licensing period, the AK ethics would not be required.

Ms. Hondolero stated that she would forward Ms. Chambers an e-mail itemizing the parts of the project that could be moved forward. Ms. Chambers agreed to follow up on the project as soon as she received the e-mail.

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

Investigator Kennedy and Investigator Francois were present to present the report. For the period of July 29<sup>th</sup> through November 6<sup>th</sup>:

- 5 files opened
- 3 files closed
- 1 open complaint
- 5 licensees on probation

Investigator Kennedy provided an overview of the investigative process in Alaska. He also noted that there seems to be a trend of tax preparers not returning documents. So far this has been able to be resolved with a phone call to the preparer from an investigator. It was also noted that for an investigation to be started the complainant must fill out a packet. The Board asked if the respondent is given the complainants name; the answer is not always.

Ms. Brewer-Tarver asked about how peer review issues are handled by investigations. Mr. Kennedy noted that these types of issues might be reported as 'yes' answers, but that he has never been sent any type of list from AICPA.

Ms. Brewer-Tarver also asked for a refresher for all Board members on how to handle inquiries from other licensees regarding investigative matters. Mr. Kennedy stated that Board members should not be speaking to anyone about investigative matters. Any inquiries should be sent back to investigations. If a Board member spoke with someone who has an ongoing investigative matter, they are likely to be considered tainted and would have to recuse themselves from voting on the matter. The reviewing Board member already has to recuse himself/herself.

The Board noted that they might work on creating a fine matrix in the future.

The Board attended a luncheon with the Alaska Society of CPAs at their office.

### **Agenda Item 8 – NASBA Updates**

#### **CPAES**

The Board reviewed a letter from NASBA on fraudulent education. The letter also included a link to a New York Times article with a list of fraudulent educational institutions.

There was also a draft policy and memo sample from NASBAs legal counsel with guidance on how the Board could address the issue of ACCA (Association of Chartered Certified Accountants; this certification assigns credit for non-traditional work outside the classroom at a higher rate than domestic colleges/universities.)

The Board discussed whether this guidance would require a regulation change or if making this a Board policy would work. There was discussion about 12 AAC

04.185(g) and if there should be a limit on hours that could be earned for internships (out of class hours); possibly a 4-6 hour cap.

The Board would like guidance from the Division and legal if necessary regarding the requirement to do a regulation change vs. adopting a policy like the one provided by NASBA.

For now, the Board would like to let NASBA know that they would like to follow the draft policy that was provided to the Board regarding the ACCA/Oxford Brookes educational credits.

#### Conferences

Annual Meeting, October 2015 - Ms. Hondolero, Mr. Johnson and Mr. Rulien attended. Outline of this meeting was included in the ED report.

ED & Legal Counsel conference in March 2016; new investigator will be eligible for a scholarship for first time attendance.

#### Committees

Mr. Johnson – Legislative Support Committee – no recent meetings

Mr. Rulien – Uniform Accountancy Act (UAA) committee – there is an exposure draft out now regarding ‘retired’ status.

Ms. Schmitz – CBT Administration Committee – recently appointed to this committee; no meetings yet.

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

The Board reviewed the surveys that had been received; only two were sent in. The Board requested that any problem surveys be forwarded to Pat Hartman with NASBA.

### **Agenda Item 10 – Regulation Projects**

The Board reviewed and discussed potential statute and regulation changes.

AS 08.04.080 discussed at least meeting; this may be the one statute change that the Board will try to get changed during the upcoming legislative session.

Mr. Johnson walked the Board through his draft edits regarding the definition of firm. Ms. Brewer-Tarver asked what the goal of all the changes is; Mr. Johnson stated that it would help provide clarity, but the changes are intermingled throughout all of the statutes/regulations.

The Board requested a word version of the statutes/regulations to make editing easier.

Ms. Schmitz stated that she would resend her code of conduct research (from a past meeting).

It was noted that the IRS does put out a list of people who were sanctioned.

Mr. Chapman will research self-reporting and will reach out to NASBA/AICPA.

AS 08.04.080 – Ms. Brewer-Tarver will take the lead on this.

The Board asked Ms. Hondolero to obtain a cost estimate for the last regulation public notice (multiple pages sent to each licensee vs. one page notice that could be sent if statute is amended). Ms. Martin (AK Society) noted that she could ask the Society to write a letter of support for the statute change when they meet in December.

### **Agenda Item 11 – Correspondence**

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

The meeting was recessed at 4:18 p.m., until Friday, November 13, 2015.

### **Friday, November 13, 2015**

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

The meeting was called to order by Don Rulien, Chair, at 8:32 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  
Andre Horton, Public member – Anchorage  
Leslie Schmitz, CPA – Anchorage  
Wayne Don, Public member – Eagle River  
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:

Ben Allison, representing himself  
Rafael Castaneda, representing Charlene Malapit

**Agenda Item 12 – Review Agenda**

There were no changes noted.

**Agenda Item 13 – Public Comment**

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

**Agenda Item 14 – CPE Audits**

The Board reviewed mandatory audits and CPE consent agreements and took the following action:

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

**RESOLVED to approve the following mandatory audits:**

- #535 Thomas Everett Bartlett
- #1285 Janice Heikkila-Walker
- #1599 Karl Swanson
- #1613 Sheila King
- #1619 Maureen Gannon
- #1656 Kiyonobu Ueda
- #1771 Carolann Stroup
- #1848 Duane Hirsch
- #1873 Lisa Lopez
- #2048 David McAlpin
- #2199 Minjie (Jeff) Tang
- #2286 Guowei Yin
- #2311 Tin Yun James Cheng
- #2342 Joseph Eve
- #2390 Duan Yang Chen
- #2394 Roberto Resende
- #2397 Stanislav Zolotarev
- #2490 Chikako Suzuki
- #1068 Barry McLaughlin

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



**RESOLVED to approve the mandatory audit of Koji Urano #2145, pending receipt of AICPA certificates (course listing is not sufficient).**

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

**RESOLVED to table the mandatory audit of Teri Kostka #2227; 40 hours from 2013 CIA are not available for use. Licensee can present additional CPE completed by 12/31/15.**

**Upon a motion duly made by Ms. Brewer-Tarver, 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 consent agreements.**

The Board entered executive session at 9:22 a.m.  
The Board went back on the record at 9:28 a.m.

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

**RESOLVED to accept the consent agreements as written for cases:**

- 2014-001710
- 2014-001714

The Board reviewed a question from a licensee regarding the Certified Internal Auditor (CIA) certification. The letter from the program indicates the certification is worth 80 total hours, but that 40 are to be counted in 2015 and the other 40 to be counted in 2016. The Board noted that there is no roll forward of hours, so none of the hours earned for the certification in 2015 can be counted as 2016 hours regardless of what the letter says. The Board did advise that the licensee can count the full 80 hours in 2015, but that she needs to be sure that she has met all continuing education requirements including the requirement for ethics hours and the 20 hours per year minimum etc.

#### **Agenda Item 15 – Application Review**

The Board completed application review and took the following action:

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

**RESOLVED to approve Mohammed AlShaman and Danny Panos to sit for the CPA exam.**

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

**RESOLVED to approve Saad Iqbal's request for extension of his FAR score through March 31, 2016.**

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

**RESOLVED to approve Ahmed Kazim's request for extension of his BEC score through March 31, 2016.**

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

**RESOLVED to deny Manjiree Pirangute's request for extension of her AUD score and 'grace' marks on her REG score due, as this situation does not meet the requirements of 12 AAC 04.200(i).**

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

**RESOLVED to approve Samantha Balanos, Yulia Ellsworth, Saaya Imai, Dinar Magadeeva, Charlene Malapit, Sergey Martemyanov, Jonathan McLeish, Nguyen Ngo, Rebecca Rindal, John William Stinde, Huijiao Yao, Xiaobo Yu and Su Yun for licensure by exam.**

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

**RESOLVED to approve Aaron Allensworth's reinstatement application.**

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

**RESOLVED to approve Justin Grace and Kelly Priestly for licensure by reciprocity.**

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

**RESOLVED to approve the Out-of-State permits of C.S. Tarin, LLC, King, Shores & Preston CPAs, LLC and Lattimore Black Morgan & Cain, PC.**

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

**RESOLVED to approve the firm permits of Teuscher Ruf & Wapole, LLC and Porter & Allison, Inc.**

**Upon a motion duly made by Ms. Schmitz, seconded by Ms. Brewer-Tarver, 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 and hearing officer decision.**

The Board entered executive session at 10:54 a.m.  
The Board went back on the record at 11:02 a.m.

**Upon a motion duly made by Mr. Horton seconded by Ms. Schmitz, and approved by a quorum of the Board, it was:**

**RESOLVED to approve Urvashi Sehdev for licensure by exam pending receipt of additional fulltime experience through December 1, 2015 (from 10/27/15).**

**\*Ms. Brewer-Tarver abstained from voting on this application.**

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

**RESOLVED to affirm the Administrative Law Judges decision for case OAH No. 15-0285-CPA/#2015-000150.**

**Agenda Item 16 – Administrative Business**

Confirm Upcoming Meeting Dates/Locations

- February 11-12, 2016 in Anchorage.
- May 5-6, 2016 in Juneau
- August 4-5, 2016 in Fairbanks

Sign Wall Certificates

- Margaret Hernandez #103235
- Raphael Marcel #103237
- Shirinov Jakhongir #103238
- Raju Shankar #103239
- Johnna Minemyer #103240
- Marcus Chappel #103241
- Sean Clapper #103242
- Suzanna Winn #103243
- Heather Kephart #103245
- Vasily Shportko #103247
- Hang Zhou #103248
- Jai Joshi #103271

Task Lists

Karen Brewer-Tarver

- Take lead on implementing change to AS 08.04.080

Craig Chapman

- Research self-reporting; reach out to NASBA/AICPA

Leslie Schmitz

- Resend code of conduct research

Cori Hondolero

- Ask if Board can adopt a policy vs. having to do a regulation project
- E-mail out word version of statutes/regulations
- Send foreign education information to UAF/UAS
- Ask NASBA for pass rates for AK residents
- Ask Martha for personnel breakouts w/every report
- Request cost estimate for last regulation project mail out
- Find out more about the AICPA ethics committee
- Work with State Society regarding peer review reporting

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

**RESOLVED to adjourn the meeting.**

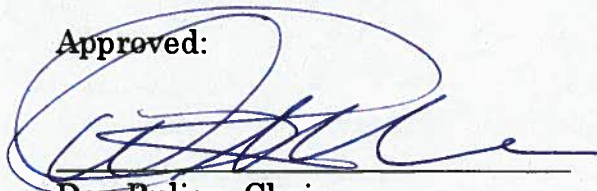
There being no further business, the meeting adjourned at 11:18 a.m.

Respectfully Submitted:



\_\_\_\_\_  
Cori Hondolero  
Executive Administrator

Approved:



\_\_\_\_\_  
Don Rulien, Chair  
Alaska Board of Public Accountancy

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

2/11/16