

**State of Alaska  
Department of Commerce, Community and  
Economic Development  
Division of Corporations, Business and Professional Licensing**

**BOARD OF PUBLIC ACCOUNTANCY**

**MINUTES OF MEETING  
August 26-27, 2021**

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 August 26-27, 2021.

**Thursday, August 26, 2021**

**Call to Order/Roll Call**

The meeting was called to order by Leslie Schmitz, at 9:06 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA  
Don Vieira, CPA  
Rachel Hanks, CPA  
Lance Johnson, Public Member  
Steven Jordan, CPA  
Wes Tegeler, CPA

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

Cori Hondolero, Executive Administrator  
Dawn Bundick, Investigator III (agenda item #8)  
Amber Whaley, Senior Investigator (agenda item #8)

Visitors present included:

Crista Burson, representing the Alaska Society of CPAs

**Agenda Item 1 – Review Agenda**

No changes were made.

### **Agenda Item 2 – Ethics Report**

It was determined that there was nothing to report.

### **Agenda Item 3 – Review Meeting Minutes**

The Board reviewed the minutes of the last teleconference meeting.

**Upon a motion duly made by Mr. Johnson, seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to approve the minutes of the May 6-7, 2021 teleconference meetings as written.**

### **Agenda Item 4 - Alaska Society of Certified Public Accountants (ASCPA)**

Ms. Burson provided a summary of current AK Society activities:

- CPE season through the end of the year
  - 12/3/21 ethics CPE
  - Due to covid19, no live/in-person events until further notice
  - More classes will be added with another State Society
- June 15-17 there was a leadership academy; 9 graduates
- AICPA fall council meeting Oct 17-20; may be virtual
- August 5-6 – 3<sup>rd</sup> annual bottles, buds & brews conference
- Annual meeting will be June 1-3, 2022; planned to be live – location TBD
- Tech initiate database work in progress
- AICPA tax quality control; peer review – Society has concern about this. There is an article that will be shared. It was noted that the State Board may write to AICPA about this.
- Society sent letter to the Board about testing at AK locations. Mr. Tegeler asked for ideas regarding what to do about these test site issues. Ms. Burson noted that staffing issues are tough; maybe remote testing. Ms. Schmitz stated that the Board can assist by keeping steady pressure on NASBA; be compassionate with candidates and push discussion to NASBA. Mr. Vieira also noted that the Board could reach candidates through the dialog with the State Society. The Board noted they would compile a response letter to the Society and the other firm that had sent a letter.
- CPA evolution content – some pushback from the academic community. Ms. Schmitz noted that on the recent NASBA regional call, no one had any real feedback on this yet. Ms. Burson noted that she was passing info on to her contacts as the University of Alaska and after fall council would plan on meeting with her UA contacts. Mr. Johnson stated that as a past educator he would be willing to help with educational group; this may be a

major revamp to the programs. Mr. Jordan indicated that the current exam is more about fundamentals vs the new exam being more about specialties and would advocate for AK to participate in the discussion.

### **Agenda Item 5 – Public Comment**

There was no one present that made a request to address the Board.

### **Agenda Item 6 – Investigative Report**

Investigator Bundick and Senior investigator Whaley joined the meeting. Ms. Hondolero noted that there were matters that had been placed in OnBoard for review/action.

Investigator Bundick provided a summary of the investigative report in the packet:

- 17 open cases
- 3 closed cases

**Upon a motion duly made by Mr. Tegeler, seconded by Mr. Johnson, and approved unanimously, it was:**

**RESOLVED to enter into executive session for the purpose of discussing investigative matters.**

The Board entered executive session at 9:55 a.m.  
The Board went back on the record at 10:25 a.m.

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to adopt the Imposition of Civil Fine for case #2021-000018.**

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to adopt the Imposition of Civil Fine for case #2020-001177 with a reminder that the license is lapsed in the closure letter.**

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to adopt the Imposition of Civil Fine for case #2020-000202.**

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to adopt the default revocation for case #2020-001134.**

### **Agenda Item 7 – CPA Exam**

The Board reviewed the exam survey that was included in the Board packet and noted that two letters had also been received regarding testing at Alaska sites. The Board indicated that they would respond to both letters and continue to alert NASBA regarding any issues.

There was a question about the ability of candidates to schedule in Fairbanks; do they only allow scheduling for one month at a time?

### **Agenda Item 8 – NASBA Updates**

#### **Meetings**

Annual Meeting – October 31-Nov 3, 2021

For now, this meeting has been set as in-person, but NASBA will monitor the covid situation and turn the meeting virtual if necessary. The Board decided that it should request to send three people.

**Upon a motion duly made by Ms. Hanks seconded by Mr. Johnson, and approved unanimously, it was:**

**RESOLVED to submit a request for the following members/staff to attend the NASBA annual meeting (listed in priority order): Lance Johnson, Cori Hondolero and Don Vieira.**

Pacific Region Call – Ms. Schmitz reported that she had recently participated in a regional call. There were members of NASBA leadership on the call and updates were provided. It was an opportunity to catch up and share what your State is doing. It was noted that many States have other States administering their peer review.

#### **Committees**

Ms. Schmitz – Ethics Committee – No meetings, nothing to report.

Mr. Tegeler – Enforcement Resources Committee – There was a Zoom meeting in March, but he was not able to attend. Nothing to report

Ms. Hanks asked how long it takes to find out if you were placed on a committee. Both Mr. Johnson and Ms. Hanks had applied for committee seats. It was noted that notifications would probably be coming closer to the annual meeting.

### **Agenda Item 9 – Board Business**

#### **ED Report**

Fee changes – public comment period closes 8/27/21. The Board decided not to submit any official comments.

Renewal – forms included in packet for Board review. The Board added the late renewal question to the firm application and will review the CE tracking sheet from Mr. Johnson to determine if it can work for CPA CE tracking/audits.

#### **Board Positions/Future Planning**

**Upon a motion duly made by Mr. Johnson seconded by Mr. Jordan, and approved unanimously, it was:**

**RESOLVED to elect Mr. Vieira as Chair of the Board and Ms. Hanks as secretary/treasurer.**

Ms. Hondolero was requested to send items requiring Chair review to both Ms. Schmitz and Mr. Vieira for a couple months.

#### **Revenue/Expenditure Report**

The Board reviewed the FY21 3<sup>rd</sup> quarter report. The Board will review final FY21 financials at the November meeting.

### **Agenda Item 10 – Correspondence**

The Board reviewed the correspondence in the meeting packet and it was noted that Ms. Hondolero had sent Board members two additional items for review. The only two items requiring response are the two letters regarding the CPA exam at Alaska sites. Ms. Hondolero will work with the Chair on a response to those letters.

### **Agenda Item 11 – Statute/Regulation Projects**

HB44 – Ms. Hondolero noted that Mr. Cox (AICPA) would be setting up a meeting in the coming months to review HB44.

General interest legislation:

SB21 – it was noted that the Board would need to review and address this legislation. Criteria will need to be established and draft regulations written.

New Project – 8/26/21 draft reviewed at meeting.

The Board noted that they would not be making changes to 12 AAC 04.160 at this time; this section ok to be removed from project.

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to public notice changes to 12 AAC 04.004 (as noted on the 8/26/21 version draft).**

**12 AAC 04.004. Code of professional conduct.** An accountant shall adhere to the Code of Professional Conduct of the American Institute of Certified Public Accountants, *AICPA Professional Standards, Volume 3* [2], ET Section, revised as of June 1, 2020 [2018], adopted by reference.

**Upon a motion duly made by Ms. Hanks seconded by Mr. Johnson, and approved unanimously, it was:**

**RESOLVED to public notice changes to 12 AAC 04.038 (as noted on the 8/26/21 version draft).**

**12 AAC 04.038. Attest functions.** (a) To perform an attest function means to provide any of the following financial statement services:

(1) an audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS) of the American Institute of Certified Public Accountants, *AICPA Professional Standards, Volume 1*, AU-C Section, as revised as of June 1, 2020 [2018], adopted by reference;

(2) a review of a financial statement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS) of the American Institute of Certified Public Accountants, *AICPA Professional Standards, Volume 3* [2], AR-C Section, as revised as of June 1, 2020 [2018], adopted by reference;

(3) an examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements (SSAE) of the American Institute of Certified Public Accountants, *AICPA Professional Standards, Volume 1*, AT-C Section, as revised as of June 1, **2020** [2018], adopted by reference; and

(4) an engagement to be performed in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB) established under 15 U.S.C. 7211(a).

(b) An individual licensee who is responsible for supervising attest engagements, or who signs or authorizes another to sign the accountant's report on the financial statements on behalf of the firm, shall meet the competency requirements set out in the professional standards for the attest engagements. The supervising licensee shall obtain and maintain the competencies necessary in the specific circumstances.

(c) A licensee performing an attest engagement shall maintain a quality control system that complies with the Quality Control Standards (QCS) of the American Institute of Certified Public Accountants, *AICPA Professional Standards, Volume 3* [2], QC Section, as revised as of June 1, **2020** [2018], adopted by reference.

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to public notice changes to 12 AAC 04.165 (as noted on the 8/26/21 version draft).**

**12 AAC 04.165. Application for licensure by reciprocity.** (a) An applicant who holds a license to practice public accounting, or its equivalent, issued by another state may apply for a license to engage in the practice of public accounting in this state. The applicant must meet the requirements of AS 08.04.195 and this section.

(b) An applicant for a license under this section must submit

(1) a complete **NOTARIZED** application on a form provided by the department, including a summary of the applicant's professional work experience; and

(2) the applicable fees specified in 12 AAC 02.340.

**(3) THE NAMES OF THREE INDIVIDUALS FOR VERIFICATION OF THE APPLICANT'S GOOD MORAL CHARACTER AS REQUIRED BY 12 AAC 04.160**

**(4) VERIFICATION SHOWING THAT THE APPLICANT HAS PASSED THE APPLICABLE EXAMINATIONS REQUIRED UNDER 12 AAC 04.200.**

(c) An applicant must comply with the applicable experience requirements specified in 12 AAC 04.180.

(d) Repealed 12/25/2015.

(e) If necessary to determine whether an applicant meets the requirements of AS 08.04.195 and this section, the board may require the applicant to provide working papers or other documentation to substantiate the professional experience claimed.

**Upon a motion duly made by Ms. Hanks seconded by Mr. Johnson, and approved unanimously, it was:**

**RESOLVED to public notice changes to 12 AAC 04.175 (as noted on the 8/26/21 version draft).**

**12 AAC 04.175. Application for licensure by examination.** (a) The board will issue a license by examination to practice public accounting to an applicant who meets the requirements of AS 08.04 and this section.

(b) An applicant for a license under this section must submit to the department

(1) a complete **NOTARIZED** application on a form provided by the department;



- (2) the applicable fees specified in 12 AAC 02.340;
- (3) verification showing that the applicant meets the applicable education requirements under AS 08.04.120, 08.04.150, 12 AAC 04.185, and 12 AAC 04.187;
- (4) verification showing that the applicant meets the applicable experience requirements under AS 08.04.120 and 12 AAC 04.180;
- (5) the names of three individuals for verification of the applicant's good moral character as required under 12 AAC 04.160; and
- (6) verification showing that the applicant has passed the applicable examinations required under 12 AAC 04.200 [AND 12 AAC 04.205].

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to public notice changes to 12 AAC 04.185 (as noted on the 8/26/21 version draft).**

**12 AAC 04.185. Education defined for certified public accountant applicants.**

(a) Repealed 2/2/94.

(b) As used in AS 08.04.120, an accounting concentration consists of not less than

(1) 24 semester credit hours or 36 quarter credit hours in subjects such as

- (A) accounting principles;
- (B) intermediate accounting;
- (C) income tax;
- (D) cost accounting;
- (E) auditing;
- (F) advanced accounting;
- (G) accounting theory;
- (H) governmental accounting; or
- (I) detection of fraud;

(2) nine semester credit hours or 15 quarter credit hours of business law, economics, and

(A) statistics;

(B) computer science; or

(C) algebra, calculus, or mathematics.

(c) Repealed 2/2/94.

(d) Repealed 2/2/94.

(e) As used in AS 08.04.120, "a college or university acceptable to the board"

means

(1) [THE UNIVERSITY OF ALASKA;

(2)] a college or university accredited by a regional accrediting association

[THAT IS RECOGNIZED BY THE UNIVERSITY OF ALASKA]; or

~~(2)~~ [(3)] a foreign college or university whose degree program has been evaluated by an approved credentials evaluation service and determined to be equivalent to the degree program of an institution acceptable under (1) [OR (2)] of this subsection; an approved credentials evaluation service is

[(A) RECOGNIZED BY THE UNIVERSITY OF ALASKA; OR

(B)] the National Association of State Boards of Accounting

(NASBA)

International Evaluation Services (NIES).

(f) For purposes of this section, when converting quarter hours to semester hours, the number of quarter hours is multiplied by 2/3 or 0.67.

**(g) The following cannot be used to meet the accounting concentration**

**(1) college level examination program (CLEP) courses;**

**(2) examination preparation courses;**

**(3) life experience credits; or**

**(4) other similar courses, as determined by the board.**

**(h) No more than 6 semester credit hours can be earned in each topic area listed in (b)(1) of this section.**

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to public notice the repeal of 12 AAC 04.205 (as noted on the 8/26/21 version draft).**

**12 AAC 04.205. Examination transition to computer-based testing. Repealed.**

**Upon a motion duly made by Ms. Hanks seconded by Mr. Johnson, and approved unanimously, it was:**

**RESOLVED to public notice the repeal of 12 AAC 04.300(b) – effective 1/1/22 (as noted on the 8/26/21 version draft).**

**12 AAC 04.300. Hours of continuing education required. (b) Repealed**

      /      /       [AN APPLICANT FOR RENEWAL OF A LICENSE TO PRACTICE AS A CERTIFIED PUBLIC ACCOUNTANT WHO MEETS THE CONTINUING EDUCATION REQUIREMENTS OF (A)(1) OF THIS SECTION BUT FAILS TO MEET THE CONTINUING EDUCATION REQUIREMENTS OF (A)(2) OF THIS SECTION SHALL COMPLETE EIGHT HOURS OF APPROVED CONTINUING EDUCATION IN ADDITION TO THE HOURS REQUIRED IN (A) OF THIS SECTION. THE APPLICANT SHALL COMPLETE THE ADDITIONAL EIGHT HOURS OF APPROVED CONTINUING EDUCATION EITHER BEFORE OR WITHIN 180 DAYS AFTER THE LICENSE IS RENEWED. THE ADDITIONAL EIGHT HOURS MAY NOT BE USED TO SATISFY THE CONTINUING EDUCATION REQUIREMENTS FOR SUBSEQUENT LICENSE RENEWAL. THE BOARD WILL RENEW THE APPLICANT'S LICENSE ONLY IF THE APPLICANT SIGNS A STATEMENT AGREEING TO COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION

WITHIN THE TIME SCHEDULE AUTHORIZED BY THE BOARD UNDER THIS  
SUBSECTION].

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks,  
and approved unanimously, it was:**

**RESOLVED to public notice the repeal of 12 AAC 04.370 -  
effective 1/1/22 (as noted on the 8/26/21 version draft).**

**12 AAC 04.370. Individual study. Repealed.**

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks,  
and approved unanimously, it was:**

**RESOLVED to public notice the repeal of 12 AAC 04.390 -  
effective 1/1/22 (as noted on the 8/26/21 version draft).**

**12 AAC 04.390. Publications. Repealed.**

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks,  
and approved unanimously, it was:**

**RESOLVED to public notice the repeal of 12 AAC 04.430 (as  
noted on the 8/26/21 version draft).**

**12 AAC 04.430. Inactive licenses.** (a) To obtain or renew an inactive license under AS  
08.04.410, the holder of a license must submit

- (1) an application on a form provided by the department; and
- (2) the fee set out in 12 AAC 02.340(5).

(b) To resume the active practice of public accounting, the holder of an inactive  
license must submit

- (1) an application on a form provided by the department;
- (2) the applicable fee set out in 12 AAC 02.340; and
- (3) documentation that shows the applicant's completion of at least 120  
hours of approved continuing education, in accordance with 12 AAC 04.310 - 12 AAC  
04.410, during the 36 months immediately before the date of the application; no more

than 16 of the hours required in this paragraph may be from continuing education programs described in 12 AAC 04.360(5).

(c) The hours of continuing education required in (b) of this section do not satisfy the continuing education requirement for a subsequent renewal of the reactivated license.

(d) Notwithstanding 12 AAC 04.300, a licensee whose license has been reactivated under this section shall complete at least

(1) 10 hours of approved continuing education for each full calendar quarter between the date that the license was reactivated and the next renewal date; or

(2) repealed 7/25/2001;

(3) 80 hours of approved continuing education between the date that the permit was reactivated and the next renewal date.

**(e) When a license is in “inactive” status, it must be made clear when using the CPA designation in any form, such as “CPA-Inactive” or “CPA (inactive)”.**

**(f) When a license is in inactive status, the licensee may not offer or practice public accounting.**

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to public notice the repeal of 12 AAC 04.610 (as noted on the 8/26/21 version draft).**

**12 AAC 04.610. Approved quality review programs.** (a) A quality review program is acceptable to the board if it meets the requirements of the

(1) American Institute of Certified Public Accountants, *AICPA Standards for Performing and Reporting on Peer Reviews*, **June 2021** [DECEMBER 2017] edition, adopted by reference, excluding any reference to compilations; or

(2) National State Auditors Association (NSAA) *Peer Review Manual*,

2021 [2016] edition, adopted by reference.

(b) The board will accept the quality review program undergone by a permit holder that has offices in more than one state if the quality review program meets the requirements of this section, regardless of whether the permit holder's office in this state was selected for quality review.

The meeting was recessed at 3:00 p.m., until Friday, August 27, 2021.

**Friday, August 27, 2021**

**Call to Order/Roll Call**

The meeting was called to order by Don Vieira, at 9:01 a.m. Those present, constituting a quorum of the Board were:

Leslie Schmitz, CPA  
Don Vieira, CPA  
Rachel Hanks, CPA  
Lance Johnson, Public Member  
Steven Jordan, CPA  
Wes Tegeler, CPA

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

Cori Hondolero, Executive Administrator

Visitors present included:

Jacob Dutton  
Miles Edwards  
Thereze Tayo

**Agenda Item 12 – Review Agenda**

No changes made to agenda.

**Agenda Item 13 – Application Review**

Board members reviewed applications and took the following action:

**Upon a motion duly made by Ms. Schmitz seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to accept the recommendation from NASBA and approve the following for exam score extension:**

- Nana Gvaladze
- Alya Alnuaimi
- Ramin Mammadli
- Bhavana Handa
- Brixen Barredo
- Shelloma Hyman
- Dewhitney Farrington
- Hasan Assaf
- Sambasivarao Chalamalasetti
- Mohammad Qaywi
- Magdi Abukoutnah
- Angela Yeung
- Amro Alnoubani
- Muhammad Iqbal
- Abdulrahman Al Alshaykh
- Shuji Koo

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Jordan, and approved unanimously, it was:**

**RESOLVED to approve the request for exam score reinstatement from Ryosuke Mitsui.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Tegeler, and approved unanimously, it was:**

**RESOLVED to approve Sarah Fuerst's request for extension of AUD score to 12/31/21.**

**Upon a motion duly made by Mr. Jordan seconded by Ms. Schmitz, and approved unanimously, it was:**

**RESOLVED to approve Katie Damon's request for extension of REG score to 12/31/21.**

**Upon a motion duly made by Mr. Jordan seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to accept the recommendation from NASBA to deny the request for Exam Score extension for:**

- **Aiko Nagano**
- **Mohammed Shat**
- **Reiko Horii**

**Upon a motion duly made by Mr. Jordan seconded by Mr. Johnson, and approved unanimously, it was:**

**RESOLVED to approve the request for exam score reinstatement from Vahrig Markarian (FAR to 9/30/21).**

**Upon a motion duly made by Ms. Schmitz seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to table the request for exam score extension from Leila Nehmi; need information about test site closure(s) and verification of FAR score.**

**Upon a motion duly made by Mr. Johnson seconded by Ms. Schmitz, and approved unanimously, it was:**

**RESOLVED to approve Fahad Almahisen, Miles Edwards, Dilip Govindaraju, Mirela Horn, Medhat Kassab, Jacki Mallinger, William Paneak, Jennifer Petersen, Marilese Rencken, Caroline Runge, Shiva Sai Sambu, Evgeniia Sezionova, Kavita Sivasubramanian, Jill Smith, Thereze Tayo, Mariia Tereshchenko and Jiaqi Zhang for licensure by exam.**

**Upon a motion duly made by Mr. Johnson seconded by Mr. Jordan, and approved unanimously, it was:**

**RESOLVED to table the application of Hailey Messick. Documentation of an additional semester hour of “accounting” coursework required.**

**Upon a motion duly made by Mr. Johnson seconded by Ms. Hanks, and approved unanimously, it was:**

**RESOLVED to approve Kent Haley, Kelly Mayes, Gary Poulos and Kiara Ream for licensure by reciprocity.**

**Upon a motion duly made by Ms. Schmitz seconded by Mr. Jordan, and approved unanimously, it was:**



**RESOLVED to approve the firm permit application of Darla S. Buck, CPA, LLC.**

**Agenda Item 14 – Administrative Business**

Mr. Vieira and the Board thanked Ms. Schmitz for her service and time Chairing the Board.

Confirm Upcoming Meeting Dates/Locations

- November 8-9, 2021 - Anchorage
- February 14-15, 2022 – Anchorage
- May 19-20, 2022

Task Lists

Cori Hondolero

- Draft response letter to both AKCPA and Swalling & Associates re: exam test site issues – send to Chair for signature
- Ask NASBA about scheduling at the Fairbanks test site – do they only allow scheduling for one month at a time?

**Upon a motion duly made by Ms. Hanks seconded by Mr. Johnson, and approved unanimously, it was:**

**RESOLVED to adjourn the meeting.**

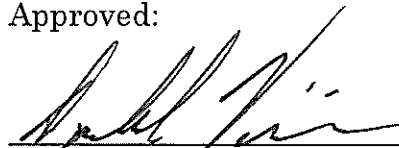
There being no further business, the meeting adjourned at 10:52 a.m.

Respectfully Submitted:



\_\_\_\_\_  
Cori Hondolero  
Executive Administrator

Approved:



\_\_\_\_\_  
Don Vieira, Chair  
Alaska Board of Public Accountancy

Date: 11/8/21