

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 8-9, 2021

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 8-9, 2021.

Monday, November 8, 2021

Call to Order/Roll Call

The meeting was called to order by Don Vieira, at 9:01 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA
Don Vieira, CPA
Rachel Hanks, CPA
Lance Johnson, Public Member
Steven Jordan, 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
Dawn Bundick, Investigator III (agenda item #6)
Erika Prieksat, Senior Investigator (agenda item #6)
Melissa Dumas, Admin Operations Manager (agenda item #10)
Sara Chambers, Director (agenda item #11)

Visitors present included:

Crista Burson, representing the Alaska Society of CPAs

Agenda Item 1 – Review Agenda

No changes were made. Mr. Jordan noted that he would not be able to participate on day two of the meeting, due to work commitments. He noted that he would send in his notes for the applications that he reviewed. Mr. Vieira wanted to mention a thank you to Mr. Tegeler, for his service on the Board.

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 teleconference meeting.

Upon a motion duly made by Mr. Jordan, seconded by Ms. Smith, and approved unanimously by the members present, it was:

RESOLVED to approve the minutes of the August 26-27, 2021 minutes as written.

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

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

- Alaska CPA Exam Prometric Center – AICPA sent a copy of letter to Society regarding test site issues; will provide a copy of that letter to the Board.
- AICPA Fall Council and Leadership Conference was held virtually October 18th – 20th. The theme was Adapt & Thrive. Items of note included:
 - A vote to change bylaws to modify governance of AICPA and CIMA. Reduce board to 26 instead of 32 and add a co-chair position.
 - Report on finance and operations that include dues increases.
 - Update on the current political and legislative environment and preparations for virtual hill visits.
- AICPA proposed updates to the Statements on Standards for Tax Services.
- Legislative Committee Updates – HB 3006 “An Act relating to a state sales and use tax; relating to sales and use taxes levies by municipalities; authorizing the Dept of Revenue to enter into the Streamlined Sales and Use Tax Agreement; and providing for an effective date.” *a copy of this bill was included in the Board packet.
- Next Board Meeting is Wednesday, December 15th at noon.

- June 1-3, 2022 next annual meeting; planning for in person.

Ms. Schmitz asked about the timeliness of IRS notices. Ms. Burson stated that there are lots of complaints about this. Ms. Hanks noted that there are two officers in Anchorage; once you have a final intent to levy, you can schedule an appointment time to discuss. Mr. Vieira also noted that he has been able to get through on the practitioner priority line.

Ms. Burson noted that she has not received any additional complaints about testing in AK. Ms. Smith asked if the Board can resume test site visits. Ms. Hondolero indicated that she would check.

Agenda Item 7 – CPA Exam

Only one survey had been received; it was emailed to Board members in advance of the meeting.

Agenda Item 8 – NASBA Updates

Ms. Hanks stated that she volunteered to be on the CPA evolution task force. Mr. Vieira noted that he had attended the NASBA annual meeting and asked if anyone knew where the University of Alaska (UA) is on CPA evolution incorporation into their program. Ms. Schmitz indicated that during the summer, educators noted they were behind the power curve. Mr. Johnson added that there is a big push to finish the exam by the end of 2023 before the new version is launched. Ms. Schmitz added that CPA review courses will also be changing. Mr. Vieira stated that those who are close to finishing the exam, should be taking their remaining parts now. Mr. Vieira also noted that the Board should look at the regulations again to make sure that they align with CPA evolution.

18-month window discussion – time starts on the date that you first sit. 12 AAC 04.200(g)(2) – look at this section for possible update. Reach out to NASBA to see if they have data on what other jurisdictions do. Maybe this information is in the ALL database. Determine if this needs to be added to a future regulation project.

Ernst & Young (EY) – there was a presentation at the annual meeting. EY has established a relationship with a business school to help their employees earn additional education/semester hours.

Center for the Public Trust (CPT) – trying to outreach to colleges/universities. See if State Society has any interest in getting involved.

Ms. Burson provided information about the University of Alaska and CPA evolution. She indicated that UA is aware of CPA evolution, but has not done anything with it yet. When Ms. Burson met with UA staff members recently, they noted that enrollment is down; they are more worried about that right now. Ms. Burson indicated that her contacts at UA are:

- Amy Cooper – Fairbanks
- Stasia Straley – Anchorage
- Julie Hamilton – Juneau

1-year vs 2-year experience requirement – discussion about how much is invested while supervising staff who are earning their required experience time.

Agenda Item 5 – Public Comment

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

Agenda Item 6 – Investigative Report

Investigator Bundick and Senior investigator Prieksat joined the meeting. Ms. Hondolero noted that there were matters that had been placed in OnBoard for review/action.

Investigator Bundick provided a summary of the investigative report in the packet:

- 16 open cases
- 7 closed cases

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

RESOLVED to enter into executive session for the purpose of discussing investigative matters.

The Board entered executive session at 10:02 a.m.
The Board went back on the record at 10:06 a.m.

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

RESOLVED to adopt the Imposition of Civil Fine for case #2021-000198.

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

RESOLVED to adopt the Imposition of Civil Fine for case #2021-000197.

Mr. Vieira asked if the Board has jurisdiction on government audits and international CPAs. Ms. Bundick requested that this be put in writing (email) and she would review it and include her supervisor.

Agenda Item 8 – NASBA Updates

Meetings

Annual Meeting – Nov 2-3, 2021

Changed to virtual meeting

40th Annual ED Conference – April 25-27, 2022

Clearwater, FL

Western Regional Meeting – June 7-9, 2022

Colorado Springs, CO

Committees

Ms. Hanks – Education Committee – no meetings yet.

Mr. Johnson – Continuing Professional Education (CPE) Committee – no meetings yet.

Ms. Schmitz – Ethics Committee – Meeting October 12; not able to attend.

Agenda Item 9 – Correspondence

The Board reviewed the correspondence in the meeting packet and noted that there were no items that required response. While reviewing the AICPA drop lists, the Board stated participants could be dropped for a variety of reasons, but that attest, other than compilation requires peer review.

Agenda Item 10 – Board Business

FY22 – Goals & Objectives

Mr. Vieira stated that he would like members to volunteer to take the lead of different items from the goals & objectives.

1 – Ms. Schmitz

2 – Mr. Jordan/Ms. Hanks

3 – Mr. Jordan/Ms. Hanks

4 – Process already in place

5 – Mr. Vieira

6 – Mr. Johnson

7 – Ms. Smith

This will be place on the next agenda to discuss any progress and plans going forward.

Mr. Vieira asked Board members to be thinking about the international candidates/CPAs issue. NASBAs position is there is prestige with the international credential. The big 4 like to have US CPAs on staff. Concern about being hands off once credential has been issued. What if there is an issue in their home country.

Ms. Hondolero noted that investigations does not track by case/person; they are just charging time spent to the program. Ms. Smith added that the Boards focus is on the mission, not dollars. Ms. Schmitz asked if the Board can enforce and does not believe it is possible at the worldwide level. It was also noted that exam and licensure revenue streams are different.

Discussion about remote/online notary services. Are these acceptable? What is a considered 'legal' notary in Alaska? Does the Board have to accept what is standard in other states or internationally?

ED Report

Board vacancy – one CPA seat currently vacant and another CPA seat will be open 3/1/22.

Renewal – renewal set to open soon with fee updates in place.

Misc.

Ms. Hanks noted that she had volunteered to be part of the exam practice analysis for the tax section and would have additional information to share with the Board.

The Board reviewed the letter that AKCPA had received from Prometric about AK test site issues and noted that the Board would continue to monitor things and would notify NASBA if necessary.

Ms. Smith asked why investigative cases were staying open more than two years and asked what the Board could do about this.

Mr. Jordan stated that he would review reciprocity requirements for what needs to change.

Revenue/Expenditure Report

Melissa Dumas, Admin Operations Manager joined the meeting and reviewed the final FY21 report with the Board. Ms. Schmitz asked if there were any outstanding bills from legal that might still be coming and asked if legal opinions (for legislation) are charged to the Board. It was noted that indirect expenses went down. Ms. Dumas stated that were changes to the formulas and vacancy rates; costs are down due to less people working.

Agenda Item 11 – Statute/Regulation Projects

Sara Chambers, Division Director joined the meeting to discuss SB21 with the Board.

SB21 – this legislation mandates temporary licensure. The next steps for the Board are to evaluate how does this new statute work existing statutes/regulations for CPAs and is there anything currently in place that is not reasonable. All 21 Boards must determine substantial equivalency; incoming licensees must not have any discipline on their license and must have a full/unrestricted license in their home state. The Board should determine if there are any unique State specific requirements. These temporary licenses are valid for 180 days, with an option to renew. The purpose of the temporary license, is to allow the applicant to finish documentation of the full licensure requirements.

Ms. Schmitz asked if this was a considered an equal license. Ms. Chambers stated it must be substantially equivalent and this temporary licensure applies to active duty members and their spouses. Question about fees charged. There is an application fee and a temporary license fee. Some programs are referencing the centralized regulation for the fees. The temporary license is a separate process, but can't require more than what is needed for full licensure. Ms. Chambers stated that she would be happy to help if necessary.

Travel – the Board inquired about any current travel or meeting restrictions. Ms. Chambers indicated that there are no formal restrictions in place. Out of State travel can be approved, if it meets are requirements. The Board can determine if it is comfortable meeting in person and if/when the public is welcome in person. Zoom is working to allow Board members and the public to participate.

The Board thanked Ms. Chambers for attending and providing the legislative and temporary licensure information updates.

HB44 – has passed the House side and moved to the Senate side. Will be heard in Senate Labor & Commerce when the session reconvenes in early 2022. One additional edit to section 10 will be needed. If necessary, as session starts, Ms. Hondolero can inquire about the ability to meet with legislators.

Current regulation project – the public comment period closed on November 3, 2021. Ms. Hondolero had emailed the two comments that were received to all Board members and they were also included in the meeting packet. The Board reviewed both comments that had been received and did not make any changes to the project. Ms. Smith had done some research to find out how other jurisdictions require those with an inactive status to hold out. The other jurisdictions with inactive status, do require that status to be disclosed.

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

RESOLVED to adopt the regulation project as public noticed for the following sections: 12 AAC 04.004, 04.038, 04.165, 04.175, 04.185, 04.200, 04.205, 04.300, 04.370, 04.390, 04.430 and 04.610.

The meeting was recessed at 3:22 p.m., until Tuesday, November 9, 2021.

Tuesday, November 9, 2021

Call to Order/Roll Call

The meeting was called to order by Don Vieira, at 9:03 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA
Don Vieira, CPA
Rachel Hanks, CPA
Lance Johnson, Public Member
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:

Katy Gelenski

Agenda Item 12 – Review Agenda

No changes made to agenda.

Agenda Item 13 – Application Review

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

RESOLVED to enter into executive session for the purpose of discussing investigative matters.

The Board entered executive session at 9:09 a.m.

The Board went back on the record at 9:55 a.m.

Board members reviewed applications 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 Sarah Frampton, Kaitlyn Gelenski, Jordan Kessler, Cassandra L’Heureux, Beau McClain, Molly Monaghan, Javier Moreno Vita, Morgan Paca, Cheryl Quinn, Minyang Shen, Bridge Taylor, Ashley Thomas, Maria Torres Ramirez and Jordan White for licensure by exam.

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

RESOLVED to approve Jed Ballard and Randall Loveridge for licensure reinstatement.

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

RESOLVED to approve Jacob Dutton, Dean Larocque, Todd Muslow and Gayla Thornton for licensure by reciprocity.

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

RESOLVED to accept the recommendation from NASBA to deny the request for Exam Score extension for:

- Mohammed Shat (x2)
- Anshooman Acharya
- Joksy Simon
- Yuichi Kobayashi
- Jasiv Singh
- Yutaka Imai

- Yuzo Kumagai
- Dewhitney Farrington

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

RESOLVED to deny the request for extension of exam score for Anshooman Acharya, Leila Nehmi and Abdelrahma Alloun; 12 AAC 04.200(i), credit not lost due to circumstances beyond applicant's control.

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

RESOLVED to approve Abdallah Seleh's request for extension of AUD score to 12/31/21.

The Board received a request for review approval of an IRS training for CE credit. The Board took no action on this item. The Board noted that CE requires a certificate of completion that includes specific information as required by centralized regulation. Ms. Hondolero will provide that regulation to the licensee.

Agenda Item 14 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- February 14-15, 2022 – Anchorage
- May 19-20, 2022
- August 25-26, 2022 – Anchorage
- November 7-8, 2022

Task Lists

Don Vieira

- Email questions regarding government audits and international CPAs and Board jurisdiction to investigator Bundick
- Goal/Objective 5

Steven Jordan

- Goal/Objective 2 and 3
- Review reciprocity requirements

Rachel Hanks

- Goal/Objective 2 and 3

Leslie Schmitz

- Goal/Objective 1

Lance Johnson

- Goal/Objective 6

Karen Smith

- Goal/Objective 7

Cori Hondolero

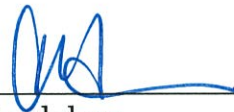
- Check ALL or inquire with NASBA regarding how other jurisdictions use the 18-month window for the exams
- Check to see if Prometric is allowing test site visits
- Place FY22 goals & objectives check-in on next agenda

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

RESOLVED to adjourn the meeting.

There being no further business, the meeting adjourned at 10:09 a.m.

Respectfully Submitted:



Cori Hondolero
Executive Administrator

Approved:



Don Vieira, Chair
Alaska Board of Public Accountancy

Date: 2/14/22