

**STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND
ECONOMIC DEVELOPMENT
DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING**

BOARD OF PUBLIC ACCOUNTANCY

**MINUTES OF MEETING
February 12-13, 2009**

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 at the State Office Building, 333 Willoughby Avenue, Suite 992, Juneau, Alaska on February 12-13, 2009.

Thursday, February 12, 2009

Call to Order/Roll Call

The meeting was called to order by Max Mertz, Chair, at 10:37 a.m. Those present, constituting a quorum of the Board were:

Max Mertz, Chair, CPA – Juneau
Carla Bassler, CPA – Anchorage
Elaine Williamson, CPA – Fairbanks
Kathleen Reid, CPA – Fairbanks
Bruce Gabrys, CPA – Anchorage

Board members Rebecca Jensen and John Floyd were unable to attend.

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

Debora Stovern, Licensing Examiner – Juneau

Visitors present included:

Melody Schneider, representing the Alaska Society of CPAs (ASCPA)

Agenda Item 1 – Review Agenda

The Board added Election of Officers as an agenda item. It was noted that Alaska Statute (AS) 08.04.070(a) mandates the Board to annually elect from its members a presiding officer, a secretary and a treasurer.

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

RESOLVED to approve the agenda, as amended.

Agenda Item 2 - Review Meeting Minutes

The Board reviewed the minutes of the December 4-5, 2008 meeting. Mr. Mertz highlighted the comment on page 12 of the minutes, regarding agenda item 17 – Executive Administrator, noting the importance of the Board’s intention to create an Executive Administrator position.

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

RESOLVED to approve the minutes of the December 4-5, 2008 meeting, as presented.

Added Agenda Item – Election of Officers

The Board noted that it is important to change officers on a regular basis in order to keep members active on the different issues and to keep continuity during changes in Board appointments.

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

RESOLVED to appoint Carla Bassler as Board Chair.

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

RESOLVED to appoint Elaine Williamson as Board Secretary/Treasurer.

Mr. Gabrys noted that Ms. Williamson will make an excellent Secretary/Treasurer and that position will provide a good opportunity to groom her as the next Chair.

Ms. Bassler assumed the role of Chair. Ms. Stovern was directed to notify NASBA of the new officer positions.

Agenda Item – Public Comment

There were no members of the public present who wished to make comment.

Agenda Item 9 – Meetings on UAA/UAF Campuses

The Board had previously determined that they would like to schedule some future meetings on University of Alaska campuses in Anchorage and Fairbanks to provide better access to the Alaska academic community. Ms. Williamson reported making contact with Dr. Fred Barbee, Chair of the UAA Accounting Department, who agrees that campus meetings would be beneficial for students and faculty. The Board tentatively scheduled the next meeting for April 23 -24, 2009 on the Anchorage campus. Ms. Williamson will make initial arrangements with Dr. Barbee, and then pass it on to Ms. Stovern to finalize before the meeting. Ms. Williamson will check with Fairbanks officials regarding a summer of fall meeting on that campus.

Agenda Item 14 – Canadian Chartered Accountants

The Board had previously discussed a Mutual Recognition Agreement (MRA) regarding the equivalency of Canadian Chartered Accountant and U.S. Certified Public Accountants. Ms. Williamson had volunteered to research the MRA and how to apply experience supervised by a Canadian Chartered Accountant toward licensure in Alaska. She had a copy of the MRA, which Ms. Stovern will photocopy for Board members to review during tomorrow's discussion of this agenda item.

Agenda Item 3 – Investigative Report

Senior Investigator Brian Howes and Investigator Dawn Bundick joined the meeting by teleconference; Paralegal Karen Wilke joined the meeting in person.

Ms. Bassler informed the investigative personnel of the change in Board officers. Ms. Bassler had been acting as the Board liaison with the investigative unit; she felt it may be a conflict to continue while sitting as the Board Chair. Mr. Gabrys volunteered to be the new liaison. In order to maintain a quorum by preventing two members from recusing from a future potential vote on investigative matters, it was determined to have Ms. Bassler continue on issues she has already been working on, and to have Mr. Gabrys begin working with the investigative unit on any new issues. Mr. Mertz thanked Ms. Bassler and Ms. Bundick for their cooperative work on investigative issues.

Ms. Bundick reported that she is planning to attend the NASBA investigative conference in March, although she is still waiting for travel approval.

Ms. Bundick reviewed the Investigator's Report she had provided to the Board. She noted there is one closed investigation and eight open investigations—three which may be resolved under a single Consent Agreement the Board will be reviewing today, and one which is being handled in criminal court.

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

RESOLVED to enter into executive session in accordance with AS 44.62.310(c)(2) and (3), and Alaska Constitutional Rights to Privacy Provisions for the purpose of discussing investigative matters.

The Board entered executive session at 11:34am.

The Board went back on the record at 11:45am.

The Board scheduled for 2:00pm a teleconference with the investigative unit regarding a proposed consent agreement.

Agenda Item 16 – Continuing Education Audit Review

Ms. Wilke reviewed the continuing education cases included on the investigative report; there are three open cases, one which may be resolved by a Consent Agreement the Board will be reviewing today.

Recess for lunch

The Board recessed for lunch at 11:45am.

The Board resumed the meeting at 1:15pm. All attending members were present.

Agenda Item 4 – Regulations Adoption

The Board reviewed regulation changes to 12 AAC 04.181, dealing with work experience points. They had reviewed the regulations project and the certification order was signed at the December 2008 meeting. However there was not a motion to adopt.

The Board noted that, although no public comments were received, they paid special attention to the cost of private persons of the regulatory action being taken.

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

RESOLVED to adopt the regulatory changes, as presented.

The adoption order was signed.

Agenda Item 5 – Consent Agreement

Ms. Wilke joined the meeting to present the Board with a Consent Agreement resulting from a continuing education audit, case #0600-09-002. She reviewed the audit process and her role as Paralegal for the Division. She stated that she uses Board guidelines when negotiating agreements; the Board requested a copy of those guidelines for review at the next meeting.

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

RESOLVED to enter into executive session in accordance with AS 44.62.310(c)(2) and (3), and Alaska Constitutional Rights to Privacy Provisions for the purpose of discussing a matter of investigative nature.

The Board entered executive session at 1:27pm.

The Board went back on the record at 1:56pm.

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

RESOLVED to adopt the consent agreement for Connie C. Settje, as presented, with the date on page 5 paragraph 6 edited to read January 1, 2008.

The consent agreement was signed by the Chair.

Added Agenda Item – Consent Agreement

Mr. Howe and Ms. Bunde joined the meeting by teleconference to present the Board with a Consent Agreement resulting from three active investigations concerning case #600-02-002 on falsified application, case #600-02-005 on negligence, and case # 650-02-001 on a license application problem.

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

RESOLVED to enter into executive session in accordance with AS 44.62.310(c)(2) and (3), and Alaska Constitutional Rights to Privacy Provisions for the purpose of discussing a consent agreement.

The Board entered executive session at 2:03pm.
The Board went back on the record at 2:21pm.

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

RESOLVED to adopt the consent agreement for Barry Wayne Fowler, as presented.

The consent agreement was signed by the Chair.

Mr. Mertz reported that the investigative statistics published on the Board's web page seem to be outdated and requested information on how that is updated. Mr. Howe suggested that the licensing examiner make a quarterly request for updated information from the investigative unit and have the Division Publication Specialist post it on the website. The Board directed Ms. Stovern to follow up as suggested by Mr. Howe.

Agenda Item 6 – Hearing Officer Decision and Order

The Board reviewed a Proposed Decision from the Office of Administrative Hearings concerning an applicant's appeal of a Board license denial.

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

RESOLVED to adopt the hearing officer decision in the matter of Joseph S. Koford.

The adoption order was signed by the Chair.

Agenda Item 7 – Correspondence

The Board reviewed the following items of correspondence:

1. Jason S. Giaimo – Misunderstanding between himself and the Board. No response necessary.
2. NASBA Regional Directors’ Focus Questions – Questionnaire concerning economy, continuing education audits, peer review, CPA experience requirements, and legislative projects. The Board discussed the questions and directed Ms. Stovern to provide their responses to NASBA with a courtesy copy to Ms. Bassler.
3. NASBA Quarterly Communications – Information regarding the their March Executive Directors Conference and Legal Counsel Conference, January Board of Directors Meeting, and Summary Report of previous focus questions. No response necessary.
4. AICPA/Prometric/NASBA – Letter regarding changes in candidate fees. No response necessary.
5. NASBA – Announcement regarding CPE Expo in San Antonio, TX scheduled for September 2009. No response necessary.
6. NASBA Licensing Examination Committee – Request for feedback. The Board will discuss this at their next meeting.
7. NASBA – Request for Vice-Chair Recommendation. No response necessary.
8. Missouri State Board of Accountancy – Notice of Vice-Chair nomination. No response necessary.
9. Institute of Chartered Accountants of Ontario – Mutual recognition agreements. The Board will be discussing a NASBA-recommended Mutual Recognition Agreement during Agenda Item 14.
10. Ronald Hop – GAGAS/Yellowbook audits. The Board noted that they had discussed this issue extensively under Agenda Item 12 at the December 2008 meeting. There was further discussion of this issue with regard to an application that was tabled at the December 2008 meeting; it was determined that it is the applicant’s responsibility to show how their experience meets licensing requirements. The Board determined that a similar response should be sent regarding this inquiry. Ms. Reid volunteered to draft a response for Ms. Bassler and Ms. Stovern to provide to Mr. Hop.
11. Oklahoma Accountancy Board – Notice of proposed rulemaking. No response necessary
12. CPA Examination Services – Notice regarding new security paper. No response necessary.
13. State Yellow Book – Request for updated Board contact information. Ms. Stovern will respond.

Agenda Item 2 - Review Meeting Minutes

The Board returned to Agenda Item 2 to reexamine the minutes of the December 4-5, 2008 meeting. It was determined that the motion for application approval included the name of an applicant whose application was to be tabled until further information was provided. Ms. Stovern confirmed that the applicant was properly notified of the correct Board action.

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

RESOLVED to amend the approved minutes of the December 4-5, 2008 meeting, to reflect that the application of Clinton Wight was not approved, but was tabled pending information showing that he met the experience requirements.

Agenda Item 8 – NASBA Annual Conference Update

The Board had previously determined that it would be beneficial to have the Board's Investigator attend the Legal Council Conference and to have the licensing examiner attend the Executive Director Conference. Both conferences are scheduled for March 15-18, 2009 in Jacksonville, Florida. Mr. Mertz stated that as Ms. Stovern is a new licensing examiner with the Board, it is even more important that she have the opportunity to attend and gain understanding of current issues being dealt with at the national and state level. Ms. Bassler suggested that the Board investigate scholarship opportunities that may be available for new staff members.

Ms. Bassler reported on her attendance at the December 8, 2008 meeting of the Enforcement practices Committee. They reviewed several areas of subcommittee concentration, discussed objectives and worked on developing a timeline. Committee members were also treated to a tour of the NASBA facility and were introduced to personnel.

Agenda Item 10 – Prometric Testing Center (Anchorage/Fairbanks)

Mr. Gabrys had previously volunteered to monitor security at the test locations. He reported some concerns with the potential for security breaches under the current procedure for restroom breaks. He will visit the Anchorage site and report to the Board at the next meeting.

Agenda Item 11 - Administrative and Other

Announcement

There were no announcements.

Ethics Reporting

There were no ethics conflicts to report. The Board directed Ms. Stovern to schedule ethics reporting at the beginning of the next meeting.

Wall Certificates

Ms. Bassler and Ms. Williamson signed wall certificates for the following licensees: Angela M. Behrent, Pu Chu Chang, Kristin A. Koshiyama, Andrea L. Gerard, Yuliya L. Ramos, Bethe A. Davis, Edward A. Ross Jr., Amber R. Smith, Matthew S. Bluett, Christina R. Trent, David B. porter, Ivan G. Stepanov, Ahmed K. Harara, Ryan L. Zins, Brenda L. Fulton, Elizabeth W. Atherton, Stanislav Bukanov, Carrie A. Lunn, Deanna L. Hracha, Joseph W. Toussant.

Sign Minutes

The Chair signed the amended minutes from the December 4-5, 2008 meeting.

Schedule Next Board Meeting

The Board scheduled their next meeting for April 23-24, 2009 in Anchorage.

Expenditure Report

There was no report available for review due to the Administrative Manager position vacancy.

Sign Travel Authorizations

Board members signed Travel Authorization forms and will submit receipts.

CPA Exam Services Update (CPAES)

CPAES is the NASBA service that reviews applications for candidate to take the Uniform CPA Exam and issues applicant's notices to schedule for the exam. There were no updates to report.

The Board directed Ms. Stovern to contact NASBA regarding services they may be able to provide.

Division Chief Jennifer Strickler joined the meeting to discuss administrative issues.

Board Travel

Ms. Stovern distributed copies of the State Travel policy. Ms. Strickler reviewed the travel authorization procedure and noted that there had been several changes over the years. She stated that noncompliance with travel requirements may be an ethics violation.

Ms. Bassler asked about reimbursement for her attendance at the at the December 8, 2008 meeting of the NASBA Enforcement Practices Committee. She confirmed that her attendance was not related to her position on the Alaska Board. Ms. Strickler will follow up on the travel reimbursement.

The Board informed Ms. Strickler that it is important for the licensing examiner to the NASBA Executive Director Conference and asked if that would be approved even though there is currently a hiring/spending freeze. Ms. Strickler stated that the travel is already included in the Board's budget and she would note that on the request for travel authorization. She directed Ms. Stovern to submit the request as usual.

Sunset Audit

The Board's next sunset audit is scheduled for June 30, 2009. Ms. Strickler reported that the auditors have been recommending 15-20 year Board extensions instead of 4-8 years. She will keep the Board updated regarding audit recommendations.

Maximus Contract

Ms. Strickler reported that the preliminary results of the Maximus study were disappointing and did not meet the contract requirements. There is no report available for review.

Executive Administrator Position

Ms. Strickler said the Division would support their goal of creating an Executive Administrator position for the Board. Mr. Mertz reported that the Association would pursue that legislative project next year, after completion of the current projects.

Expenditure Report

Ms. Strickler apologized for the Division not providing a report for Board review. The Administrative Manager prepares the report, but that position is currently vacant. Ms. Strickler is recruiting for the position.

Agenda Item 17 – Legislative Audit Report

Mr. Mertz had written a letter of response on behalf of the Board with regard to the Legislative Auditor's 2008 Management Review. The letter was provided for Board review.

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

RESOLVED to adjourn the meeting for the day.

The meeting was adjourned from 4:04pm until 8:30am on Friday, February 13, 2009.

Friday, February 13, 2009

Call to Order/Roll Call

The meeting was called to order by Carla Bassler, Chair, at 8:32am. Those present, constituting a quorum of the Board were:

Carla Bassler, Chair, CPA – Anchorage
Max Mertz, CPA – Juneau
Elaine Williamson, CPA – Fairbanks
Kathleen Reid, CPA – Fairbanks
Bruce Gabrys, CPA – Anchorage

Board members Rebecca Jensen and John Floyd were unable to attend.

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

Debora Stovern, Licensing Examiner – Juneau

Visitors present included:

Melody Schneider, representing the Alaska Society of CPAs (ASCPA)

Agenda Item 14 – Canadian Chartered Accountants

The Board reviewed a Mutual Recognition Agreement (MRA) regarding the equivalency of Canadian Chartered Accountant and U.S. Certified Public Accountants. The MRA is recommended by the national Association of State Boards of Accountancy (NASBA), Canadian Institute of Chartered Accountants, Instituto Mexicano de Contadores Publicos, Comité Mexicano para la Practica Internacional de la Contaduria (COMPIC) and American Institute of Certified Public Accountants.

Ms. Williamson noted that the Board has a policy (in the “blue book”) that recognizes the Canadian examination.

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

RESOLVED to accept experience gained under the supervision of a Chartered Accountant (CA) in Canada as being substantially equivalent to experience gained under the supervision of a CPA in the United States—as recommended by NASBA under the “Professional Mutual Recognition Agreement” dated April 2008.

The Board directed Ms. Stovern to update the policy to include a copy of the MUA used as guidance. The Board also determined to review and update the policy book at their next meeting; they directed Ms. Stovern to save the policies in electronic format for safekeeping.

Agenda Item 18 – New Business

There was no new business.

Agenda Item 19 - Review Assigned Tasks

Carla Bassler

- Introduce Mr. Gabrys to the Investigative Unit to facilitate his new liaison role.

Max Mertz

- Continue assisting with current legislative bills.
- Research creating Executive Administrator position.

Bruce Gabrys

- Work with Investigative Unit as Board liaison.
- Continue researching security issues at Anchorage and Fairbanks exam sites.

Elaine Williamson

- Coordinate with UAA to schedule the April Board meeting on campus, coordinate with UAF to schedule August or November Board meetings on campus.
- Follow up research on Mutual Recognition Agreements for Canadian Chartered Accountants.

Kathleen Reid

- Draft response letter regarding GAGAS/Yellowbook audits.

Jun Maiquis

- File adopted regulations project.

Debora Stovern

- Obtain Board “guidelines” from Paralegal for distribution to Board members to review at the next meeting.
- Distribute Board policies to members for review at the next meeting.
- Create/save an electronic copy of the Board policies for safekeeping.
- Respond to correspondence items.
- Work with the Investigative Unit to make quarterly updates to statistics published on the website.
- Contact NASBA regarding services they may be able to provide to the Board.
- Attend NASBA Executive Director Conference in March 2009.

Agenda Item 13 – Mobility Statutes/Regulation Discussion

Lisa Rogers, representing the Alaska Society of CPA’s joined the meeting by teleconference to discuss the proposed mobility and firm registration statutory changes the ASCPA is promoting. The Board continues to support the proposed project.

Ms. Rogers reported that Terry Bannister, an attorney with Legislative Affairs, has been working on the draft legislation, with support from staff in the office of Representative Hawker, making sure that it conforms to the Uniform Accountancy Act.

Fairbanks Board members, along with Melody Schneider of the ASCPA, met with staff of Senator Paskvan yesterday. They learned that the Senator is supportive of the project and may be willing to have it introduced by the Labor and Commerce Committee, which he chairs. It has been recommended that supporters wait until the bill is drafted then, depending on who introduces it, develop a strategy to get it passed.

Ms. Davis will contact Legislative Legal to get a status report on the draft. She and Ms. Schneider will keep the Board apprised of the status.

Agenda Item 15 – Application Review

Due to possible confusion and disappointment that may be caused by inaccurate draft minutes—particularly with regard to application review—the Board directed the Division to stop posting draft minutes on the website, and to begin posting only final minutes that have been reviewed and approved by the Board.

Reactivation

The Board reviewed the previously tabled application for reactivation for Donald Hester, and noted that he has submitted information to complete the application.

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

RESOLVED approved the application to reactivate the license of Donald Hester to active status.

Licensure by Examination

The Board reviewed the following are applicants for licensure by examination in Alaska: Kimball Andresen

Duane Yang Chen, Kimberly Hillis, Go Kashiyama, Thomas Morse, Peter O'Reilly, Lisa Petrescu, Roberto Resende, Tatiana Snitsarenko, Olga Sukhareva, and Stanislav Zoltarev.

The Board declined to consider the application of Thomas Morse until it is complete.

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

RESOLVED to approve the applications for licensure by examination for Kimball Andresen, Duane Yang Chen, Kimberly Hillis, Go Kashiyam, Lisa Petrescu, Roberto Resende, Tatiana Snitsarenko, Olga Sukhareva, and Stanislav Zoltarev.

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

RESOLVED to approve the applications for licensure by examination for Peter O'Reilly pending verification that his completion of the ethics course was the correct course required for licensure by examination.

CPA Firms

The Board reviewed an application for licensure for the following CPA firm: C.F. James, CPA, PC.

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

RESOLVED to approve the applications for licensure of the CPA firm C.F. James, CPA, PC.

Out-of-State Permits

The Board reviewed the following are applications for an Out-of-State Permit in Alaska: BDO Seidman LLP, Clark Nuber PS, Stephen J. Day, Vivienne E. Garvey, Jorge Guerrero, Tina Honeycut Whitmire, Ronald G. Rauch, and Gregory Ross.

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

RESOLVED to approve the applications for Out-of-State Permits for BDO Seidman LLP, Clark Nuber PS, Stephen J. Day, Jorge Guerrero, Tina Honeycut Whitmire, and Ronald G. Rauch.

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

RESOLVED to approve the applications for Out-of-State Permits for Vivienne E. Garvey and Gregory Ross, pending payment of fees.

Reinstatement

The Board reviewed the application for reinstatement for Elizabeth Sweeney, noting that the application is incomplete.

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

RESOLVED table the application to reinstate the license of Elizabeth Sweeny pending documentation of continuing education required in accordance with 12 AAC 04.440.

Reactivation

The Board reviewed the application for reactivation for Robert Gutsche, noting that the application is incomplete.

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

RESOLVED to table the application to reactivate the license of Robert Gutsche, pending documentation of 4 hours of Alaska State Ethics CPE in accordance with AS 08.04 and 12 AAC 04.440, pending additional documentation of excuse for lapsed license to include documentation of German license, documentation the CPE has been current since 1/1/04, and explanation as to why his license was not renewed in March 2004 when he realized it was not current.

Exam application

The Board reviewed a request from NASBA regarding their review of an application for examination by Jack Alcorn. NASBA evaluation indicated that earned credits not appearing on an official transcript cannot be accepted to meet educational requirements.

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

RESOLVED to support the determination by NASBA CPAES with respect to the application for examination by Jack Alcorn.

There being no further business, the meeting adjourned at 10:53am.

Respectfully Submitted:

Debora Stovern
Licensing Examiner

Approved:

Carla Bassler, Chair
Board of Public Accountancy

Date: _____