

**STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF OCCUPATIONAL LICENSING
BOARD OF PUBLIC ACCOUNTANCY**

MINUTES OF MEETING

March 27-28, 2003

By authority of AS 08.04.025 and AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Alaska State Board of Public Accountancy was held on March 27-28, 2003, beginning at 9:00 a.m. The meeting was held in the Atwood Building, 550 West 7th, Suite 1270, Anchorage, Alaska.

Thursday, March 27, 2003

Item 1 Call to Order/Roll Call

The meeting was called to order by Dean Nelson, Chair, at 9:25 a.m.

There were present, constituting a quorum of the board:

Dean Nelson – CPA, Chair
Steve Tarola – CPA, Vice Chair
Marjorie Kaiser - CPA
Kathleen Shreiber - Public Member

Lottie Fleeks, Public Member, was unable to attend.

Members Linda Thomas and Sandra Wilson were not yet present.

In attendance from the Department of Community and Economic Development, Division of Occupational Licensing, was:

Ginger Morton, Licensing Examiner

Members of the public in attendance were:

Tom Robinson, representing the Alaska Society of Certified Public Accountants (ASCPA) and the University of Alaska Fairbanks (UAF)

Leslie Schmitz, also representing the ASCPA.

Item 2 Review/Amend Agenda

The agenda was amended as follows:

- The Investigative Report under Item 18A was moved to follow Item 3A, as Maggie McQuaid would be presenting the report and had other obligations at the assigned time on Friday.
- A new item, Tom Sadler nomination letter, was added as Item 7G.
- A new item, 19A Election of Officers, was added under New Business.

On a motion made by Marjorie Kaiser, seconded by Kathleen Shreiber, and approved unanimously, it was

RESOLVED to approve the agenda as amended.

Members Linda Thomas and Sandra Wilson joined the meeting at 9:35 a.m.

Item 3 Review/Approve Minutes

The January 23-24, 2003 minutes were amended as follows:

- On page 3 the spelling of "Sarbanes_Oxley" was corrected to "Sarbanes-Oxley."
- On page 5 the spelling of "Stave" was corrected to "Steve."
- On page 10, Item 20B. Earl Robinson, the first two sentences were corrected to read:

As a condition to Mr. Robinson's license renewal for licensing period 1/1/02-12/31/03 he agreed to provide an acceptance report for his first quality review. He had 18 months from the date of his first audit (4/23/01) to submit the acceptance report.

On a motion made by Marjorie Kaiser, seconded by Linda Thomas, and carried unanimously, it was

RESOLVED to approve the January 23-24, 2003 meeting minutes as amended.

Item 3A **Investigative Report**

Investigator Phil Petrie was unable to attend the meeting. Investigator Margaret McQuaid and Senior Investigator Julia Winchell appeared and presented the investigative report in his stead.

There followed a brief discussion regarding the board's frustration at the lack of information provided in the investigative reports. However, the board did say they understood that they must remain uninformed so as to remain an impartial party should the matter require adjudication.

Item 4 **Public Comment**

Chair Dean Nelson opened the public comment period at 9:55 a.m.

Tom Robinson representing the ASCPA, announced that Dean Nelson will be the recipient of the Jay A. Ofsthun Distinguished Service Award at the ASCPA's annual meeting in Talkeetna this coming May. Mr. Robinson also announced that ASCPA member Leslie Schmitz had been awarded the Public Service Award.

Public Comment closed at 10:00 a.m.

Item 5 **Tom Robinson, UAF, Accounting Curriculum**

The board had asked Mr. Robinson, a professor at UAF, to review a publication from NASBA regarding a broader based curriculum for accounting students, in the context of advising the board if its regulation defining "accounting concentration" was adequate.

Mr. Robinson indicated that the NASBA publication was suggesting not higher level accounting courses, but courses in writing and oral communications. His suggestions for strengthening the accounting concentration would be to add courses such as a systems information technology course, ethics course and advanced income tax course.

Recess *The board recessed at 10:55 a.m. reconvened at 11:15 a.m.*

Item 6 **Review Goals and Objectives**

The board reviewed and discussed its goals and objectives, and asked that adopting new goals and objective be added to the agenda for the July meeting.

Item 7 **NASBA**

A. AICPA Examinations Committee Request for Volunteers.

Sandra Wilson told the board that she had volunteered her services for this committee.

B. Script of PCAOB Presentation. The board reviewed and very briefly discussed this topic.

C. Prometric Site Visit. The examiner told the board they were scheduled to visit the Prometric testing center the next day at 11:00 a.m.

D. Regional Meeting (June 11-13). Sandra Wilson indicated she would like to attend this meeting, especially in light of the fact she has been nominated for Regional Director.

As the board has two new members, the licensing examiner was asked to inquire of NASBA if they would fund the new members' attendance at the regional meeting. She was further asked to contact the new members to determine their interest in attending, and prepare travel authorizations if required.

E. Issue of One Exam Site. The board asked the licensing examiner to continue her efforts in determining the cost of set up for additional testing sites, and to keep this item on for the July meeting agenda.

F. NASBA Quarterly Report. The board reviewed the following, which had been submitted to the board by NASBA:

- Highlights of 1/17/03 BOD Meeting
- Summary of Focus Questions
- New Focus Questions

The chair asked the members to review the focus question and the questions would be taken up later for completion.

G. Tom Sadler Nomination Letter. Tom Sadler had asked the board for support in his nomination for the position of Director at Large for NASBA.

On a motion made by Steve Tarola, seconded by Sandra Wilson, and carried unanimously, it was

RESOLVED to send a letter on behalf of the board to the NASBA Nominating Committee endorsing the nomination of Tom Sadler for Director at Large.

Dean Nelson agreed to author the letter to NASBA on behalf of the board.

Recess *The board recessed for lunch at 12:00 p.m. reconvened at 1:30 p.m.*

Item 8 **Regulation Update**

Kurt West, Regulations Specialist, joined the meeting by teleconference.

D. Revisions to Commissions/Contingent Fees (12 AAC 04.100)

Dean Nelson stated the board would not be moving forward with this proposed change at this time.

C. Quality Review Renewal Revision (12 AAC 04.600(c)(3))

Having considered public comment received and acknowledging no additional cost

On a motion made by Sandra Wilson, seconded by Linda Thomas, and carried unanimously, it was

RESOLVED to adopt the revisions to 12 AAC 04.600(c)(3), Quality Review Renewal Revision, as public noticed.

B. Ethics Requirement for CPE (12 AAC 04.300)

The ethics requirement for CPE will be added to the July 2003 meeting agenda. Dean Nelson and Leslie Schmitz indicated they would report back to the board at that time on the ASCPA's efforts to offer an ethics CPE course.

The examiner was asked to contact the American Institute of Certified Public Accountants (AICPA) to determine if there has been a revision date for the ethics exam, which is referenced by name and revision date in the regulations governing accounting.

A. Computerized Exam Regulations

The board asked Kurt West to prepare a new draft of the computerized exam regulations for review at the July 2003 meeting, based upon the recent developments regarding proposed statutory changes to implement the computerized exam.

Item 9 **Status of Proposed Legislative Changes re CBT**

The board discussed the draft bill that had been provided from Representative Hawker's office, suggesting changes to the transition language.

Item 10 **May 2003 Exam Responsibilities**

Steve Tarola and Dean Nelson stated that they would be available to lead proctor at the two Anchorage exam sites. Sandra Wilson said she would proctor the exams in Fairbanks. Marjorie Kaiser indicated she would conduct the examination inventory at Loomis Fargo.

Item 19A **Election of Officers**

In light of expiration of Chair Dean Nelson's term on April 25, 2003, an election of new board officers was conducted.

On a motion made by Linda Thomas, seconded by Kathleen Shreiber, and carried unanimously, it was

RESOLVED to elect Steve Tarola as Chair and Marjorie Kaiser as Vice-Chair.

Sandra Wilson will remain the board's secretary.

Adjourn *The meeting adjourned at 4:10 p.m.*

Friday, March 28, 2003

Item 11 Call to Order/Roll Call

The meeting was called to order by Dean Nelson, Chair, at 8:40 a.m.

There were present, constituting a quorum of the board:

Dean Nelson – CPA, Chair
Steve Tarola – CPA, Vice Chair
Sandra Wilson – CPA
Linda Thomas - CPA
Marjorie Kaiser – CPA
Kathleen Shreiber - Public Member

Lottie Fleeks - Public Member, was not present.

In attendance from the Department of Community and Economic Development, Division of Occupational Licensing, was:

Ginger Morton, Licensing Examiner

Members of the public in attendance were:

Leslie Schmitz, representing the ASCPA.

Item 12 ASCPA

Leslie Schmitz, speaking on behalf of the ASCPA told the board that as of yet the ASCPA does not have an ethics CPE program available. She indicated she would provide further information at the July 2003 meeting.

In answer to a question regarding the Uniform Accountancy Act (UAA), Ms. Schmitz told the board that interest in UAA has stalled and that the society will probably not be conducting another survey.

She told the board that the Society is conducting outreach to the community to solicit membership.

Ms. Schmitz reminded the board that the ASCPA's annual meeting was May 15-16, 2003 in Talkeetna.

Item 13 Reinstatement Applications

On a motion made by Sandra Wilson, seconded by Marjorie Kaiser, and carried unanimously, it was

RESOLVED to approve the reinstatement application of Han Choe, CPA License No. 999.

Item 16 CPA Exam Applications

Floyd Allen: Mr. Allen answered “yes” to one of the professional fitness questions on his application. The division investigator determined there was no action necessary.

On a motion made by Steve Tarola, seconded by Kathleen Shreiber, and carried unanimously, it was

RESOLVED to approve the application of Floyd Allen for the CPA exam.

Claude Burt: Mr. Burt answered “yes” to one of the professional fitness questions on his application.

On a motion made by Steve Tarola, seconded by Kathleen Shreiber, and carried unanimously, it was

RESOLVED to approve the application of Claude Burt for the CPA exam pending approval from the division investigator.

Natalia Stanfield: Ms. Stanfield’s foreign evaluation was not prepared by a board approved credentialing agency, although UAA accepted credits for transfer.

On a motion made by Marjorie Kaiser, seconded by Linda Thomas, and carried unanimously, it was

RESOLVED to approve the application of Natalia Stanfield for the CPA exam.

Item 14 Certification Applications

On a motion made by Steve Tarola, seconded by Kathleen Shreiber, and carried unanimously, it was

RESOLVED to approve Tiffany Van Horn and Shana Newpher for certification by exam/experience, and to approve Carren Walters for certification by exam/experience pending verification of her supervising CPA's certification.

On a motion made by Marjorie Kaiser, seconded by Linda Thomas, and carried unanimously, it was

RESOLVED to approve the application of Mayes E. Fuller for certification by reciprocity.

Item 18 Administrative Issues

B. Expenditure Report. Director Rick Urion joined the meeting by teleconference.

The Board was inquiring as to why the indirect costs on the January 2003 expenditure report were much higher than normal. Mr. Urion indicated that since the Anchorage office had moved into the Atwood Building, costs had increased.

Following Mr. Urion's departure from the budget discussion, the board wondered about the increase in personal and contractual services, and asked that this be addressed at the July 2003 meeting.

Item 17 Ratify General Permits

On a motion made by Marjorie Kaiser, seconded by Sandra Wilson, and carried unanimously, it was

RESOLVED to approve the out of state general permit application of West and Company.

**Item 18 Administrative Issues
con't.**

C. Ethics Reporting. There were no ethics violations to report.

D. Correspondence. The board reviewed the correspondence from licensee Julee Duhrsen regarding the amount of CPE she might be awarded for co-authoring a publication. The board instructed the examiner to write Ms. Duhrsen asking for collaboration from her co-author on the amount of time spent, and it would be taken up again at the July 2003 meeting.

Recess *The board recessed at 10:05 a.m., reconvened at 10:25 a.m.*

E. Schedule Next Meeting. The next meeting had already been scheduled for July 17-18, 2003 in Fairbanks, and the fall meeting was scheduled for October 2-3, 2003 in Anchorage.

F. Wall Certificates. The Chair and Secretary signed wall certificates .

**Item 7F
con't.** **Focus Questions**

The board collectively answered the NASBA Focus Questions and asked the examiner to finalize and forward them to the Pacific Regional Director.

Item 15 **Prometric Exam Site Visit**

The board traveled to the Prometric Testing Center at 3401 Minnesota Drive, Anchorage. The testing center administrator, Jacqueline, explained the testing and security procedures.

Recess *The board recessed for lunch at 11:45 a.m., reconvened at 12:30 p.m.*

Following the Prometric visit the board had the following questions: 1) how Prometric can guarantee adequate seating for CPA candidates when the testing center administrator indicated they are presently at full capacity; 2) the University of Alaska owns the Prometric franchise and the board would like to know what the connection is; 3) there is also a question of security with GED testing on the same day.

The board asked to see a copy of the contract between the AICPA, NASBA and Prometric. A copy will be brought to the July meeting.

Adjourn *The board adjourned at 1:15 p.m.*

Respectfully submitted:

Ginger Morton, Licensing Examiner

Approved:

Steven R. Tarola, Chair
Board of Public Accountancy

Date: _____