

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 7-8, 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 November 7-8, 2022.

Monday, November 7, 2022

Call to Order/Roll Call

The meeting was called to order by Don Vieira, at 9:11 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
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)
Jennifer Summers, Senior Investigator (agenda item #6)
Melissa Dumas, Administrative Operations Manager I (agenda item #10)
Glenn Saviers, Deputy Director (agenda item #13)
Marilyn Zimmerman, Paralegal II (agenda item #13)

Agenda Item 1 – Review Agenda

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

RESOLVED to approve the agenda as written.

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 meeting.

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

RESOLVED to approve the minutes of the August 25-26, 2022 meeting as written.

There was discussion and edits were noted by Ms. Stuart to add clarity to the public comment section and the discussion on international candidates.

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

RESOLVED to approve the August 25-26, 2022 minutes as amended.

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

Ms. Burson provided a summary of current Alaska Society activities to Ms. Hondolero due a scheduling conflict. The following are the items that were reported:

1. Alaska Society of CPAs Board of Directors met on November 2nd.
2. Leadership Academy 2023 – Applications are out and due no later than December 15th. First meeting will be held January 20th, 2023 and 2-day session was June 12th – 13th all in person in Anchorage.
3. AICPA Fall Council and Leadership Conference held October 17th – 20th in Chicago. Primary focus of meetings centered on continuing pipeline concerns, transition / issues surrounding the new CPA exam release in January 2023 and CGMA apprenticeship program that many expect is a precursor to a CPA internship program (for credit towards additional 30 hours).
4. CAQ (Center for Audit Quality) Bold Ambition Initiative / Accounting + – CAQ launched these campaigns in an effort to reach high school and college students to explore a career in accounting. The CAQ is trying to raise approx. \$20 million in 2023 and ultimately plans to spend \$50 million plus on the Bold

Ambition and Accounting + initiative. Initial plans include soliciting state societies for financial commitments. CPA/SEA (CPA Societies Executives Association) Board created a task force to collaborate with CAQ to determine if there are other more effective ways that state societies can work together.

5. Revised Statements on Standards for Tax Services – An Exposure Draft & Invitation to Comment - Written comments on the ED and ITC will become part of the AICPA public record and will be available on the AICPA's website after Dec. 31, 2022. The AICPA will consider all responses received on or before Dec. 31, 2022. The previously discussed Tax quality managements standards were pulled from current proposed changes.

Additional Resources:

Proposed revisions to the AICPA tax standards (SSTS)

Journal of Accountancy Article – Proposed revisions to the AICPA tax standards

6. Legislative Committee & PAC met on October 26th. The Committee looks forward to working together with State Board on regulation changes.

7. Technology Initiatives – new database and website migrations underway.

8. Live CPE / Federal Tax Update with Bob Jennings –

December 14th at The Westmark Hotel & Conference Center in Fairbanks

December 15th at The Bear Tooth Theater in Anchorage (also live webcasted)

9. 2023 Annual Meeting is Wednesday, May 17th – Friday, May 19th at the Alyeska Resort in Girdwood.

10. Next Board Meeting is Wednesday, January 25th at noon.

The Board asked Ms. Hondolero to send out a copy of the Society report, so the Board could access the links that were provided.

Agenda Item 5 – Public Comment

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

Agenda Item 7 – CPA Exam

Mr. Vieira noted that the CPA exam is on track for 2024 release. November 15, 2023 will be the last day to take the existing BEC section. The last date to take the current exam will be December 15, 2023. There will be a blackout period from December 16, 2023 to January 9, 2024; with the new exam launching January 10, 2024.

NASBA is looking for action on exam score extensions with the new exam. The goal is to provide uniform handling of extensions as the new exam launches.

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

RESOLVED that any candidate with Uniform CPA Examination credit(s) on January 1, 2024 will have such credit(s) extended to June 30, 2025.

Agenda Item 8 – NASBA Updates

Mr. Vieira stated that he would do more research into the services that NASBA offers and provide his recommendations to the Board. If NASBA were to assist with administrative stuff, it might save the Board time. Maybe NASBA can prefilter items for the Board and provide recommendations.

Mr. Johnson noted that there is a CE tracking service; licensees and trainers can upload course information. Mr. Vieira mentioned that he would like to see the Board more involved in Alaska Society meetings. Ms. Stuart indicated that someone had talked to her about Board action/comments from the last Board meeting and it did not sound like what she remembered happening. She indicated that she would speak with that person again and clarify what they were asking about.

Mr. Vieira asked if the Board would be interested in speaking at schools. Ms. Smith noted that East high school just started a new program where students can start learning about accounting and earning college credit. Mr. Johnson stated that he had no problem being involved with education, but the Board must still stay within its mandate. Ms. Hanks indicated that she would be willing to go to the university in the future. Mr. Viera said that there is no harm in having a presence at the university.

There was brief discussion about the remote work issue, but it was noted that changes are not happening right now. Where does mobility for remote work and the requirement to obtain an Alaska license overlap? There should be clear guidance. The Board noted that this may be a topic for a future meeting. There was also discussion about firm ownership, ESOP ownership and employee stock option plans. Do the current regulations address this and does the Board need to investigate this topic?

Agenda Item 6 – Investigative Report

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

- 42 open cases
- 12 closed cases

Ms. Bundick noted that cases are supposed to have meaningful activity every 30-45 days. Ms. Smith asked if the 2019 and 2020 cases were being worked. Ms. Bundick answered that yes, everything is being worked. Investigator Bundick had a PowerPoint presentation about the investigative process to share with the Board.

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

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

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

The Board thanked the investigators for their report.

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

RESOLVED to accept the consent agreement for case #2022-000844.

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

RESOLVED to accept the Imposition of Civil (ICFs) for case #2022-000059, #2022-000225 and #2022-000228.

*Ms. Hanks abstained from voting on case #2022-000059.

Agenda Item 7 – CPA Exam

The Board reviewed the two returned exam surveys and noted that one candidate made a comment about wanting a Juneau test site.

Agenda Item 10 – Board Business

Melissa Dumas, administrative operations manager joined the meeting and reviewed the final FY22 revenue/expenditure report with the Board.

There was discussion about investigative costs and staffing. Can the Board request additional staff to work the open cases? Ms. Dumas indicated that she would inquire about this with the Chief investigator.

Ms. Dumas noted that at this time fees can only be reduced; there are no fee increases happening within the Division at this time. Revenue and expenditures must be substantially equal. The Board asked about travel and if a firm could be considered as an acceptable 3rd party to direct pay for a Board member to attend NASBA meetings. Ms. Dumas thought this might be acceptable with an ethics disclosure.

Agenda Item 8 – NASBA Updates

Committees

Mr. Johnson – Continuing Professional Education (CPE) Committee – updates that were likely adopted at the annual meeting. One new field of study; an update that may be coming in the next year. Mr. Johnson noted that he was reappointed to the committee for another year. A few sponsors are starting to provide nano credits, but they are still not widely used. Guidelines for nano learning may be coming. Mr. Johnson asked if the Board needs to think about nano credits and how to accept them.

Ms. Hanks – Education Committee – Reappointed to the committee for another year. Committee has not met since August, but usually meets once per quarter.

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.

Fees – The Board took the following action regarding fees. This update will be included when the regulation updates are sent out for public comment.

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

**RESOLVED to approve the recommended firm fee decrease
to \$400.00.**

International Candidates – The Board clarified that they want to know why the SSN waiver request form is offered and why there seems to be a blanket approval of that waiver for all applicants.

Agenda Item 13 – Application Review

Mr. Vieira left the meeting room. Deputy Director Glenn Saviers and Division Paralegal II, Marilyn Zimmerman joined the meeting.

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

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

The Board entered executive session at 2:32 p.m.
The Board went back on the record at 3:49 p.m.

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

RESOLVED to deny the CE audit of James Dieringer (short 37 hours).

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

RESOLVED to draft a courtesy letter to licensees & firms clarifying the CE regulations.

A letter will be drafted and sent to the Board for review/approval. The letter will outline the existing CE regulations and the documentation (certificate of completion) requirements.

The meeting was recessed at 4:04 p.m., until Tuesday, November 8, 2022.

Tuesday, November 8, 2022

Call to Order/Roll Call

The meeting was called to order by Don Vieira, at 9:00 a.m. Those present, constituting a quorum of the Board were:

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

Crista Burson, representing the Alaska Society of CPAs (AKCPA)
James Cox, representing AICPA (agenda item #12)
Justin Baker, representing AICPA (agenda item #12)
Derek Carter (agenda item #13)

Agenda Item 11 – Review Agenda

No changes were noted.

Agenda Item 12 – Statute/Regulation Projects

James Cox and Justin Baker (AICPA) joined the meeting.

Mr. Cox had sent a draft for Board review; Ms. Hondolero had emailed it out to all members. The Board determined that it would be easiest to start at the beginning of the document and review it section by section.

Background checks is a new section; this will assist the Board in evaluating good moral character and would replace the reference requirement. Mr. Johnson asked how this would work for international candidates. Mr. Cox indicated that the Board would need to assure that they have authority to require the background checks. Ms. Stuart asked how the Board would evaluate the background checks. It was suggested that the Board work with the Division on this section.

Ms. Burson noted that Amy Cooper (UAF) and Stasia Straley (UAA) would be willing to speak with her to provide feedback to the Board on the education requirements after the current semester ends. The Board noted that 12 AAC 04.185(e)(1) needs some work.

12 AAC 04.165 – remove the experience requirement or does it need to stay there because the 2 years of experience is also in the statutes?

Mr. Vieira noted that he would like clarity on when a CPA needs to obtain licensure. Does home state or principal place of business cover this.

Mr. Cox indicated that he would do some research on how California handles their tiered licensing. The Board asked about the AICPA timeline for an

updated draft and determined that two additional work sessions would be scheduled before the end of the year. Mr. Cox stated that he would get back to the Board regarding AICPA availability.

The Board thanked AICPA staff for attending and continuing to work on this project.

Agenda Item 13 – Application Review

Ms. Hondolero wanted to make sure that she had the documentation correct for the CE audit that was denied during the prior day of the meeting. Members reaffirmed that the licensee was short 37 hours.

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

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

The Board entered executive session at 11:18 a.m.
The Board went back on the record at 11:38 a.m.

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

RESOLVED to approve Ryo Kato's request for extension of BEC score credit to 12/17/22.

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

RESOLVED to deny the request for Exam Score extension from Oka Santia (12 AAC 04.200(i)).

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

RESOLVED to approve Yuko Yamamoto's request for extension of AUD score credit to 12/31/22.

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

RESOLVED to table the reinstatement application of Munther Alarayedh.

Ms. Hondolero will reach out to NASBA to ask them to review the CE courses/providers submitted to determine if they meet the CE registry requirements.

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

RESOLVED to approve Cindy Keene for licensure reinstatement.

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

RESOLVED to approve Marie Beazlie, Marcus Brown, Derek Carter, Emerald Chastain, Nadani Chung, Darin Flake, Deborah Grenehalghe, Zhe Guo, Tiffany Helkenn, Nora Hussain, Rebecca Rivera, Jourdan Robertson, Brooke Shoemaker and Alexander Smith for licensure by exam.

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

RESOLVED to approve James Butler and Peter Delvecchia for licensure by reciprocity.

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

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

Agenda Item 14 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- November 30, 2022 – Zoom Regulation Work Session
- December 8, 2022 – Zoom Regulation Work Session
- February 2-3, 2023 – Zoom
- May 11-12, 2023
- August 24-25, 2023

Task Lists

Rachel Hanks

- Pending from August meeting - Draft a fine matrix for Board review.
- Pending from August meeting - Conduct exam test site visit in Fairbanks before the end of the year.

Lance Johnson

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

Beth Stuart

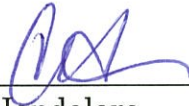
- Pending from August meeting - Will review offices issue (out of State firm, with in-State mailing address).

Steven Jordan

- Pending from May meeting - Draft language regarding reciprocity (reduction of what needs to be sent to complete application). *this item might be covered by current regulation project.
- Pending from May meeting - Send Ms. Hondolero language on licensure being based on where preponderance of work is done.

There being no further business, the meeting adjourned at 12:00 p.m.

Respectfully Submitted:



Cori Hondolero
Executive Administrator

Approved:



Don Vieira, Chair
Alaska Board of Public Accountancy

Date: 2/2/23