

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 9, 2005

By authority of AS 08.01.070(2) and AS 08.86.030, and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Board of Public Accountancy was held November 9, 2005, beginning at 10:00 a.m. The meeting was held in the Robert B. Atwood Building, 550 West 7th Ave., Suite 1860, Anchorage, Alaska.

Wednesday, November 9, 2005

Item 1 Call to Order/Roll Call

There were present, constituting a quorum:

Carla J. Bassler, CPA
Christy K. Morse, CPA
Catherine Wilson, Public Member
Max Mertz, CPA
Elaine Williamson, CPA

Due to scheduling and board appointment Daniel Rozema, CPA was unable to attend. A public member board position is currently vacant.

In attendance from the Department of Commerce, Division of Corporations, Business and Professional was:

Cynthia Cintra, Licensing Examiner
Phil Petrie, Investigator
Gayle Horetski, Assistant Attorney, Department of Law

In attendance from the public:

Lisa Rogers, representing the Alaska Society of CPAs (ASCPA).
Bernadistie C. Koppy, representing the Alaska Society of Independent Accountants (ASIA).
Dean W. Nelson, representing the Alaska Society of CPAs (ASCPA)

Item 2 Board Elections

The board had a brief discussion regarding the vacant chairperson position and decided to hold an election for a temporary chairperson until the board meets again. The board feels that this will give the absent new board member and other new board members a chance to get to know each other and become comfortable with the group.

On a motion duly made by Carla Bassler, seconded by Catherine Wilson, and approved unanimously, it was

RESOLVED to nominate and elect Max Mertz, CPA as Temporary Chairperson of the Board of Public Accountancy.

Mr. Mertz accepted the election and thanked the board.

Item 3 Review/Amend Agenda

The following amendments were made to the agenda:

- A new item, Board Elections was added as item 2. Other items will be renumbered as appropriate.
- Item 8, Ethics Reporting, Ethics Video, was moved to the next meeting agenda as a VCR was unavailable for use.
- A new item 9C, correspondence from Justin Orr, would be added to Item 9.
- A new item 9H, correspondence regarding the September AICPA Board of Examiners meeting and other related correspondence were added.
- A new item, Colorado response, was added to Item 9F(3) Discuss October – November Annual Meeting was added as (b) to Item 17.
- Item 13, Discuss One-Day Meetings, was moved to the next meeting agenda.

On a motion duly made by Christy Morse, seconded by Carla Bassler, and approved unanimously, it was

RESOLVED to approve the agenda as amended.

Item 4 Investigative Update Phil Petrie, Investigator, joined the meeting at 10:00 a.m.

On a motion duly made by Carla Bassler, seconded by Catherine Wilson, and approved unanimously, it was

RESOLVED to adjourn into Executive Session under the authority of AS 44.62.310 to discuss the Investigative Report.

The board adjourned into executive session at 10:09 a.m., and returned from executive session at 11:14 a.m.

On a motion duly made by Carla Bassler, seconded by Christy Morse, and approved unanimously, it was

RESOLVED to approve the Subpoena authority for the following cases:

1. 0601.04.005
2. 0601.05.003
3. 0601.05.004

4. **0601.05.006**
5. **0601.05.007**
6. **0602.05.008, 0602.05.009, 0602.05.001, 0602.05.003**

On a motion duly made by Christy Morse, seconded by Carla Bassler, and approved unanimously, it was

RESOLVED to accept the Memorandum of Agreement for case no. 0601.05.002.

On a motion duly made by Carla Bassler, seconded by Christy Morse, and approved unanimously, it was

RESOLVED to approve Cease and Desist Authority for the following cases:

1. **0601.04.001**
2. **0601.05.004**
3. **0601.05.005**
4. **0601.05.006**
5. **0601.04.005**
6. **0601.05.007**
7. **0601.05.001**

The board had a brief discussion with Mr. Petrie regarding the use of expert witnesses. Mr. Petrie informed the board that he would be contacting some members for help in reviewing cases.

The board thanked Mr. Petrie for his time and hard work.

Item 5

Board Member Training Gayle Horetski, Assistant Attorney General, Department of Law joined the board.

Ms. Horetski provided the board with a handout containing information on the following:

- Due Process of Law
- Board and Division Duties
- Administrative Procedure Act
 - a) Open Meetings Act
 - b) Hearing Procedures
 - c) Impartiality
- Office of Administrative Hearings
- Executive Branch Ethics Act

Ms. Horetski reviewed all provided information with the board. The board and Ms. Horetski had a brief discussion regarding executive sessions and when adjourning into executive session is reasonable and allowed. Ms. Horetski informed the board the only time they should adjourn into executive session would be for the purposes of discussing the investigative report. Ms. Horetski also stated that application reviews must be done on record, she also referred the board to Section 44.62.310(b) and (c)(1)(2)(3)(4), for specific subjects that would fall under executive session.

The board thanked Ms. Horetski for her time.

Recess *The board recessed at 12:15 p.m. for lunch and reconvened at 1:15 p.m. for lunch*

Item 6 Public Comment

Lisa Rogers, ASCPA
Dean Nelson, ASCPA

Dean Nelson introduced himself to the board and explained his position as liaison with the group compiling an ethics course that will meet the regulatory requirements of 12 AAC 04.300(c). Mr. Nelson informed the board that the proposed ethics course would cover not only professional ethics but state statute and regulations as well, and was being compiled by Jim Rigos, RIGOS Professional Education Programs

Mr. Nelson relayed to the board that there was no need for the board to take any action on this item as Mr. Rigos and ASCPA had not yet entered a contractual agreement. Mr. Nelson also stated that he and Mr. Rigos hoped to have an agreement signed by the next board meeting. Mr. Nelson did say that it would be nice if the board reviewed the most current draft course book and email himself and Mr. Rigos any suggestions or corrections found. Mr. Nelson went on to say that the ethics course would be offered live in Alaska at least once a year and would be offered as a self-study course with the final exam on-line.

The board reviewed the provided booklet and fliers enclosed. The board asked Mr. Nelson if the prices for the course had been set. Mr. Nelson informed the board that the prices listed in the flier were just for sample purposes, cost had not been set as of this date.

The board thanked Mr. Nelson for his time and coordination of this project.

Lisa Rogers, representing Alaska Society of CPAs (ASCPA) introduced herself and explained that she was the liaison to the board. Ms. Rogers discussed how she acts as the board's liaison with regard to legislation and other issues the board and the ASCPA feel are important to the profession.

Ms. Rogers also discussed the ethics CE requirements for the 2007 – 2009 renewal, Ms. Rogers suggested that some sort of visible notification be made on the renewal applications. The board felt this was a good idea and Ms. Cintra stated that she would make visible notification on the 2005 – 2007 renewal application. Ms. Rogers went on to state that the ASCPA did put a notice in its newsletters, however Ms. Rogers pointed out that not all CPAs subscribe to the newsletter.

Ms. Rogers informed the board that the ASCPA definitely supported uniformity for all U.S. states in regards to their statutes and regulations pertaining to public accountancy. Ms. Rogers gave the board an update regarding proposed legislation House Bill 274. Ms. Rogers stated that the bill had been read into the record April 2005, and should have no problem being adopted during the next Legislative Session, which begins January 2006. Ms. Rogers informed the board that some changes had been made to

the bill and the revisions could be viewed on the Alaska Legislature web site, under Bill Search. The board asked Ms. Cintra to forward the updated HB 274 to all board members.

The board thanked Ms. Rogers for her time and information.

Item 7

Review/Approve Minutes

A. Regular board meeting – April 21-22, 2005

Page 3, Item 14(4) last sentence changed to read, “She told them, that expenses are covered by scholarship funds for new board members.”

B. Regular board meeting – July 21-22, 2005

Page 1, Item 1, Steve Tarola, Past Chairperson will be added to attendees from the public.

Page 10, Item 15, first paragraph will be changed to read, “This information was complied by Max Mertz in response to correspondence from Mr. Chris Wiginton. The memo was sent to Mr. Wiginton. No board action is needed on this item.”

Page 10, Item 15, second paragraph will be changed to read, “The board discussed one day meetings and decided this would not be an option at this time.”

On a motion made by Carla Bassler, seconded by Christy Morse, and approved unanimously, it was

RESOLVED to approve the April 21-22, 2005 and July 21-22, 2005 meeting minutes as amended.

Item 8

Ethics Reporting

- Ethics Video (moved to next meeting agenda)

There were no ethics violations to report.

Item 9

Correspondence

A. Uniform CPA Examination Extension Request from Marla Woodward

The board reviewed Ms. Woodward’s request and had a brief discussion regarding the statutory or regulatory authority to extend testing time periods. In accordance with 12 AAC 04.200(i) the board may extend exam score credits.

On a motion duly made by Carla Bassler, seconded by Christy Morse, and approved unanimously, it was

RESOLVED to deny the request for an extension of an existing Uniform CPA Exam testing window of Marla Woodward. The board feels that Ms. Woodward's request does not warrant an extension.

B. Uniform CPA Exam Extension Request from Opeyemi Oluwakemi Fagbemiro

The board reviewed Ms. Fagbemiro's request and had a brief discussion regarding the request for extension.

On a motion duly made by Carla Bassler, seconded by Christy Morse, and approved unanimously, it was

RESOLVED to deny the request for an extension of an existing Uniform CPA Exam testing window of Opeyemi Oluwakemi Fagbemiro. The board feels that Ms. Fagbemiro's request is vague and feels that Ms. Fagbemiro should submit an application for Reexamination and appropriate fees to the division.

C. Board Representative Request from Justin Orr

The board had a brief discussion and asked the Mr. Orr be referred to the Alaska Society of CPAs, specifically Lisa Rogers.

D. Public Company Accounting Oversight Board (PCAOB) July Meeting Information

- PCAOB Chairman Resignation information

The board reviewed provided information. No board action is needed on this item.

E. The Uniform CPA Examination Alert

The board reviewed provided information. No board action is needed on this item.

F. RIGOS Professional Education Programs, 2006 Alaska State Ethics 4-hour course

Dean Nelson covered this item under Public Comment (Item 6)

G. NASBA Correspondence

1. NASBA Quarterly Mailing

The board reviewed provided information. No board action is needed on this item.

2. Proposed Changes to the NASBA Bylaws

The board reviewed provided information. No board action is needed on this item.

3. Revision of the Uniform Accountancy Act Rules 5-1 and 5-2

- California response
- Idaho response
- Nevada response
- Montana response
- Maryland response
- South Dakota response
- West Virginia response
- Nevada response
- Illinois response
- New Mexico response
- Ohio response
- Oregon response
- Colorado response

The board reviewed provided information. No board action is needed on this item.

4. Canada/U.S. Mutual Recognition Agreement

The board reviewed provided information. No board action is needed on this item.

5. CBT Steering Group Update

The board reviewed provided information. No board action is needed on this item.

6. US Accountancy Licensee Database (ALD)

The board reviewed provided information. No board action is needed on this item.

7. Peer Review Roundtable

The board reviewed provided information. No board action is needed on this item.

8. Focus Questions

The board reviewed provided information. No board action is needed on this item.
Laura Welles, Past Chairperson had completed and submitted the Focus Questions for this period.

9. CPE Field of Study – Re-organization

The board reviewed provided information. No board action is needed on this item.

10. Uniform CPA Examination Changes

- North Carolina Response
- NASBA Response to North Carolina
- New York State Education Response to Changes

The board reviewed provided information. No board action is needed on this item.

11. KPMG, LLP Investigation Information

The board reviewed provided information. No board action is needed on this item.

G. Computerized Examination Testing Feedback (Cintra)

Ms. Cintra informed the board that the survey sent to Exam Candidates that sit at Alaska Prometric Testing Centers had not been sent. The board asked that this survey be sent and responses presented at the next meeting.

H. September 2005 AICPA Board of Examiners Meeting

- Examination Symposium
- AICPA Consolidation Update
- 2004 Exam Year Management Letter

The board reviewed provided information. No board action is needed on this item.

Ms. Cintra asked the board that for future email correspondence items, could she just forward the correspondence to board members instead of having so many items on the next and other future meeting agendas and in board packets. The board agreed that this would be a good idea and if anyone thought that an item should be discussed at future meetings, Ms. Cintra would be informed.

Recess The board recessed at 2:45 p.m., reconvened at 2:55 p.m.

Item 10 Application Review

On a motion duly made by Catherine Wilson, seconded by Elaine Williamson, and approved unanimously, it was

RESOLVED to approve the following applications for certification by exam/experience:

1. Cynthia M. Fields
2. John P. Fabiano
3. Angela Carpenter
4. Peter I. Barber
5. Mollie Morrison
6. Robert Leingang
7. Eyvaz Khalilov
8. Carmen Jimenez
9. Elizabeth Hartley
10. John S. Morrison
11. Thomas Mitchell
12. Reto Micheluzzi
13. Tara Wolfington
14. Bassem Tajeddine
15. Dulat Taituleyev
16. Sarah Sena

17. Baher Biltagi

On a motion duly made by Christy Morse, seconded by Carla Bassler, and approved unanimously, it was

RESOLVED to approve the application for licensure by exam/experience of Sergey Zhukov, pending the receipt of official notification from the AICPA of Mr. Zhukov passing the Professional Ethics Exam.

On a motion duly made by Christy Morse, seconded by Carla Bassler, and approved unanimously, it was

RESOLVED to table the application for licensure by exam/experience of Nodir Nurmatov until the next board meeting. The board noted that the work experience requirement has not been met.

On a motion duly made by Christy Morse, seconded by Carla Bassler, and approved unanimously, it was

RESOLVED to deny the request from Alexander Koepcke that an email request for licensure be accepted in lieu of an application and other required documentation. The board noted that Mr. Koepcke does not meet the requirements of 12 AAC 04.181 and 12 AAC 04.183.

On a motion duly made by Elaine Williamson, seconded by Carla Bassler, and approved unanimously, it was

RESOLVED to approve the application for reinstatement to inactive status of Julia L. Haldorson.

On a motion duly made by Carla Bassler, seconded by Elaine Williamson, and approved unanimously, it was

RESOLVED to approve the following applicants for firm permits:

- 1. The Equitable Advantage Corporation**
- 2. Taylor & Taylor CPAs, Inc.**

Item 11 Ratify Out of State Permits

On a motion duly made by Carla Bassler, seconded by Catherine Wilson, and approved unanimously, it was

RESOLVED to ratify the following out-of-state general permits:

- 1. PricewaterhouseCoopers, LLP *Canadian firm***
- 2. Hemming Morse, Inc**
- 3. Myers and Stauffer, LLC**
- 4. BKD LLP**

5. Watson & Associates, PS

12. Report from NASBA's 98th Regional Meeting (Tucson, AZ)

Ms. Morse provided the board with handouts highlighting topics of interest discussed at the Regional Meeting and gave the board a brief summary.

On a related topic, Ms. Cintra asked the board if a licensed CPA in another jurisdiction was asked to join a Peer/Quality review committee to perform reviews on Alaskan licensees, would the individual need to be licensed in Alaska. The board had a brief discussion and agreed that the individual would not need an Alaskan license to perform Peer/Quality reviews as long as they were working with an approved review group.

Ms. Cintra also asked the board for direction regarding board policy of accepting the Canadian Charter Accountant supervision in lieu of U.S. CPA supervision for the purposes of the Uniform CPA Exam and licensure. Ms. Morse informed Ms. Cintra and the board that she would contact the appropriate parties and conduct research.

Item 13 New Business/Old Business

- Discuss One Day Meetings (Cori Hondolero)
This item was moved to the next meeting agenda
- Proposed Legislation (update)

This was discussed during Lisa Rogers address to the board under Item 6, Public Comment

Item 14 Goals and Objectives

The board reviewed the FY 2006 Goals and Objectives and after a brief discussion, made the following amendments.

1 b., will be changed to read, "Adopt Alaska statute AS 08.04.080 to streamline the mailing process and reduce government costs."

3., will be amended to read, "150-hour Educational Requirement for Licensure. This will allow Alaska to follow the changes being made to the Uniform Accountancy Act, Rule 51 and 52. Due to updates, the board has suspended this at this time."

4., will be amended to read, "Oversight Review Committee/Peer Review. The board will monitor transparency requirements for Peer and Quality Review requirements. Appropriate staff will investigate these changes."

On a motion duly made by Carla Bassler, seconded by Christy Morse, and approved unanimously, it was

RESOLVED to amend the current Goals and Objectives as stated on the record.

Item 15 Administrative and Other

- Revise Renewal Applications

The board reviewed updated renewal applications provided by Ms. Cintra. Ms. Cintra asked the board for permission to make the following changes/updates:

1. Provide license numbers on renewal applications for the purposes of identifying what CE and Review requirements need to be met for individuals and firms.
2. Move general instructions/information from page 3 to page 1 for individual license renewal applications.

The board agreed that those changes would be beneficial. The board and Ms. Cintra also agreed to add information for licensees regarding the Ethics requirements for CE (12 AAC 04.300(c)) that will go into effect for the 2007 – 2009 renewal as suggested by Lisa Rogers.

- Sign Wall Certificates

The board signed wall certificates

- Sign Minutes

The board signed minutes from the April 21-22, 2005 and July 21-22, 2005 meetings

- Schedule Next Board Meeting

The board decided to schedule the next meeting for January 26-27, 2006 in Juneau.

- Expenditure Report

The board reviewed provided information.

- Final Draft FY05 Annual Report

The board reviewed provided information.

**On a motion duly made by Christy Morse, seconded by Catherine Wilson,
and approved unanimously, it was**

RESOLVED to adjourn the meeting.

The board adjourned the meeting at 4:27 p.m.

Respectfully submitted:

Cynthia Cintra, Licensing Examiner

Approved:

(Max Mertz signed on 01/27/06)

Max Mertz, Chairperson
Board of Public Accountancy

Date: 01/27/06