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**OFFICE OF THE LIEUTENANT GOVERNOR  
ALASKA**

**MEMORANDUM**

**TO:** Jun Maiquis  
Department of Commerce, Community and Economic Development

**FROM:** Scott Meriwether, Office of the Lieutenant Governor 465.4081 

**DATE:** December 6, 2016

**RE:** Filed Permanent Regulations: Board of Public Accountancy

Board of Public Accountancy regulations update re: code of professional conduct, attest functions, education requirements, and peer review (12 AAC 04.004 - 12 AAC 04.110; 12 AAC 04.185(b); 12 AAC 04.610(a); 12 AAC 04.620(c))

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Attorney General File:	JU2016200618
Regulation Filed:	December 5, 2016
Effective Date:	January 4, 2017
Print:	221, April 2017

cc with enclosures:

Linda Miller, Department of Law  
Micaela Fowler, Department of Commerce, Community & Economic  
Development  
Dianne Blumer, Administrative Regulation Review Committee  
Judy Herndon, LexisNexis

ORDER CERTIFYING THE CHANGES TO  
REGULATIONS OF THE BOARD OF PUBLIC ACCOUNTANCY

The attached seven pages of regulations, dealing with section references of the updated American Institute of Certified Public Accountants (AICPA) Professional Standards and National State Auditors Association (NSAA) Peer Review Manual, and education and experience requirements, are hereby certified to be a correct copy of the regulation changes that the Board of Public Accountancy adopted at its August 18-19, 2016 meeting, under the authority of AS 08.04.070, AS 08.04.080, AS 08.04.120, AS 08.04.423, and AS 08.04.426 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

On the record, in considering public comments, the Board of Public Accountancy paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes described in this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.

DATE: 8/19/16  
Fairbanks, Alaska

  
Don Rulien, CPA, Chair  
Board of Public Accountancy

FILING CERTIFICATION

I, Byron Mallott, Lieutenant Governor for the State of Alaska, certify that on December 5, 2016 at 150p .m., I filed the attached regulations according to the provisions of AS 44.62.040 – 44.62.120.

  
Byron Mallott, Lieutenant Governor

Effective: January 4, 2017.

Register: 221, April 2017.

**Chapter 04. Board of Public Accountancy.**

12 AAC 04 is amended by adding a new section to read:

**12 AAC 04.004. Code of professional conduct.** An accountant shall adhere to the *(American Institute of Certified Public Accountants, (no italics; use normal font))*

*AICPA Professional Standards, Volume 2 (pages 2371 through 2613),* Code of Professional Conduct, revised as of June 1, 2015, adopted by reference. (Eff. 1 / 4 / 2017, Register 221)

**Authority:** AS 08.04.070

AS 08.04.080

*Volume 2 (no ital))*

**Editor's note:** A copy of the *AICPA Professional Standards*, adopted by reference in

12 AAC 04.004, may be obtained from the American Institute of Certified Public Accountants at

AICPA, 220 Leigh Farm Road, Durham, North Carolina 27707-8110 or at AICPA's website at

<http://www.aicpa.org>.

12 AAC 04.010 is repealed

**12 AAC 04.010. Independence, integrity, and objectivity.** Repealed. (Eff. 1/20/63,

Register 7; am 9/9/72, Register 43; am 1/18/78, Register 64; am 4/10/88, Register 106; am

1/1/2008, Register 184; am 10/16/2011, Register 200; repealed 1 / 4 / 2017, Register 221)

*“(Publisher: Delete the editor's note after 12 AAC 04.010.)”*

12 AAC 04.015 is repealed:

**12 AAC 04.015. Competence.** Repealed. (Eff. 1/18/78, Register 64; am 4/10/88,

Register 106; repealed 1 / 4 / 2017, Register 221)

12 AAC 04.020 is repealed:

**12 AAC 04.020. Confidential relationship.** Repealed. (Eff. 1/20/63, Register 7; am

9/9/72, Register 43; repealed 1 / 4 / 2017, Register 221)

12 AAC 04.030 is repealed:

**12 AAC 04.030. Contingent fees.** Repealed. (Eff. 1/20/63, Register 7; am 9/9/72, Register 43; am 4/10/88, Register 106; am 4/28/2005, Register 174; am 1/1/2008, Register 184; am 10/16/2011, Register 200; repealed 1/4/2017, Register 221)

*« Publisher: Delete the editor's note after 12 AAC 04.030. »»*

12 AAC 04.038 is amended to read:

**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** [AU] Sections **200 – 935** [100 – 900], as revised as of June 1, **2015** [2010], 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 2*, AR Sections 20 – 600, as revised as of June 1, **2015** [2010], 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 Sections **20 – 600** <sup>(601)</sup> [20 – 701], as revised as of June 1, **2015** [2010], 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 2*, QC Section 10, as revised as of June 1, **2015** [2010], adopted by reference. (Eff. 1/1/2008, Register 184; am 10/16/2011, Register 200; am 1 / 4 / 2017, Register 221)

**Authority:** AS 08.04.070 [AS 08.04.085] AS 08.04.423

~~**Editor's note:** A copy of the *AICPA Professional Standards, Volumes 1 and 2*, may be obtained from the American Institute of Certified Public Accountants at AICPA, 220 Leigh Farm Road, Durham, North Carolina 27707-8110 or at AICPA's website at <http://www.aicpa.org>.~~

*cc Publisher: Existing editor's note after 12 AAC 04.038 is unchanged; retain as is. ))*

12 AAC 04.040 is repealed:

**12 AAC 04.040. Use of work of others.** Repealed. (Eff. 9/9/72, Register 43; repealed

1 / 4 / 2017, Register 221)

12 AAC 04.050 is repealed:

**12 AAC 04.050. Responsibility and disclosure.** Repealed. (Eff. 1/20/63, Register 7; am 9/9/72, Register 43; am 4/10/88, Register 106; repealed 1 / 4 / 2017, Register 221)

7

12 AAC 04.060 is repealed:

**12 AAC 04.060. Form of opinions and reports.** Repealed. (Eff. 1/20/63, Register 7; am 9/9/72, Register 43; am 4/10/88, Register 106; repealed 1 / 4 / 2017, Register 221)

12 AAC 04.070 is repealed:

**12 AAC 04.070. Forecasts.** Repealed. (Eff. 1/20/63, Register 7; am 9/9/72, Register 43; am 4/10/88, Register 106; repealed 1 / 4 / 2017, Register 221)

12 AAC 04.080 is repealed:

**12 AAC 04.080. Advertising.** Repealed. (Eff. 1/20/63, Register 7; am 9/9/72, Register 43; am 2/10/78, Register 64; repealed 1 / 4 / 2017, Register 221)

12 AAC 04.100 is repealed:

**12 AAC 04.100. Commissions.** Repealed. (Eff. 1/20/63, Register 7; am 9/9/72, Register 43; am 4/28/2005, Register 174; am 1/1/2008, Register 184; am 10/16/2011, Register 200; repealed 1 / 4 / 2017, Register 221)

*“Publisher: Delete the editor's note after 12 AAC 04.100.”*  
12 AAC 04.110 is repealed:

**12 AAC 04.110. Services performed by employees.** Repealed. (Eff. 9/9/72, Register 43; am 4/10/88, Register 106; repealed 1 / 4 / 2017, Register 221)

12 AAC 04.185(b) is amended to read:

(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 [THREE] semester credit hours or 15 [FIVE] quarter credit hours of

business law and economics and

[(3) THREE SEMESTER CREDIT HOURS OR FIVE QUARTER CREDIT HOURS OF ECONOMICS; AND

(4) THREE SEMESTER CREDIT HOURS OR FIVE QUARTER CREDIT HOURS OF]

- (A) statistics; or
- (B) computer science; or
- (C) algebra, calculus, or mathematics.

(Eff. 1/18/78, Register 64; am 11/9/85, Register 96; am 2/2/94, Register 129; am 5/4/96, Register 138; am 1/1/2008, Register 184; am 10/16/2011, Register 200; am 12/29/2013, Register 208; am 12/25/2015, Register 216; am 1 / 4 / 2017, Register 221)

**Authority:** AS 08.04.070 AS 08.04.120

12 AAC 04.610(a)(1) is amended to read:

AICPA *in bold/underline all; italicize "AICPA")*

(1) American Institute of Certified Public Accountants **[AICPA]** *Standards for Performing and Reporting on Peer Reviews, 2015* [2011] edition, adopted by reference, excluding any reference to compilations; or

12 AAC 04.610(a)(2) is amended to read:

*retain bold/underline, but do not italicize*

(2) National State Auditors Association (NSAA) *Peer Review Manual, 2013* [2010] edition, adopted by reference.

(Eff. 7/27/97, Register 143; am 11/2/2001, Register 160; am 10/16/2011, Register 200; am

8/1/2012, Register 203; am 1 / 4 2017, Register 221)

**Authority:** AS 08.04.070 AS 08.04.426

AICPA *in bold/underline/italicize*

**Editor's note:** A copy of the **Standards for Performing and Reporting on Peer Reviews**, adopted by reference in 12 AAC 04.610, may be obtained from the [DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, P.O. BOX 110806, JUNEAU, AK 99811-0806, OR FROM THE] American Institute of Certified Public Accountants (AICPA), 220 Leigh Farm Road, Durham, North Carolina 27707-8110. A copy of the *Peer Review Manual*, adopted by reference in 12 AAC 04.610, may be obtained from the [DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, P.O. BOX 110806, JUNEAU, AK 99811-0806, OR THE] National State Auditors Association, 449 Lewis Hargett Circle, Suite 290, Lexington, KY 40503-3590.