

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

BOARD OF PUBLIC ACCOUNTANCY

MINUTES OF TELECONFERENCE

February 3-4, 2020

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled teleconference of the Board of Public Accountancy was held February 3-4, 2020.

Monday, February 3, 2020

Call to Order/Roll Call

The meeting was called to order by Karen Brewer-Tarver, at 10:02 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA
Karen Brewer-Tarver, CPA
Wesley Tegeler, CPA
Don Rulien, CPA
Marja Beltrami, CPA
Karen Smith, Public Member

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

Cori Hondolero, Executive Administrator
Amber Whaley, Senior Investigator (agenda item #6)

Visitors present included:

Bernadette Kopyy, representing the Alaska Society of Independent Accountants (ASIA)
Crista Burson, representing the Alaska Society of CPAs
Courtney Johnson, representing Division of Legislative Audit

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 last meetings. The Board requested two edits to the November minutes; one to make it clear that the meeting was technically a teleconference and one to correct a name.

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

RESOLVED to approve the minutes of the November 7-8, 2019 and the December 6, 2019 teleconference meetings as amended.

Agenda Item 4 - Alaska Society of Certified Public Accountants (ASCPA)

Ms. Burson provided a summary of current AK Society activities:

- Accepting nominations for the 2020-2021 Board of Directors
- 1/22/2020 participated in CPA evolution discussion; AICPA/NASBA hoping to vote on this in May
- Legislative committee met 11/21/19 and provided technical feedback. The committee is looking forward to reviewing again once it becomes a bill
- The first meeting of the 2020 leadership class was in December. There were 10 participants
- 2020 CPE classes being set; many will be webcast
- 2nd Annual Bottles, Brews, Buds conference will be in August 2020
- 2020 annual meeting will be May 27-29 at Alyeska (Girdwood)
- Next Board meeting has tentative date of February 26, 2020 (if necessary)

Agenda Item 5 – Public Comment

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

Agenda Item 6 – Investigative Report

Senior Investigator Whaley was present to provide the investigative report. She noted that Chief Investigator Francois and Investigator Akers were not available to attend the meeting.

Ms. Schmitz noted that she had previously sent an email to Chief Francois regarding increased investigative costs. Ms. Beltrami asked if maybe an annual

detailed breakdown could be provided and/or a generic scan of the general ledger could also be done.

The report included in the packet was dated January 13, 2020 and covered the period of October 16, 2019 through January 13, 2020. There are 8 open cases and 6 were closed. Ms. Brewer-Tarver noted that she had recently completed 2 case reviews.

The Board asked about the timing of the cease and desist issue and why it took so long. Investigator Whaley stated that there are standard timelines when attempting to contact someone and everyone must receive due process. The Board noted in this case there is no license/permit to tie the action to, but they would want to share this action with another jurisdiction if the applicant applied for licensure somewhere else. The Board request that Ms. Hondolero check ALD to see if she is licensed anywhere and if so, to forward them a copy of the cease and desist order.

Ms. Brewer-Tarver asked about the ability to track costs/time by case. Investigator Whaley said that time is only charged by program, not case. She did note that there was an increase of cases in FY19 due to the firms and line of business issue. The Board inquired about the increase to Senior investigator time and noted it was a substantial increase over past years. Investigator Whaley this is due to legislative audit recommending more supervisor oversight. It was also noted that all complaints are reviewed by a Board member; it may not have always been done this way in the past.

Ms. Schmitz stated that the reports included in the packets are abbreviated and asked if it would be possible to generate a report of all open/closed matters for a full fiscal year. Investigator Whaley indicated this is possible; adjustments to the system have made reports easier to pull.

Ms. Beltrami brought up the issue or turbo tax and their advertisements indicating they have CPAs. The Board requested that she file a complaint with investigations.

Ms. Schmitz asked how the Board can be sure time is being charged accurately. Investigator Whaley stated that she reviews case timelines and coding, she also reviews/enters case notes and investigations has a goal to close cases within 180 days. There are some averages, but some cases will take longer. Ms. Brewer-Tarver noted that it might be better to look at all investigative cases overall to understand timelines. Mr. Rulien noted that it might also be helpful to review the raw data.

The Board thanked Investigator Whaley for coming in to speak with the Board and her help in answering some of their questions.

Agenda Item 7 – Board Business

ED Report

The Board reviewed the report that was in the packet. There was discussion about the lapsed license information. The Board requested that Ms. Hondolero review options for immediate late renewal fees (starting January 1st) or immediate reinstatement requirements. Review other programs and provide the information to the Board.

There was discussion about trying to push early renewal in the future. Ms. Brewer-Tarver asked how these numbers compared to past renewals; Ms. Hondolero indicated the numbers seemed about average. The Board wanted to consider adding the delayed renewal penalty fee for firms.

Ms. Hondolero noted that there would be time on the next meetings agenda (May) to speak with AICPA regarding information about the peer review process. Topics may include:

- Drop lists; understanding what they are providing – terminology. What is the Board expected to do with the list?
- Upon retirement or ending attest work, what are the requirements for peer review?
- Walk through the process/interactions between AICPA/State Society/CalCPA
- See if AICPA will review the renewal application and provide feedback (peer review page)
- Overview of how PROCs function in other jurisdictions
- How are other jurisdictions using peer review for public protection?
- Who is the Board resource/contact for questions?

Ms. Burson and Ms. Hondolero will work together to line this presentation up for the May meeting.

Travel

The Board requested that Ms. Hondolero email incoming new members to let the know about the upcoming Western Regional meeting/new Board member training.

Revenue/Expenditure Report

The Board reviewed 1st and 2nd quarter revenue/expenditure reports and had a question about if the indirects were showing correctly. They agreed to watch the next report for renewal revenue and to continue to watch personal services.

Fee Analysis

The Board reviewed the fee analysis in the packet and noted that the surplus at the end of FY19 was not the figure used in the fee analysis. It was noted that the Board is currently in watch status and if these figures are correct, the Board will fall short over the next biennium.

CPE Fine Matrix Review

The Board reviewed the fine matrix that has been in place since 1999 to confirm that these are still the guidelines to be used for CPE consent agreements when licensees are found to be non-compliant with the requirements. No changes were made to the matrix.

Agenda Item 8 – CPA Exam

The Board reviewed the information in the packet regarding exam performance and the exam questionnaires that had been received. It was noted that AK is one of only three states that does not require a social security number to test.

The Board discussed test site visits and what could be done if the Board is not approved for a Fairbanks meeting this year. Potentially a past Board member could conduct the visit, but they would need preapproval from Prometric.

International Qualification Examination (IQEX) was discussed. There was some information included in the meeting packet due to a question from a potential applicant who has passed the IQEX (REG section of CPA exam) and holds a license in another country. The Board noted that current statutes do not allow those who are licensed outside the US to obtain licensure by reciprocity. The Board would like to review UAA language to see if there is guidance for reciprocity with IQEX.

Agenda Item 9 – NASBA Updates

Meetings

Western Regional Meeting – it was noted that potentially three “new” members (first time attendees) could qualify for scholarships.

Annual Meeting – double check dates before next meeting. The Board will submit requests for member(s) and Board exec to attend.

Committees

Ms. Schmitz – CBT Administration Committee – teleconference January 7th – Reviewed the exam sections update.

Ms. Beltrami – Legislative Support Committee – missed last meeting due to issues with time zone updating correctly in calendar.

Mr. Rulien – Uniform Accountancy Act (UAA) Committee – there had been no meetings of the committee since the last Board meeting

Ms. Beltrami asked about CPA evolution and it was noted that the Board would be discussing this topic the following day.

Ms. Brewer-Tarver noted that she had started a document that may assist the Board when determining if CPE is acceptable or not. The Board started their review of the CPE audit files. It was noted that the regulations could use some cleanup to make them clearer. The Board requested that the letters that are mailed to those who pass their CPE audit contain information on what records must be maintained for in-house CPE.

The meeting was recessed at 5:05 p.m., until Tuesday, February 4, 2020.

Tuesday, February 4, 2020

Call to Order/Roll Call

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

Leslie Schmitz, CPA
Donovan Rulien II, CPA
Karen Brewer-Tarver, CPA
Marja Beltrami, CPA
Wesley Tegeler, CPA
Karen Smith, Public Member

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:

Kyle Barrier, representing NASBA International Evaluation Services (NIES)
Kimberly Blevins, representing NASBA International Evaluation Services (NIES)
James Cox, representing the American Institute of CPAs (AICPA) (agenda item #12)
Bernadette Kopyy, representing the Alaska Society of Independent Accountants (ASIA)
Crista Burson, representing the Alaska Society of CPAs
John Rodgers, representing the Alaska Society of CPAs
Courtney Johnson, representing Division of Legislative Audit
Kathleen Thompson, representing the Alaska Society of CPAs

Lynette Burgh, representing Representative Steve Thompson

Agenda Item 10 – Review Agenda

The Board added regulation update for continuous testing under item #12.

Agenda Item 11 – NASBA International Evaluation Services (NIES)

Kyle Barrier and Kimberly Blevins called in to the meeting to discuss international education with the Board.

The first step is to make sure that the evaluator has official documents that equate to the US semester system. Then they categorize courses to turn it into a transcript similar to a US transcript.

The Board asked about challenged courses for credit, such as CLEP/DANTES and FEMA. It was explained that these are assessment credits and most jurisdictions accept these types of credits to meet the 120/150 hour requirement. Ms. Schmitz asked if Alaska did not want to accept these or wanted to cap the number of credits that can be earned this way, could the evaluation reflect this. The answer is yes; the Board can determine what they accept and the AK evaluations will reflect that information. It was noted that most of the credits earned this way are introductory in nature. Ms. Schmitz asked if when looking at a transcript are assessment credits clear? Mr. Barrier stated that sometimes they are clear; they will be listed as test or life experience. Ms. Blevins noted that it may also look like transfer credit; when they have a question, they can reach out to the candidate for more information. Mr. Barrier also noted that CLEP credits can sometimes equal almost a years worth of credit. Ms. Beltrami stated that as far as internships go, if they are from an accredited university, then it should be valid and she has no issues accepting the credits.

The Board asked if many foreign colleges/universities are accredited. Mr. Barrier stated there is a ministry of higher education for foreign education. This moved the discussion to the three vs four-year bachelor's degrees. It was noted that some countries will issue a bachelor's degree with three years; for an NIES evaluation these would not be listed as equal to a US bachelor's degree. The UK follows a system that is testing plus college, equals a bachelor's degree. Some jurisdictions will say bachelors or higher. If the university is accredited, but located outside the US, it is still recommended that an evaluation be done. Competency units were discussed. NIES has standards to evaluate how these equate to US semester credits. There are conversions based on work put in to unit.

Mr. Barrier stated that with the expansion of test centers, including the possibility of India, it may impact the volume of test candidates coming in. Ms. Schmitz noted that the Board may consider being more specific with the

accounting concentration. Ms. Brewer-Tarver indicated that if there were any areas of the statutes/regulations that they feel should be updated, to let the Board know.

The Board thanked Mr. Barrier and Ms. Blevins for taking the time to speak with them and noted that the information was very helpful.

Agenda Item 12 – Statute/Regulation Projects

The Board had received the draft bill to review along with questions from the legislative legal section.

- 1) Bill as drafted achieves intent; ok with adding back in language.
- 2) “in residence” language seems ok; supervisor does not need to be a resident of Alaska.

Ms. Thompson noted that AKCPA legislative committee had a concern about the term on site. The Board noted that this was removed, as reflected in the draft bill. The AKCPA legislative committee did not discuss/comment on the residency requirement, but with technology today you don’t need to be in the same place/state to supervise.

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

RESOLVED to amend AS 08.04.360 in the draft bill; strike “who is physically present in the state” and “in residence.”

- 3) The Board reviewed and is ok with the draft as written.
- 4) This is regarding the use of terms, not practice. The use of “CPA” is allowed via individual mobility. The Board feels that #4 as originally sent needs to be added back to the bill.
- 5) Reference back to AS 08.04.195 only; carve out for compilation.

There was discussion about AS 08.04.100; Ms. Hondolero explained that this is perceived to be a certificate that is issued for passing the exam.

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

RESOLVED to amend AS 08.04.100; include reference to AS 08.04.105-08.04.130.

Ms. Thompson asked about AS 08.04.426 in the draft bill; it appears to allow access to peer review results. The Board noted that the intent is to provide a framework; regulations would need to be drafted to clarify how it would work.

Ms. Thompson noted that the legislative committee was fine with original language requested by the Board.

Ms. Brewer-Tarver stated that there was not time to go through the draft bill line by line. Board members were requested to individually review the bill and the Board would schedule a teleconference as soon as possible. The Board set the date for February 11, 2020; Ms. Hondolero indicated she would notify everyone once the date/time had been confirmed.

Ms. Schmitz had worked on an update to the regulation to allow continuous testing; hard copies had been provided to the Board. It was noted that candidates can't currently retest within the same window.

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

RESOLVED to amend 12 AAC 04.235 to read:

REEXAMINATION. (a) To apply for reexamination, an applicant must submit

(1) a complete application for reexamination on a form provided by the department; and

(2) the applicable fees established in 12 AAC 02.340.

~~(b) An applicant will not be scheduled to retake a failed section of the examination during the same testing window in which that section was failed. Subject to subsection (e) of this section applicants cannot retake a failed Test Section(s) in the same testing window. A testing window is equal to a calendar quarter (January-March, April-June, July-September, October-December). Applicants will be able to test no less than two (2) months out of each testing window.~~

(c) An applicant who does not retake a failed portion of the examination for a continuous 18-month period must reapply under 12 AAC 04.190.

~~(d) In this section, "testing window" means a three-month period comprised of two months in which the examination is available to be taken and one month in which the examination is not offered while routine maintenance is performed and the item bank is refreshed.~~

(e) If the Board determines that the examination system changes necessary to eliminate the test window limitations have been implemented, subsection (b) of this section will no longer be effective, and an applicant can retake a Test Section once their grade for any previous attempt of that same Test Section has been released.

The Board recapped regulations that will need to be reviewed/updated:

- Educational requirements
- Publication dates (Ms. Hondolero to start obtaining current copies of items)
- Continuing education
 - Be clear on non-pre-approved courses; what documentation is required
 - Stance on accepting firm CPE lists
- Inactive CPAs holding out; provide clarity

The Board agreed to send any comments/required edits on the bill to Ms. Hondolero, who will then forward all comment to Ms. Brewer-Tarver.

Agenda Item 13 – Correspondence

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

Agenda Item 14 – Public Comment

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

The Board reviewed the most recent NASBA focus questions and completed them as a group.

Agenda Item 15 – Application Review

The Board discussed adding a box to list the NASBA CPE registry number on the CPE tracking sheet.

There was additional discussion about the inquiry that had been received from the potential applicant that had passed the IQEX and is licensed out of country. The Board reaffirmed that current reciprocity statutes/regulations would not qualify her for licensure. She would need to follow the guidelines for applying by examination. She may want to check with NASBA to see if she may qualify for licensure in another jurisdiction.

The Board reviewed another email that had come in from a potential applicant for both the exam and licensure. The applicant had a degree that was earned outside the US, but had earned a Master's degree at UAA and they had accepted his undergraduate work as a bachelor's degree. The Board noted that he would need to meet the accounting concentration, but the transcripts from UAA would meet licensure requirements as far as the degree requirement being met.

The Board requested that the audit approval letters include a reference to 12 AAC 04.350 regarding in-house CPE. Ms. Beltrami asked if firms could submit courses for review; Ms. Brewer-Tarver stated that the Board typically does not pre-approve CPE.

The Board took a moment to thank Ms. Brewer-Tarver for her service (8 years) and for all the work that had done; especially her work on legislation.

Board members reviewed applications and took the following action:

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

RESOLVED to approve William Wilmoth's application to sit for the CPA exam.

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

RESOLVED to deny Karan Shethia's request for extension of AUD score; 12 AAC 04.200(i), credit not lost due to circumstances beyond applicant's control.

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

RESOLVED to deny Jasiv Singh's request for extension of BEC 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. Brewer-Tarver, and approved unanimously, it was:

RESOLVED to approve Bruce Cain's application for reinstatement.

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

RESOLVED to approve the applications of John Fabiano and Jeremy O'Neil for reactivation.

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

RESOLVED to approve Fahad Alhassan, Collin Dando, Faten El Masri, Natalie Figueroa Polanco, William Hill, Christine Morgan, Bosco Noronha, Oluseun Oyewale, Sanja Petravic, Ralf Ruedenburg, Pradeep Sahajwalla and Courtney Westra for licensure by exam.

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

RESOLVED to table the application of Todd Valli for licensure by exam; the Board accepts MBA course 712 towards the accounting concentration, but an additional 2 semester hours of accounting are still required.

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

RESOLVED to approve the application of Christopher Whyte for licensure by exam, pending receipt of an original supervisor license verification.

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

RESOLVED to approve the application of Brooke Runk for licensure by exam, pending receipt of original experience verifications.

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

RESOLVED to table the application of Ryan Mackie for licensure by exam; varication of 3 additional accounting credits required (finance courses do not meet accounting requirement) and receipt of original supervisor license verification.

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

RESOLVED to approve Karen Stenehjem for licensure by reciprocity.

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

RESOLVED to table the application of William DaPore for licensure by reciprocity; need verification of good standing for the last 3 years (AS 08.04.420).

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

RESOLVED to approve the course publications titled Become a Wizard at Personal Finance for 4 hours and Debt Management for 3 hours; audit of 2018/2019 CPE hours required to check for compliance with 80 hour requirement (license #1455).

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

RESOLVED to approve the Out-of-State firm permit of Viridian CPA LLC.

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

RESOLVED to approve the mandatory CPE audits of:

- **Stephanie Allison**
- **Peter Barber**
- **Katrina Carney**
- **Michelle Dellacroce**
- **Robert Doughty**
- **Olga Goncharova**
- **Joann Huff**
- **Yang Li**
- **Scott Matheson**
- **Andrew Meiners**

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

RESOLVED to table the CPE audit of Julee Duhrsen; additional documentation required Charles Schwab, Orion and Wealth Tech courses.

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

RESOLVED to approve the random CPE audits of:

- **William Arnold**
- **Angela Astle**
- **Shane Baird**
- **Carla Bassler**
- **Ryan Beason**
- **Jacquelyn Briskey**
- **Michael Burke**

- **Sergiu Cernautan**
- **Han Choe**
- **Kimberly Henkel**
- **Lori Hickox**
- **Tiffany Hoogerhyde**
- **Jeffrey Johnson**
- **Teri Kostka**
- **Christine Krysinski**
- **Eva Lindgren**
- **Rebecca Martin**
- **Timothy Martineau**
- **John McIntyre**
- **L. Stephen McNamara**
- **Michael Molitor**
- **Ronald Morgan**
- **Gregory Morris**
- **Benjamin Murray**
- **Yukihiro Nakamura**
- **Amelia Nazworth**
- **Teresa Newins**
- **Stacey Paul**
- **Lisa Petrescu**
- **Jane Prenesti**
- **Teresa Richards**
- **Stacy Ross**
- **Buell Russell**
- **Julie Schrecengost**
- **Lesli Smith**
- **Wesley Smith**
- **Jennifer Solberg**
- **Donald Stevens**
- **Michael Rhen Stevens**
- **Chikako Suzuki**
- **Matthew Taylor**
- **Shana Taylor**
- **Koji Urano**
- **Susan Vigneau**
- **Jane Walker**
- **Kevin Walsh**
- **Dianne Woodruff**
- **Volodymyr Zabrods'kyy**
- **Hanning Zhang**

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

RESOLVED to approve the random CPE audit of Samantha Bolanos.

Agenda Item 16 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- February 11, 2020 (Zoom meeting) – starting @ 1 pm
- May 7-8, 2020 in Anchorage (Zoom meeting)
- August 13-14, 2020 in Fairbanks
- October 29-30, 2020 in Anchorage (Zoom meeting)

Task Lists

Karen Brewer-Tarver

- Finish CPE summary for new Board member training
- Update project list excel sheet and draft bill feedback

Leslie Schmitz

- Look at regulations regarding accounting concentration for possible changes for credit earned by testing (CLEP/DANTES, etc.)

Karen Smith

- Review regulation regarding professional references and application form to suggest possible changes for the Board to consider (pending from past mtg)

Cori Hondolero

- Gather CPE tracking solution info CE Broker and NASBAs CPE service and provide it to the Board at a future meeting
- Gather information about immediate reinstatement or late fees

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

RESOLVED to adjourn the meeting.

There being no further business, the meeting adjourned at 5:26 p.m.

Respectfully Submitted:



Cori Hondolero
Executive Administrator

Approved:

for: *Karen Brewer-Tarver*
Karen Brewer-Tarver, Chair
Alaska Board of Public Accountancy

Date: 5/7/2020