

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

**MINUTES OF MEETING
July 21 – 22, 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 July 21 - 22, 2005, beginning at 11:30 a.m. The meeting was held at UAF in the Butrovich Building, Board of Regents Conference Room, 910 Yukon Dr., Fairbanks, Alaska.

Thursday, July 21, 2005

Item 1 Call to Order/Roll Call

Due to airline delays, the meeting was not called to order by Laura Welles, Chairperson, until 11:30 a.m. There were present, constituting a quorum:

Laura Welles – Public Member, Chairperson
Carla J. Bassler, CPA
Christy K. Morse, CPA
Catherine Wilson, Public Member

In attendance from the Department of Commerce, Division of Occupational Licensing was:

Cynthia Cintra, Licensing Examiner

Also in attendance from the public:

Gene Yurkovich, representing the Alaska Society of Independent Accountants (ASIA).
Lisa Rogers, representing the Alaska Society of CPAs (ASCPA).
Dean W. Nelson, representing the Alaska Society of CPAs (ASCPA)
Steve Tarola, Past Chairperson

Laura Welles, Chairperson addressed the board and members of the public stating that due to miscommunications, the Chairperson would make a point of acknowledging attendees for the record.

Item 2 Review/Amend Agenda

The following amendments were made to the agenda:

- A new item, Address by past Chair, Steve Tarola, was added to item 3.
- Item 3, Investigative report was moved to 2:30 p.m., due to the meeting starting late.

- A new item, FY 05 Annual report, would be added to Item 11, if anyone wanted to review it.
- New items, mail votes, travel procedure update and Fairbanks testing site were added to Item 15.
- A new item, What's New – web site, was added to Item 16.
- A new item, Discuss October – November Annual Meeting was added as (b) to Item 17.
- A new item, Alaska response to the revision of the UAA rules 5-1 and 5-2, was added to Item 18.
- A new item, World Education Service (WES), was added to Item 8.
- A new item, CPE Fields of Study, was added to Item 18.

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 3b **Address by past Chair, Steve Tarola**

Steve Tarola thanked the board for its time and gave an overview of the board's activities in the last few years and items of importance that were currently ongoing, specifically HB 274.

Mr. Tarola also suggested to the board that the following issues were important and that maybe the board should consider addressing them. Mr. Tarola suggested an oversight committee for peer reviews. Mr. Tarola said he feels that members of the board should be active on this committee. Mr. Tarola also addressed the 150-hour educational requirement. Mr. Tarola suggested regulations be adopted detailing what the 30-hours above a baccalaureate degree might consist of. He also suggested defining the title "CPA". Mr. Tarola also urged the board to assert its authority to set meetings, etc., whenever the board wants.

Mr. Tarola also gave board members tabs for marking the Statute and Regulation book.

Laura Welles thanked Mr. Tarola for his time and energy as past Chair.

Item 4 **Ethics Reporting**

There were no ethics violations to report.

Item 5 **Review/Approve Minutes**

A. Teleconference – January 7, 2005

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

RESOLVED to approve the January 7, 2005 teleconference minutes as written.

B. Regular board meeting – January 27–28, 2005

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

RESOLVED to approve the January 27-28, 2005 teleconference minutes as written.

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

Ms. Welles reviewed the minutes of the April 21-22, 2005 meeting and asked that Ms. Cintra review the tapes of that meeting for clarification on page 11, paragraph 5, amended motion regarding Koji Urano's application.

Page 11, paragraph 4, is changed to read, "Mr. Urion advised the board that upon listening to the tapes from the January 27-28, 2005 board meeting, he was very disappointed by the topics being discussed. Mr. Urion also informed the board that the tapes made of meetings are available to the public."

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

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

Recess ***The board recessed at 11:55 a.m., reconvened at 12:47 p.m. for lunch***

As the board was ahead on its agenda, they went to Item 8, before Public Comment (Item 6) at 1:00 p.m.

Item 8 **Correspondence**

A. Correspondence from Sandy Wilson.

The board reviewed provided correspondence.

B. Office of Administrative hearings; New Laws.

The board reviewed provided correspondence.

C. World Education Services (WES) transcript evaluation.

Cynthia Cintra reviewed the provided information with the board and reviewed the requirements for transcripts (12 AAC 04.187) and credential evaluations (12 AAC 04.185(e)(3) and (2)). Ms. Cintra informed the board that many overseas applicants have difficulties obtaining certified original transcripts from their colleges and universities. She went on to explain that certified original transcripts must be provided to evaluation services and that WES is in the process of making those transcripts available for online viewing by licensing boards. Ms. Cintra asked the board for permission to use the online transcripts in lieu of candidates submitting the transcripts to this office on the provision that WES have a statement to the effect that the online transcripts are a "primary source verification".

The board asked Ms. Cintra to continue researching this issue and when a finalized version was available to bring it back to the board for their consideration.

Item 6 **Public Comment**

Lisa Rogers, ASCPA
Gene Yurkovich, AISA

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 tabulation of the Prometric Testing Centers surveys (Item 18(8)). Ms. Rogers informed the board that Prometric was not in compliance with their contract as several candidates tried to schedule 45 days in advance and were unable to get the dates requested. Ms. Rogers informed the board that she had spoken with David Ginsberg, Prometric, regarding the noise issues affecting some candidates and Mr. Ginsberg informed her that a remodeling project was in progress and hopefully the noise issue would be solved. Ms. Rogers stressed that a letter should be written to Prometric from the board addressing candidate issues.

Ms. Rogers also reported that one of the candidates affected by the February 2005 Prometric exam error had received her letter regarding the board granted three-month extension.

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

Gene Yurkovich, representing the Alaska Society of Independent Accountants (ASIA), introduced himself to the board. Mr. Yurkovich relayed to the board that ASIA has concerns that statutes and regulations will hurt public accountants, i.e., individuals doing taxes and other duties that do not require a license in Alaska.

Item 7 Discussion of Content for Ethics / Alaska Statutes and Regulations Test (12 AAC 04.300(c)) (Dean Nelson)

Dean Nelson introduced himself to the board and explained his position as liaison with the group compiling an ethics course that will meet the board 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 Regos.

Mr. Nelson relayed to the board that many licensees do not know State statutes and regulations pertaining to public accountancy and that he felt the ethics requirement enacted by the board was great.

Mr. Nelson went on to explain to the board that the group compiling the course had done the same service for several other States, most recently Washington. Mr. Nelson also informed the board that Mr. Regos would be sending a sample course packet to board members. The content of the sample packet would reflect statutes and regulations from the State of Washington. Mr. Nelson went on to assure the board that once the ASCPA approved the course and signed the contract all ethical material would be pulled directly from the AICPA code and statutes and regulations would be state specific. Mr. Nelson gave the board a few examples of course content, i.e., confidentiality and breach of contracts. Mr. Nelson asked the board to add to its next meeting agenda a discussion time for the board and himself to discuss the sample packet.

In closing, Mr. Nelson informed the board that the first course would be tentatively scheduled for March 11, 2005 and would also be tentatively offered twice a year. He went on to say the course would also be available on line.

Christy Morse asked Mr. Nelson if NASBA or the AICPA offered any course along the lines required by the board. Mr. Nelson told Ms. Morse that neither organization offered such a course.

Mr. Nelson clarified for the board that most of the ethical information would be compiled directly from the AICPA code.

Carla Bassler asked if any changes were made to the AICPA code of ethics, would that updated information be reflected in the course. Mr. Nelson responded that the AICPA information would regularly be updated; however any State specific changes would need to be recommended by the board.

Christy Morse asked Mr. Nelson how Mr. Regos would be paid for the service of compiling this course. Mr. Nelson informed the board that a contract would be signed by the ASCPA and Mr. Regos setting his fees.

Laura Welles asked Ms. Rogers if she had any questions or comments. Mr. Rogers responded that the ASCPA would support this course.

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

Laura Welles stated that due to the fact the meeting was a bit ahead of schedule, they would move on to Item 3, if Phil Petrie was available, the Annual Report and then adjourn into executive session for the purpose of reviewing applications for licensure.

Cynthia Cintra stated that the application review needed to be conducted on record. Ms. Welles responded that the statutes and regulations would need to be checked for this information.

Item 3 Investigative Update

Phil Petrie, Investigator, joined the meeting via teleconference at 1:30 p.m. to give the investigative report.

On a motion duly made by Carla Bassler, seconded by Christy Morse, 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 1:40 p.m., and returned from executive session at 2:00 p.m.

Recess The board recessed at 2:05 p.m., reconvened at 2:26 p.m.

Cynthia Cintra informed Ms. Welles that she had looked through the Statute and Regulation book and could not find anything specifically relating to application review. She went on to state that having the application review on record is very practical and is helpful if there are any questions. She also said she would be happy to call Ginger Morton, Records and Licensing Supervisor, for specific information. Ms. Cintra reiterated that the application review is very important to have on record.

Laura Welles said that she understood that the application review was a matter of personnel and individual's files and that she felt the discussions should not be a part of the open meeting. Ms. Welles clarified that any motions made do need to be on the record. Ms. Cintra did agree with Ms. Welles that motions definitely need to be on the record.

Carla Bassler stated that the application review at the board's last meeting was held in executive session. Ms. Welles stated that she understood that some boards conducted their application review in executive session and others did not.

Ms. Bassler said she could find nothing that was clear and obvious regarding application review. Christy Morse stated that unless there is a statute that says application reviews must be done one way or the other, it would be the board chair's decision.

Ms. Cintra reiterated that she could not find the specific statute but would be more than happy to contact Ginger Morton for the specifics.

Item 11 Annual Report

The board reviewed provided material and discussed the Narrative written by Laura Welles.

The board decided to review the Expenditure report (Item 16) as it relates to the Annual Report. Jenny Strickler, Administrative Manager, joined the board via teleconference at 2:40 p.m.

Ms. Strickler introduced herself to the new board members and stated she would be more than happy to answer any questions the board might have.

Christy Morse asked for an explanation of Contractual Services. Ms. Strickler informed the board that contractual services include public notices, printing of statute and regulation books, etc., legal costs, membership dues, postage and telephone calls.

Carla Bassler asked for an explanation of direct and indirect as presented on the expenditure report. Ms. Strickler explained that "direct" is board travel, exam costs, regulation notices, etc. She went on to explain that "indirect" is the overhead costs which is derived from all licensing programs by the total number of licensees. Ms. Strickler stated that the "indirect" costs cover equipment, clerical staff, etc.

Laura Welles asked Ms. Strickler if there were any costs to the board for computerized exams, i.e., the contract with Prometric Testing Services. Ms. Strickler explained the contract between the Division and Prometric was an agreement by both parties for Prometric to provide exam(s) in a secured facility.

Ms. Welles asked for information about third party reimbursements. Ms. Strickler explained the third party reimbursement process to the board.

The board thanked Ms. Strickler for her time.

Item 9 Application Review

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 for the purpose of reviewing application files.

The board adjourned into executive session at 2:50 p.m. and returned from executive session at 4:30 p.m.

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

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

1. Jennifer M. Brown
2. Rachel A. Carlyle
3. Robert Lewis, Jr.
4. Stacy D. Tosoni

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

RESOLVED to table the application for licensure by exam/experience of Angela Carpenter until the next board meeting. The board noted that the application is missing a supervising CPA license verification.

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

RESOLVED to table the application for licensure by exam/experience of Cynthia Fields 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 approve the application for licensure by reciprocity of Michelle Conrad.

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 reciprocity of Tara N. Wolfington. The board noted the application was incomplete and does not meet the work experience requirements of AS 08.04.195(2).

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

RESOLVED to approve the following applicants for reinstatement:

1. Donald J. Ashby to active status
2. Karin M. LaCanne to inactive status

Item 10 **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. Anthony J. Saccento**
- 2. Paul Ficca**
- 3. James P. Marta**
- 4. Capin Crouse, LLP**
- 5. M.D. Oppenheim & Company, P.C.**
- 6. Deloitte Tax, LLP**
- 7. Lind & Associates, P.C.**
- 8. WIPFLI, LLP**

Adjourn **The meeting recessed at 4:40 p.m. until Friday at 8:30 a.m.**

Friday July, 2005

Item 12 **Reconvene Meeting/Roll Call**

The meeting was called to order by Laura Welles, Chairperson, at 8:30 a.m. There were present, constituting a quorum:

Laura Welles – Public Member, Chairperson
Carla J. Bassler, CPA
Christy K. Morse, CPA, Secretary/Treasure
Catherine Wilson, Public Member

In attendance from the Department of Commerce, Division of Occupational Licensing was:

Cynthia Cintra, Licensing Examiner

Also in attendance from the public:

Gene Yurkovich, representing the Alaska Society of Independent Accountants (ASIA).
Lisa Rogers, representing the Alaska Society of CPAs

Item 13 **Regulation/Statute Update**

The board recognized Lisa Rogers, representing the ASCPA. Ms. Rogers gave the board an update on HB 274 and the legislative process.

Ms. Rogers informed the board that the ASCPA is very supportive of this bill and will be doing all they can to see the legislation adopted. Ms. Rogers also stated that the legislation is geared towards uniformity. Ms. Rogers also asked the board for their support for this legislation. She went on to clarify that as the board has mostly new members, a current show of support would be appreciated.

Laura Welles asked Ms. Rogers if the bill would have to be re-introduced at the start of the January session. Ms. Rogers responded that the bill would not be re-introduced, but re-read on the floor at start of the legislative session.

Christy Morse asked Ms. Rogers when testimony in support of the bill would be asked for. Ms. Rogers responded that tracking the bill on the Legislative Bill Action and Status Inquiry System (BASIS) would give updates and status of the bill.

Laura Welles stated that the previous board was certainly in support of HB 274, however as this meeting was missing several board members, this request for support would be presented at the next board meeting so that if there were questions or concerns the board would be able to have discussions and ask Ms. Rogers for clarification.

Ms. Rogers thanked the board for its time and if there were any questions the board should feel free to contact her at any time.

Item 14 **Goals and Objectives**

The board reviewed the FY 2004 – 2005 Goals and Objectives and after a brief discussion, made the following amendments for FY 2006.

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

Remove FY05 #2. Remove FY05 #4. Change 3 to 2 and amend to read; 2 a., Monitor the testing experience through the use of a “post testing survey” for all candidates testing at the Anchorage testing center. 2 b., Follow up on all complaints indicated in the post testing survey.

Add 3., 150-hour education requirement for licensure. Add 4., Oversight Review Committee/Peer Review.

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

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

Item 15 **New Business/Old Business**

- Advisory Fees (Mertz)

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

- Discuss One Day Meetings

The board discussed one day meetings and decided this would not be an option at this time.

- Mail Votes

Cynthia Cintra reviewed the Mail Vote procedure for the board.

The board had a lengthy discussion regarding mail votes and decided that due to miscommunications there would be NO mail votes unless specifically approved by Laura Welles, Chairperson.

Ms. Welles also stated that she would contact Ms. Cintra once a week to touch base to see if there were any items that needed attention.

- Travel Policy

Cynthia Cintra reviewed travel procedures with the board. Ms. Cintra informed the board that reimbursement checks would be sent to individuals directly so if there were any questions, the board members should contact Ms. Cintra and she would either provide them with the Fiscal Department's contact information or verify the final TA amount.

Ms. Cintra also told the board that Budget Rental cars should be charged directly to the State Charge Account. TA's should be presented to Budget rental agents as proof of State approved travel. She also informed the board that lodging charges should reflect NO tax.

The board asked Ms. Cintra to research State ID's for the board as well as State Credit Cards.

Recess **The board recessed at 9:45 a.m., reconvened at 9:55 a.m.**

Item 16 **Administrative and Other**

- Sign Wall Certificates
- Sign Minutes
- Election of Officers

The board had a brief discussion regarding the Vice-Chair, Secretary, Treasurer positions and the board liaison for Phil Petrie, Investigator.

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

RESOLVED to elect Christy Morse as the board Secretary and Treasurer.

- Schedule next Board Meeting

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

RESOLVED to schedule the next board meeting for November 9 -10, 2005 in Anchorage.

The board also agreed to a tentative date of January 26 – 27, 2006 meeting in Juneau, Alaska.

- Expenditure Report

The board discussed the Expenditure Report under item 11

What's new, CPA web site

The board discussed updates needed for the What's New section of the board's web site.

Ms. Welles would like to add information regarding the new Fairbanks Prometric Testing facility. Ms. Welles went on to ask the board if a letter should be sent thanking Prometric for opening the new Fairbanks test site. The board agreed and Ms. Welles will send a thank you letter.

Ms. Cintra will add completed meeting minutes to the web site.

17. Report from NASBA Regional Meeting (Anchorage, AK)

B. Discuss October 2005 Meeting (Tucson, AZ)

Ms. Welles gave a brief summary of the NASBA Regional Meeting to the board. Ms. Welles also stated that the meeting was a great success and attendance was wonderful. Ms. Welles went on to say that she would be unable to attend the October meeting in Tucson.

Ms. Morse said, as Secretary/Treasurer, she would be willing to attend the October meeting.

Ms. Cintra will submit a travel request for Ms. Morse.

18. NASBA

1. NASBA Regional Directors and Directors at Large nominations

The board reviewed provided documents.

2. PCAOB Study

The board reviewed provided documents.

3. Top Uniform CPA Scores (Alaska Candidates)

The board reviewed provided documents.

Ms. Cintra informed the board a congratulatory letter had been sent to the candidates listed.

4. Selles Award Update

The board reviewed provided documents.

5. NASBA/AICPA Responses to Letter from Carol Sigmann, California Board

The board reviewed provided documents.

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

- a) Oregon response
- b) California response
- c) Texas response
- d) Virginia response

The board reviewed provided documents and had a brief discussion regarding a response from Alaska. Ms. Welles informed the board that the comment period had been extended until August. The board decided that no response from Alaska was necessary.

7. Continuing Education Compliance

- a) CPE Advisory Committee – Ruling on RIA Appeal

The board reviewed provided documents.

8. Computerized Exam

- a) Testing feedback - Latest board survey results (C. Cintra)

The board reviewed exam surveys and a tabulation sheet provided by Lisa Rogers. The board discussed sending a letter to Prometric and NASBA regarding testing site issues in Alaska.

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

RESOLVED that Christy Morse would draft a letter to Prometric Testing Services regarding noise and scheduling issues. This letter will be copied to NASBA and the AICPA.

- b) CBT Status Report
- c) CBT Examination Issues, May 9, 2005
- d) CBT Examination Notice
- e) CBT Candidate Fee Implementation Plan
- f) California Board CBT Information Request
- g) AICPA Responses to State Concerns About CBT
- h) Late Score Release Resolution
- i) ERB Preliminary Report on Scoring
- j) AICPA Accelerated Score Reporting

The board reviewed provided documents for items b - j.

9. Private Company GAAP

The board reviewed provided documents.

10. CPE Fields of Study – Re-organization

The board reviewed provided documents.

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

RESOLVED to adjourn the meeting of the Board of Public Accountancy.

The board adjourned the meeting at 11:34 a.m.

Respectfully submitted:

Cynthia Cintra, Licensing Examiner

Approved:

Laura Welles, Public Member, Chairperson
Board of Public Accountancy

Date: _____