

*Annual Report*  
*Fiscal Year 2009*

**BOARD OF PUBLIC ACCOUNTANCY**

*July 2009*



**DIVISION OF CORPORATIONS, BUSINESS  
AND PROFESSIONAL LICENSING**

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July 27, 2009

Ms. Lynn Smith, Director  
Division of Corporations, Business,  
and Professional Licensing  
P.O. Box 110806  
Juneau, AK 99811-0806

Dear Ms. Smith:

In compliance with AS 08.01.070, and on behalf of the Alaska Board of Public Accountancy, I am submitting the enclosed Fiscal Year 2009 Annual Report. This report summarizes the Board's FY 2009 activities and accomplishments, our goals and objectives for FY 2010, and our budget recommendations and travel requests for FY 2010.

If you have any questions or require any additional information about the contents of the Annual Report, please contact me.

Sincerely,

Carla Bassler, CPA, PA  
Chair, Alaska Board of Public Accountancy

# BOARD OF PUBLIC ACCOUNTANCY

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# BOARD OF PUBLIC ACCOUNTANCY

## IDENTIFICATION OF BOARD

	<b>Date Appointed</b>	<b>Reappointed</b>	<b>Term Expires</b>
<b>Carla J. Bassler, CPA/PA,</b> Chairperson 801 West Fireweed Lane, Suite 202 Anchorage, AK 99503-3678	3/14/05	3/1/09	3/1/13
<b>Max E. Mertz, CPA/PA</b> 9309 Glacier Hwy., Suite B-200 Juneau, AK 99801	8/3/04	3/1/08	3/1/12
<b>Bruce Gabrys, CPA/PA</b> 3601 C St., Suite 600 Anchorage, AK 99503	3/1/07		3/1/11
<b>Kathleen Reid, CPA/PA</b> 119 N. Cushman Street, Suite 300 Fairbanks, Alaska 99701	10/16/08	3/1/09	3/1/13
<b>Elaine R. Williamson, CPA/PA</b> PO Box 70607 Fairbanks, AK 99707	10/18/05	3/1/09	3/1/13
<b>Rebecca Jensen, Public</b> P.O. Box 47037 Pedro Bay, AK 99647	3/1/07		3/1/11
<b>John Floyd, Public</b> 2351 Heatherbrook Circle Anchorage, AK 99504	10/16/08		3/1/12

## STAFF

### **Debora Stovern, Licensing Examiner**

### **Cori Hondolero, Records and Licensing Supervisor**

Department of Commerce Community and Economic Development  
Division of Corporations, Business and Professional Licensing  
P.O. Box 110806  
Juneau, AK 99811-0806

### **Dawn Bundick, Investigator**

Department of Commerce Community and Economic Development  
Division of Corporations, Business and Professional Licensing  
550 West 7<sup>th</sup> Avenue, Suite 1500  
Anchorage, AK 99501-3567

## **BOARD OF PUBLIC ACCOUNTANCY**

### **MISSION STATEMENT**

The mission of the Alaska Board of Public Accountancy is to protect the public interest by insuring that only qualified persons are licensed and appropriate standards of competency and practice are established and enforced.

# BOARD OF PUBLIC ACCOUNTANCY

## NARRATIVE STATEMENT

**Submitted by Carla Bassler, Chair  
For Fiscal Year Ended June 30, 2009**

The board continued with its normal business activities of reviewing and approving applications and supporting documents to license Certified Public Accountants, reviewing and approving applications for reinstatements and general permits to practice, approving candidates to sit for the Uniform CPA Examination, and auditing CPE. Disciplinary matters were dealt with in accordance to Alaska State statutes and all regulatory matters were accomplished following established procedures.

The following is a summary of the progress that board made towards its Fiscal Year 2009 goals:

### **1. Review and evaluate statutory and regulatory changes to implement mobility, firm ownership, and an executive administrator position for the board.**

With the Alaska Society of Certified Public Accountants (ASCPA) assistance and support from the Alaska Society legislative committee, this goal was achieved.

During the fiscal year ending June 30, 2009, the board with the assistance of NASBA prepared draft legislation of the concept of "mobility". Mobility enhances the ability for CPA's to do business in other states while providing state boards greater ability to regulate those CPA's. Presently, Alaska is one of 8 remaining boards that have not passed mobility. We are expecting this legislation will be introduced in our next legislative session and adopted.

Other legislation that has been drafted is allowing firms to be owned by individuals that are not CPA's. Presently the statutes mandate that CPA firms be 100% owned by CPA's. Draft legislation will reduce this percentage of ownership to majority ownership. This will allow CPA's to provide ownership interest to professionals and key employees that are not licensed as CPA's.

During the past fiscal year the board has reviewed with the ASCPA the concept of implementing an executive administrator position for the board. This position would be a full time position and would provided support to the board. It was concluded that an executive administrator position was necessary and draft legislation has been written.

It is anticipated that the mobility and firm ownership legislation will be presented to the legislation in their up coming session as one bill. It is anticipated that the executive administrator position will be presented as its own legislation, also to be presented in the next legislative session.

### **2. Review and evaluate NASBA services.**

In 2007, the board outsourced the processing of its CPA exam application activities to NASBA's CPA Exam Services. The board has continued to monitor these services, and finds that this service is fulfilling the board's goals.

The board continues to review with NASBA to determining if other services that NASBA provides would be beneficial to the board, CPA's and the public.

### **3. Ensure Alaska CPA candidates have positive exam opportunities.**

The board monitors its post-exam questionnaire that is mailed to each candidate in order to monitor the test experience at the Alaska sites. The board reviews the feedback from each exam site and is engaging in on-going dialogue with Prometric and NASBA about these results. In general, the board has found that NASBA and Prometric continue to provide an acceptable, and continually improving, exam experience to Alaska's CPA candidates.

### **4. Evaluate and address changes in the professional environment to continue to fulfill our mission to protect the public interests.**

The board has continued to endeavor to participate in and actively monitor NASBA activities. In doing so, board members volunteer for NASBA committees and attend NASBA regional, annual and special meetings. During fiscal year 2009, one board member, Carla Bassler was appointed to a NASBA committee, the Enforcement committee. In addition, the Licensing Examiner and Investigative staff attended NASBA conferences and two to three members were able to attend annual and regional meetings. We encourage staff and board members to participate in NASBA and to attend both regional and annual meetings in order to stay abreast of the quickly changing accounting environment.

The board feels that it is extremely important for board members to attend the regional and annual NASBA meetings. These meetings are very informative and helpful to board members and the protection of the public. They keep the members up to date about the accounting environment; members are able to interact with NASBA staff and request assistance from NASBA for legislative drafting to services that they provide. These meetings are educational and necessary.

# FISCAL YEAR 20\_\_\_\_ STATISTICAL OVERVIEW

Program: \_\_\_\_\_

AS 08. \_\_\_\_\_

12 AAC \_\_\_\_\_

Name of Individual Completing Report: \_\_\_\_\_

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

CATEGORY	NEW – ISSUED DURING FY 20____	TOTAL AS OF 6/30/____	EXAMINATION/ CREDENTIAL
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**A. Current Active Licenses, Endorsements, Permits**

*(student, locum tenens, limited, courtesy licenses)*

**List type and if issued by examination or credential, as applicable**

*(Do not list “temporary permits” or “temporary licenses”)*

1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
<b>TOTAL</b>			

**B. Current Inactive Licenses (not lapsed licenses)**

*(Only Medical, Chiropractic, CPA, and Real Estate)*

CATEGORY	TOTAL AS OF 6/30/____
1.	
2.	
3.	
4.	
5.	
<b>TOTAL</b>	





## **BOARD OF PUBLIC ACCOUNTANCY**

### **SUNSET PERFORMANCE AUDIT RECOMMENDATIONS**

HB 78 extended the Alaska Board of Public Accountancy through June 30, 2013; it was signed into law with an effective date of June 17, 2009.

# BOARD OF PUBLIC ACCOUNTANCY

## GOAL AND OBJECTIVES – FISCAL YEAR 2010

### **Goal 1. Review and evaluate statutory/regulatory changes needed to implement the mobility and firm ownership provisions of the Uniform Accountancy Act (UAA):**

*Objective a:* Support work by the Alaska Society of Certified Public Accountants (ASCPA) to have the draft bill passed by the legislature during the 2010 legislative session.

### **Goal 2. Review and evaluate NASBA services:**

*Objective a:* Monitor NASBA CPAES services.

*Objective b:* Evaluate additional NASBA services or other providers of services available to the board.

*Objective c:* Determine whether there are other potential service providers.

### **Goal 3. Ensure Alaska CPA candidates have positive examination opportunities:**

*Objective a:* Monitor testing experiences through the use of the post-testing survey for all candidates testing at the Anchorage and Fairbanks sites.

*Objective b:* Follow-up on concerns indicated in the surveys regarding

- 1) Availability of test dates at existing testing sites;
- 2) Interface of test program between testing site computers and Prometric;
- 3) Proper functioning software and hardware; and
- 4) Adequate physical testing environment.

*Objective c:* Pursue establishing a Juneau test site, with NASBA assistance.

*Objective d:* Monitor the development and/or renegotiation of the tri-party agreement between the AICPA, NASBA, and Prometric.

*Objective e:* Keep the Alaska Society of Certified Public Accountants (ASCPA) and the public informed of new developments.

### **Goal 4. Evaluate and address changes in the professional environment to continue to fulfill the mission to protect public interests:**

*Objective a:* Review new rules proposed by the PCAOB, NASBA, and the AICPA for impact on Alaska CPAs, and make changes to Alaska statutes and regulations as needed.

*Objective b:* Review and implement sections of the UAA through a coordinated effort with the ASCPA.

*Objective c:* Represent Alaska CPA concerns at regional and annual NASBA meetings and support NASBA committee participation

- 1) Promote attendance of new board members at regional and annual meetings to provide understanding of current regulatory issues at the national level and state-by-state;
- 2) Promote attendance of continuing board members and staff at regional and annual meetings to provide input and obtain information regarding national and state issues impacting Alaska CPAs; and

*Objective d:* Evaluate (in communication with ASCPA) how other states use peer review for enforcement purposes.

### **Goal 5. Participate in Alaska Society of Certified Public Accountants (ASCPA) board structure taskforce.**

*Objective a:* Evaluate whether changes should be made to Alaska Statutes to improve the efficacy of the Alaska Board of Public Accountancy.

*Objective b:* Evaluate and potentially act on the recommendations of the taskforce.

**Goal 6. Annually review and update the board's Goals and Objectives and the board's Policies and Procedures ("blue book").**

**Goal 7. Work with the Division to evaluate the board's fee structure.**

**Goal 8. Pursue public awareness of enforcement activities:**

*Objective a:* Make quarterly updates to the Investigative information and statistics on the board's web site;

*Objective b:* Interact with the Investigative Unit regarding consistency and monitoring of cases;  
and

*Objective c:* Continue participation with the NASBA Enforcement Practices Committee.

# ALASKA STATE BOARD OF PUBLIC ACCOUNTANCY

## FY 2010 BUDGET RECCOMENDATIONS

Board Meeting Travel AS 08.04.025 requires that the board shall hold a minimum of four board meetings per year. The board holds one meeting in Juneau, one meeting in Fairbanks and the other two meetings in Anchorage. The meetings in Juneau and Fairbanks are important in order to reach as many licensees as possible statewide. Board meetings are one and a half to two days with a full agenda. A portion of the meeting is devoted to dealing with administrative issues such as approving licenses, reinstatements, general permits to practice, auditing continuing professional education, and dealing with correspondence and disciplinary problems. The balance of the meeting is devoted to dealing with the changes in the profession as outlined in the Annual Report. During FY 2010 it is expected that board meetings may become more frequent and longer in duration as a result of changes that must be made to Alaska statutes and regulations.

Discretionary Travel -- National Association of State Boards of Accountancy (NASBA) Meetings NASBA, along with the AICPA, establishes national standards for the statutory and regulatory environment for CPA's. Over the past 5 to 10 years NASBA has become much more active as it has responded to the recent accounting scandals. As a result of this activity, the statutory and regulatory environment for CPA's has, and continues, to undergo rapid change.

Biannually, the Uniform Accountancy Act, is revised. The companion Model Regulations are also revised on a biannual alternating schedule. In addition, NASBA now maintains over 30 active committees. These committees cover areas directly affecting Alaska CPA regulation in areas such as the CPA exam, compliance assurance, ethics, continuing education, regulatory structures and strategic initiatives.

Most state boards of accountancy have professional staff, educated and experienced in the industry. The staff members of these states actively engage and participate in both NASBA meetings and committees. Because the Alaska Board has only one part-time staff assigned to it, who is not a CPA or accountant, ***it is absolutely imperative that the Alaska Board actively involve itself in NASBA activities and attend NASBA meetings.*** Members of the Alaska Board have volunteered and participate in NASBA committees and are actively encouraged to attend NASBA meetings.

NASBA has five primary meetings per year. These are the annual meeting (usually held in the fall), two regional meetings (one in the West and one in the East both of which are held in June), the Executive Directors meeting (held in late winter or early spring), and the Legal Staff meeting (held in late winter or early spring). NASBA meetings are well attended by all 54 state and territorial boards of accountancy, with many states sending their full boards. Attendance at the annual meeting or one of the regional meetings should be considered mandatory for every Alaska Board member each year. This is the only effective way for board members to adequately stay informed of the activities of NASBA. It is also very important the board's licensing Examiner attend the Executive Director's meeting. That meeting is the only effective way for our Licensing Examiner to stay abreast of activities and efforts of NASBA that may affect our board and all Alaska CPA's.

The board understands and appreciates the administration's goal to reduce the cost of government. NASBA has a scholarship program that will cover the cost of at least one individual from each state to attend its meetings and the administration has allowed such reimbursed travel for the Board of Public Accountancy. ***The board would like to point out that the cost of the board traveling is fully paid by licensees and applicants for the CPA exam.*** Further, the Alaska Society of CPAs (ASCPA), which represents half of all licensees, is supportive of paying the cost of board travel to

meetings. In that regard, we urge you to pay the cost to send two board members to each of the NASBA annual and regional meetings.

During the fiscal year 2010 the board is actively seeking legislative approval of an executive secretary that has an accounting background. We believe that with adequate forward planning the budgetary effects can be minimized. The board would like to participate in the fees schedules in order to assist in this process.

## **BOARD OF PUBLIC ACCOUNTANCY**

### **BOARD RECOMMENDATIONS FOR PROPOSED LEGISLATION**

The board supports the Alaska Society of Certified Public Accountants (ASCPA) and their legislative committee in their work on draft legislation regarding mobility and firm ownership. It is anticipated that the proposed legislation, as well as legislation providing for a board executive administrator, will be introduced during the upcoming legislative session.