

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

BOARD OF PUBLIC ACCOUNTANCY

MINUTES OF MEETING

August 25-26, 2022

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 August 25-26, 2022.

Thursday, August 25, 2022

Call to Order/Roll Call

The meeting was called to order by Don Vieira, at 9:02 a.m. Those present, constituting a quorum of the Board were:

Don Vieira, CPA
Steven Jordan, CPA
Rachel Hanks, CPA
Lance Johnson, Public Member
Beth Stuart, CPA

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

Cori Hondolero, Executive Administrator
Jennifer Summers, Senior Investigator (agenda item #6)
Marilyn Zimmerman, Paralegal II (agenda item #6)

Visitors present included:

Crista Burson, representing the Alaska Society of CPAs
Kathleen Thompson, CPA
Dan Dustin, representing NASBA
Nancy Corrigan, representing NASBA

Agenda Item 1 – Review Agenda

Ms. Hondolero noted that the fees discussion needed to be moved to Friday morning when the administrative officer would be available.

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

RESOLVED to approve the agenda as amended.

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 Ms. Hanks, seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to approve the minutes of the May 19-20, 2022 teleconference meeting as written.

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

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

1. CPE Season – In person classes in Juneau, Anchorage and Fairbanks in September (Susan Smith) and December (Bob Jennings). November 3rd – 4th partnering with Hawaii Society of CPAs and K2 to offer a 2-day virtual technology conference. September 1st Susan Smith is teaching a 2-hour **Summary and Analysis of the 2022 Inflation Reduction Act**.
2. Leadership Academy 2023 – Applications going out soon. First meeting will be held January 20th, 2023 and 2-day session was June 12th – 13th all in person in Anchorage.
3. BBB (Bottles, Buds & Brews Conference) scheduled for October 21st – 4 hours virtual CPE.
4. AICPA Fall Council and Leadership Conference is October 17th – 20th in Chicago.
5. 2023 Annual Meeting is Wednesday, May 17th – Friday, May 19th at the Alyeska Resort in Girdwood.
6. Current Advocacy Efforts –

- AICPA proposed updates to the Statements on Standards for Tax Services – been on our radar since 2019. The AICPA called a special meeting of the Tax Committee on July 26th and voted to pull out the tax quality mgmt. standard and expose all the other updated/clarified tax standards. They intend to expose them by the end of August and will be putting out an invitation to comment on the concept and draft language of a tax quality mgmt. standard. The invitation will likely be at the same time as the exposure of the other standards by the end of August. Since it is an invitation to comment it is not a part of the standard setting process. Comment letters coming in from the invitation to comment would provide the Tax Executive Committee information and insight to concerns of stakeholders. With the information it may provide guidance for education, awareness initiatives. There is always a possibility in the future that the Tax EC will consider adding a quality management standard but it would go through the normal exposure draft process. Concerns this is peer review-esque.
 - IRS Issues – continue to correspond with US Senators.
 - State Board Regulation Project – the Legislative Committee will work together with State Board to craft language and communicate / educate our members of pending changes.
7. AKCPA technology initiative – new database and website.
8. The AKCPA Board supports travel for ED and Board Members to NASBA conferences. These conferences provide important profession and regulatory updates. Please let us know if the AKCPA Board needs to provide letter of support to ensure travel is approved.
9. Next Board Meeting is Wednesday, November 2nd at noon.

The Board thanked Ms. Burson for the information.

Agenda Item 5 – Public Comment

Kathleen Thompson, CPA with Alliance CPAs was present to provide comments to the Board. Ms. Thompson stated that she wanted to address her perception that the Board of Accountancy has made changes to the documentation required to support in-firm continuing professional education and made these changes without notifying licensees. She noted that there could be serious consequences for licensees, their firms and their reputations.

It was noted that in her firm, there are annual trainings that everyone attends as a group. The firm monitors attendance and keeps a sign-in sheet as required

by regulation. Others in the firm have been audited in the past and the sign-in sheets were accepted. If only certificates are going to be accepted and licensees were notified in advance, the firm could have modified its procedures. There are courses the firm chooses to take as a group to facilitate discussion and learning. It is possible the firm could create a certificate, if given the criteria.

The Board thanked Ms. Thompson for her comments.

Agenda Item 6 – Investigative Report

Senior Investigator Summers joined the meeting and provided a summary of the investigative report in the packet:

- 41 open cases
- 1 closed case

Ms. Summers stated that investigations are slowly coming along. There have been some staff shortages and some new staff hired. Mr. Vieira noted that it is not good for cases to be lingering for 2-3 years. Ms. Stuart asked if the status date was the date the case was opened. Ms. Summers stated that she believes it is the date the case was opened.

The case precedent list was included in the Board packet as a guide for members to use. The Board can use this or create a matrix. Mr. Johnson and Mr. Vieira noted that it might be best to use a combination of both; leaving the details in the background. Ms. Hanks stated that she would work on this project and would contact Ms. Summers if she had questions. Ms. Stuart asked if a last action date could be added to the report. Ms. Summers indicated that she was not sure, but could check. Ms. Hanks added that it is unclear on the report if the older cases are actively being worked. Mr. Vieira noted that the Board would be interested in a current status for the older cases.

Ms. Summers did a brief overview of the investigative process. Complaints can come in from members of the public or they are referred during the application process. Cases are reviewed by a senior investigator and then assigned out. Once an issue is deemed jurisdictional, then it moves forward and the investigator collects information (background reports, interviewing witnesses, obtaining statements from licensees, police and/or medical reports etc.). Once the investigator puts everything together, they prepare a memo to the reviewing Board member. The lowest level of action is an advisement letter, then there is formal license action. When needed, attorney general help is used to assist with litigation matters. Ms. Summers wanted to review the memo that Board members would see if assigned a case to review.

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

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

The Board entered executive session at 9:53 a.m.
The Board went back on the record at 10:21 a.m.

The Board thanked Ms. Summers for her report.

Division Paralegal II, Marilyn Zimmerman joined the meeting to discuss the continuing education audit processes with the Board. There were a couple of requests that had been sent to the Board, that Ms. Zimmerman wanted to discuss.

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

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

The Board entered executive session at 10:38 a.m.
The Board went back on the record at 11:26 a.m.

The Board reviewed the CE matrix that has been used for many years and discussed suspension of a license until CE has been completed. Ms. Zimmerman stated that this was not likely to be an option; there must be a life/safety issue for suspension and licensees must be given their due process rights before action is taken.

The Board thanked Ms. Zimmerman for the information.

Agenda Item 8 – NASBA Updates

Guests

Dan Dustin and Nancy Corrigan joined the meeting to provide NASBA updates.

Exam transition policy – a letter had been sent to all Boards requesting that the Board adopt the score extension policy outlined in the letter. The recommended extensions are meant to avoid penalizing candidates who are testing in the middle of the exam transition. NASBA requests that the Board take action to determine if it will accept the policy as outlined in the letter.

Diversity Efforts – This is a priority for NASBA and part of the strategic plan; making a real effort to increase gender and ethnic diversity.

Pipeline Issues – With the graying of America and increased retirements, there is also a decline in the number of high school graduates. This results in a

smaller pool of people available to work in occupations/professions. Boards can help by working to engage with academics and students. Streamlining the licensure process can also help.

CPA Evolution – 2022 blueprint out; comment period to close 9/30/22. 2023 January; blueprint will be finalized. 2024 January 1st, new exam launches. Adoption of the transition policy encouraged to create a uniform approach to extension of credit for the new exam. Model language for rule change is expected to be released after the annual meeting.

Ms. Hanks asked if the release date timing will be reduced over time after the new exam is launched. Mr. Dustin stated that there will be delays for the new exam, but they will eventually level out. Mr. Dustin stated that there is additional information on evolutionofcpa.org.

Anti-Regulatory Legislation – There has been an increase in legislation that addresses “good moral character,” criminal convictions, passage of time since offenses occurred and expungement of disciplinary action. John Johnson (NASBA) tracks all legislation and will let Boards know if anything comes up in their State that they should be aware of.

150 Hour Requirement – Ms. Stuart asked if there is any talk about removing this requirement. Mr. Dustin stated no, this is not being discussed.

Residency/SSN requirement – New Hampshire reassessed their policies when they realized they had 8,000 licensees and only 2,000 were actually residents. They realized that that there is a statutory provision that required all Boards to obtain a social security number for child support purposes. This change in policy has curtailed the number of licensees.

The Board thanked Mr. Dustin and Ms. Corrigan for participating in the meeting and providing updates.

Meetings

115th Annual Meeting – October 30-November 2, 2022
San Diego, CA

Travel request was still pending at the time of the meeting.

Committees

Mr. Johnson – Continuing Professional Education (CPE) Committee – In process of CPE review and task force recommendations to realign with CPA evolution. CPE standards are joint between NASBA/AICPA. There is discussion about nano CE; only about 1/3 of jurisdictions accept it. Some jurisdictions don't say anything. Jurisdictions that do accept nano CE usually cap the hours around 8-

12 and .25 is the minimum increment to start. It was noted the Board may want to update the regulations to address nano credits.

Ms. Hanks – Education Committee – The last quarterly meeting was about CPA evolution and covered the items noted by Mr. Dustin.

There was some discussion about what meets the verification requirements for continuing education verification, if there is not a certificate. The Board may look at additional clarification, but the requirements are already in the regulations. The Board will apply what is currently there when they conduct CE audits. If any regulation changes are made, they go out for public comment, giving everyone the change to voice their concerns. Mr. Johnson stated that he would review the regulations to see if any changes are needed.

Agenda Item 7 – CPA Exam

One survey had been received; it was emailed to Board members in advance of the meeting. The candidate noted that there was a test site issue in Anchorage. The survey will be sent to Pat Hartman at NASBA.

Ms. Hondolero let members know that they can do test site visits in Anchorage and Fairbanks. Ms. Hanks indicated that she could do a visit in Fairbanks.

Agenda Item 9 – Correspondence

The Board reviewed the correspondence in the meeting packet and noted that there were no items that required response.

Agenda Item 10 – Board Business

ED Report

Board vacancy – One CPA seat still vacant.

CPA renewals – It was noted that additional renewals had been processed, but there were still over 300 lapsed licenses/permits.

CPAES – NTS requests are back to being processed by NASBA/CPAES. All score extension requests are being sent to Boards for review on a case by case basis.

Fees – The Divisions administrative officer would participate in the fees discussion and had sent an excel sheet for Board review.

Revenue/Expenditure Report

The Board had previously reviewed the FY22 Q3 report. It was noted that the FY22 end of year report should be available for review and discussion at the November meeting.

Offices Discussion

The Board reviewed an email from an out of state permit holder indicating that they had established a mailing address for staff in the State. There was discussion regarding where the line is on a firm establishing an office in State that would require firm registration. Ms. Johnson indicated that he would look to see if he could locate a definition for in-State entity. Ms. Stuart indicated that she could do some research on the topic.

International Candidates

Mr. Vieira had put together some information that was emailed out to members, describing a potential new regulation to require a social security number (SSN). The Division already has a statute to require SSN, but it allows exemption without question so in substance the SSN statute is not enforced. The draft regulation was patterned after Hawaii, Washington and North Carolina. There was discussion about also including these changes for exam candidates. The Board indicated that they would like to push this topic up to the Division and have a more detailed conversation at the November meeting since the exemption is allowed via a Division form. The Board would like the goal of requiring a SSN to be clear and to understand when an exemption from SSN should be granted by the Division.

The meeting was recessed at 3:10 p.m., until Friday, August 26, 2022.

Friday, August 26, 2022

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:

Don Vieira, CPA
Steven Jordan, CPA
Rachel Hanks, CPA
Lance Johnson, Public Member
Beth Stuart, CPA

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

Cori Hondolero, Executive Administrator
Melissa Dumas, Administrative Officer II

Visitors present included:

James Cox, representing AICPA

Agenda Item 11 – Review Agenda

Fees discussion was added to the agenda previously.

Agenda Item 10 – Board Business

Melissa Dumas, Administrative Officer II joined the meeting to talk about fees with the Board. Ms. Dumas had sent an excel sheet to show the different fees and how changes could impact the revenue. Ms. Dumas would propose a fee decrease for firms with the addition of the new firms that were not previously issued permits. The revenue also needed to be adjusted to account for the out of State permits that will no longer be required. Final decisions on fees are up to the Division and there is no way to avoid fee fluctuations. A change to firm fees could be made now and then after the first renewal of the new firms, fees could be reassessed. All fee changes require a regulation project. The Board stated that they would have an upcoming regulation project related to HB44; any fee changes could be public noticed at the same time.

Ms. Hondolero asked if tiered fees were something that the Division would allow; rates based on the number of CPAs in the firm. Ms. Dumas stated she was not in favor of tiered fees due to their being no mechanism to determine who should pay what. Ms. Dumas indicated the recommendation is to drop firm fees to \$400.00 from \$530.00. She asked the Board to review the excel sheet that had been sent and to provide recommendations to the Division.

Agenda Item 13 – Application Review

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

RESOLVED to table the CE audit file #28 (James Dieringer) until the next meeting.

Mr. Vieira noted that he would no longer be part of any discussion or voting on this file. If there was future discussion on the file, Ms. Hanks would take over and Chair that section of the meeting. Ms. Hanks noted that being from the same town, she knew partners from this firm. It was noted that knowing someone does not mean you can't review/take action on their files, as long as you can do it impartially.

Agenda Item 12 – Statute/Regulation Projects

James Cox (AICPA) joined the meeting.

Mr. Cox noted that that next step in the project is to make conforming changes to the regulations with the passage of HB44. It was noted there are also additional areas where the current regulations differ from the Uniform Accountancy Act (UAA) including education and CPA evolution. The goal would be to have something that the Board could review at the November meeting. Mr. Cox asked when the updated version of the printed statutes would be available. Ms. Hondolero stated that it would be done once the bill took effect and she could forward a copy once the updates were made.

The Board noted that they were also discussing firms and when a permit is required. Is it based on physical presence of employees or clients, etc. Mr. Cox indicated that maybe looking at how other states are viewing cross-border practice within the context of mobility would be helpful and potentially a couple samples could be provided to the Board. The goal is to have a definition that can be applied, so that everyone understands the expectations clearly.

Mr. Cox stated that he would be connecting with John Johnson (NASBA) the following week and AICPA/NASBA would be working on this project together. It was noted that the main points of contact for this project would be Ms. Hondolero and Mr. Vieira; if required, information could then be sent out to the rest of the members.

The Board thanked Mr. Cox for attending and continuing to work on this project.

Agenda Item 13 – Application Review

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

RESOLVED to enter into executive session for the purpose of reviewing application matters.

The Board entered executive session at 9:39 a.m.
The Board went back on the record at 11:32 a.m.

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

RESOLVED to deny the requests for Exam Score extension (12 AAC 04.200(i)) for:

- Jatin Aneja

- **Mathew Guerrero**
- **Shiego Kuwayama**
- **Magen Morris**
- **Angela Yeung**
- **Abdelrahman Alloun**
- **Abhi Sai Kiran Moreboyana**

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

RESOLVED to approve Talal Alajlani's request for extension of FAR score credit to 6/30/22.

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

RESOLVED to approve Azeldin Kiswani's request for extension of FAR score credit to 12/31/22.

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

RESOLVED to approve Simone Raiola's request for extension of FAR score credit to 4/22/22.

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

RESOLVED to approve Victoria Cargill's request for extension of AUD score credit to 11/28/22.

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

RESOLVED to approve Al Amira Hoda Chehab, Nada El Saadi, Teresa Kesey and Ivan Stepanov for licensure reinstatement.

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

RESOLVED to approve Haifa Alnaim, Aireen Amad-Antes, Yefri Escobar, Mariano Frugone, Jan Gruner, Faryal Hasan, Gaelle Mechleb, Sabrina Scully, Rachul Panchal, Sara Helou and Sofia Velez for licensure by exam.

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

RESOLVED to approve Todd Wall and Erik West for licensure by reciprocity.

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

RESOLVED to approve the Out-of-State firm permit application of Forvis, LLP.

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

RESOLVED to approve the late renewal of Darlene Dotzler; standard consent agreement required (no falsification).

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

RESOLVED to approve the random CE audits for:

- James Doughty
- Tarik Hanouni
- Emin Mammadov
- Jakhonjir Shirinov
- Richard Sleboda
- Spencer Stuart

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

RESOLVED to deny the random CE audit of Xin Fan; short of the ethics requirement during the license period.

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

RESOLVED to deny the request for reconsideration of CE audit for Michelle Prebula.

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

RESOLVED to deny the request for reconsideration of CE audit for Linda Swain.

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

RESOLVED to deny the request for reconsideration of CE audit for Tiffany Van Horn.

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

RESOLVED to accept the consent agreement with payment plan for case 2022-000525.

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

RESOLVED to accept the consent agreement for case 2022-000524.

Agenda Item 14 – Administrative Business

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

RESOLVED to adopt the FY22 annual report as written.

Confirm Upcoming Meeting Dates/Locations

- November 7-8, 2022 – Zoom
- February 2-3, 2023 – Zoom

Task Lists

Rachel Hanks

- Start to develop a fine matrix for Board review.
- Conduct exam test site visit in Fairbanks before the end of the year.

Lance Johnson

- Review CE regulations to see if there are any recommendations for changes that add clarity to the CE requirements/documentation.
- Check for definition of in-State entity.

Beth Stuart

- Will review offices issue (out of State firm, with in-State mailing address).

Steven Jordan

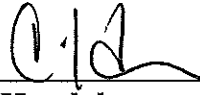
- Pending from May meeting - Draft language regarding reciprocity (reduction of what needs to be sent to complete application).
- Pending from May meeting - Send Ms. Hondolero language on licensure being based on where preponderance of work is done.

Cori Hondolero

- Request that someone from Division management be available to speak with the Board at the November meeting to discuss the SSN waiver.

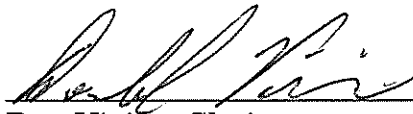
There being no further business, the meeting adjourned at 4:57 p.m.

Respectfully Submitted:



Cori Hondolero
Executive Administrator

Approved:



Don Vieira, Chair
Alaska Board of Public Accountancy

Date: 11/7/22