Kevin Meyer Lieutenant Governor State Capitol Juneau, Alaska 99811 907.465.3520 WWW.LTGOV.ALASKA.GOV



530 West 7th Ave, Suite 1700 Anchorage, Alaska 99501 907.269.7460 LT.GOVERNOR@ALASKA.GOV

OFFICE OF THE LIEUTENANT GOVERNOR ALASKA

MEMORANDUM

TO:

Victoria Caltagirone

Department of Commerce, Community, and Economic Development

FROM:

Kady Levale, Office of the Lieutenant Governor

465.3509

DATE:

April 14, 2022

RE:

Filed Permanent Regulations: Board of Public Accountancy

Department of Commerce, Community, and Economic Development; Board of Public Accountancy regulations re: public accountant professional standards, individual study

(12 AAC 04)

Attorney General File:

2021200453.002

Regulation Filed:

4/14/2022

Effective Date:

5/14/2022

Print:

242, July 2022

cc with enclosures:

Joseph Felkl, Department of Law

Judy Herndon, LexisNexis

Jun Maiquis, Regulations Specialist

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

The attached one page of regulations, dealing with individual study and instructor or discussion leader of an educational program, are hereby certified to be a correct copy of the regulation changes that the Board of Public Accountancy adopted at its February 14-15, 2022 meeting, under the authority of AS 08.04.070 and AS 08.04.425, 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:	3/4/22	
		Cori Hondolero Digitally signed by Cori Hondolero Date: 2022.03.04 14:09:46 -09'00'
		Cori Hondolero, Executive Administrator Board of Public Accountancy

FILING CERTIFICATION

I,	Kevin	Meyer,	Lieutenant	Governor	for	the	State	of	Alask	a, ce	rtify	that
on	Apri	1 14	<i>p</i>	_, 2022 at	11:0	4/	4 m.,	Ι	filed	the	atta	ched
reg	gulation	s accord	ing to the pro	ovisions of A	AS 4	4.62.0	040 - 4	4.6	2.120.			

Kevin Meyer, Lieutenant Governor

Effective: <u>May 14, 2022</u>.
Register: <u>242, July 2022</u>.

Register 242, July 2022 PROFESSIONAL REGULATIONS

Chapter 04. Board of Public Accountancy.

12 AAC 04.370 is repealed:

12 AAC 04.370. Individual study. Repealed <u>5 / 14 / 2012</u>. (Eff. 1/18/78, Register 64; repealed <u>5 / 14 / 2012</u>, Register <u>242</u>)

12 AAC 04.380(a) is amended to read:

(a) The board will award one hour of continuing education credit for each hour completed in preparation for instruction or discussion as an instructor or discussion leader of an educational program meeting the requirements of 12 AAC 04.310 – 12 AAC 04.360 [12 AAC 04.370]. The number of hours of credit awarded under this subsection may not exceed twice the number of hours awarded under (b) of this section.

12 AAC 04.380(b) is amended to read:

(b) The board will award one hour of continuing education credit for each hour completed as an instructor or discussion leader of an educational program meeting the requirements of 12 AAC 04.310 – 12 AAC 04.360 [12 AAC 04.370]. The board will award credit only for the initial course of instruction of the subject matter unless there have been substantial new developments in the subject since the prior presentation.

(Eff. 1/18/78, Register 64; am 2/23/95, Register 133; am <u>5 / 14 / 2022</u>, Register <u>242</u>)

Authority: AS 08.04.070 AS 0

AS 08.04.425

MEMORANDUM

State of Alaska Department of Law

To: The Honorable Kevin Meyer

Lieutenant Governor

From: Rebecca Polizzotta

Chief Assistant Attorney General

and Regulations Attorney

Legislation and Regulations Section

Date: April 6, 2022

File No.: 2021200453.002

Tel. No.: 907-465-3600

Re: DCCED; Board of Public Accountancy

amendments to 12 AAC 04; public accountant professional standards,

individual study

The Department of Law has reviewed the attached regulations of the Board of Public Accountancy against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This memorandum constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations. The regulations were adopted after the close of the public comment period. These regulations repeal section 12 AAC 04.370, concerning individual study requirements, and make conforming amendments to remove references to the repealed section.

On the request of agency staff, this project is a Part 2 to our prior review of matter 2021200453.001, concerning public accountancy professional standards.

The March 4, 2022 adoption order and the October 3, 2021 public notice state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

RCP:bws

cc w/ enclosures: Jun Maiquis, Regulations Contact

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

Harriet Milks, Senior Assistant Attorney General

Department of Law

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE ALASKA BOARD OF PUBLIC ACCOUNTANCY

BRIEF DESCRIPTION: The Board of Public Accountancy proposes to update various regulations addressing section references of the updated AICPA Code of Professional Standards and Standards for Performing and Reporting on Peer Reviews, National State Auditors Association (NSAA) Peer Review Manual that the board adopts by reference, examination, hours of continuing education, individual study, publications, inactive licenses, and approved quality review programs.

The Board of Public Accountancy (Board) proposes to adopt regulation changes in Title 12, Chapter 04 of the Alaska Administrative Code including the following:

- 12 AAC 04.004. Code of professional conduct, is proposed to update section references and to adopt by reference the updated Code of Professional Conduct of the AICPA Professional Standards.
- 2. 12 AAC 04.038. Attest functions, is proposed to update section references and to adopt by reference the updated AICPA Professional Standards.
- 3. 12 AAC 04.165. Application for licensure by reciprocity, is proposed to require notarized application, list of references, and verification that CPA exam has been passed to the requirements of licensure by reciprocity applications.
- 4. 12 AAC 04.175. Application for licensure by examination, is proposed to require notarized application for licensure by examination, and to amend the conforming regulation citations.
- 5. 12 AAC 04.185. Education defined for certified public accountant applicants, is proposed to remove requirement for the University of Alaska to approve regional accreditation and providing additional clarity on education that is acceptable to meet the accounting concentration requirements.
- 6. 12 AAC 04.200. Examination, is proposed to amend the conforming regulation citations.
- 7. 12 AAC 04.205. Examination transition to computer-based testing, is proposed to be repealed. This section is no longer needed.
- 8. 12 AAC 04.300. Hours of continuing education required, is proposed to remove subsection (b) of this section that allowed licensees who did not earn at least 20 hours in each year of the renewal cycle to take an additional 8 hours of continuing education. If adopted by the board, these regulation changes would take effect on January 1, 2022, and would apply to the licensing term beginning on that date.
- 9. 12 AAC 04.370. Individual study, is proposed to be repealed. This section is no longer needed. If adopted by the board, these regulation changes would take effect on January 1, 2022, and would apply to the licensing term beginning on that date.
- 10. 12 AAC 04.390. Publications, is proposed to be repealed. This section is no longer needed. If adopted by the board, these regulation changes would take effect on January 1, 2022, and would apply to the licensing term beginning on that date.
- 11. 12 AAC 04.430. Inactive licenses, is proposed to clarify how an inactive licensee can hold themselves out to the public and states clearly that inactive licensees may not practice public accounting.
- 12. 12 AAC 04.610. Approved quality review programs, is proposed to update the references and to adopt by reference the updated AICPA Standards for Performing and Reporting on Peer Reviews

and the current revised National State Auditors Association (NSAA) Peer Review Manual.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Jun Maiquis, Regulations Specialist, Division of Corporations, Business and Professional Licensing, P.O. Box 110806, Juneau, AK 99811-0806. Additionally, the Board will accept comments by facsimile at (907) 465-2974 and by electronic mail at RegulationsAndPubliccomment@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system at http://notice.alaska.gov/203974, and using the comment link. The comments must be received not later than 4:30 p.m. on November 3, 2021. Comments received after this deadline will not be considered by the Board.

You may submit written questions relevant to the proposed action to Jun Maiquis, Regulations Specialist, Division of Corporations, Business and Professional Licensing, P.O. Box 110806, Juneau, AK 99811-0806 or by e-mail at RegulationsAndPublicComment@alaska.gov. The questions must be received at least 10 days before the end of the public comment period. The Board will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and on the Board's website at https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/BoardofPublicAccountancy.aspx. The Board may, but is not required to, answer written questions received after the 10-day cut-off date and before the end of the comment period.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Jun Maiquis at (907) 465-2537 or RegulationsAndPublicComment@alaska.gov not later than October 27, 2021 to ensure that any necessary accommodation can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting Jun Maiquis at (907) 465-2537 or RegulationsAndPublicComment@alaska.gov, or go to https://www.commerce.alaska.gov/web/portals/5/pub/CPA-1021.pdf.

A copy of the material proposed for adoption by reference may be viewed at the Board's office at the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing, Atwood Bldg., 550 W. 7th Avenue, Suite 1500, Anchorage, or in the Juneau office at the SOB, 333 Willoughby Avenue, 9th Floor.

After the public comment period ends, the Board will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. You should comment during the time allowed if your interests could be affected. Written comments and questions received are public records and are subject to public inspection.

Statutory Authority: AS 08.04.070; AS 08.04.080; AS 08.04.105; AS 08.04.110; AS 08.04.120; AS 08.04.130; AS 08.04.150; AS 08.04.195; AS 08.04.410; AS 08.04.423; AS 08.04.425; AS 08.04.426 **Statutes Being Implemented, Interpreted, or Made Specific:** AS 08.04.070; AS 08.04.080; AS 08.04.105; AS 08.04.110; AS 08.04.120; AS 08.04.130; AS 08.04.150; AS 08.04.195; AS 08.04.410; AS 08.04.423; AS 08.04.425; AS 08.04.426

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: 10/1/21

Jun Maiquis Regulations Specialist Division of Corporations, Business and

Professional Licensing

For each occupation regulated under the Division of Corporations, Business and Professional Licensing, the Division keeps a list of individuals or organizations who are interested in the regulations of that occupation. The Division automatically sends a Notice of Proposed Regulations to the parties on the appropriate list each time there is a proposed change in an occupation's regulations in Title 12 of the Alaska Administrative Code. If you would like your address added to or removed from such a list, send your request to the Division at the address above, giving your name, either your e-mail address or mailing address (as you prefer for receiving notices), and the occupational area in which you are interested.

ADDITIONAL REGULATION NOTICE INFORMATION (AS 44.62.190(d))

- 1. Adopting agency: Board of Public Accountancy Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing.
- 2. General subject of regulation: Update code of professional conduct of the section references of the American Institute of Certified Public Accountants (AICPA) Professional Standards and National State Auditors Association (NSAA) Peer Review Manual, licensure by reciprocity and examination, education, examination, hours of continuing education, individual study, publications, and inactive licenses.
- 3. Citation of regulation: 12 AAC 04.004, 12 AAC 04.038, 12 AAC 04.165, 12 AAC 04.175, 12 AAC 04.185, 12 AAC 04.200, 12 AAC 04.205, 12 AAC 04.300, 12 AAC 04.370, 12 AAC 04.390, 12 AAC 04.430, and 12 AAC 04.610.
- 4. Department of Law file number: To be assigned.
- 5. Reason for the proposed action: Update and clarification of current regulations; compliance with state statute.
- 6. Appropriation/Allocation: Corporations, Business and Professional Licensing #2360.
- 7. Estimated annual cost to comply with the proposed action to:

No costs are expected in FY 2022 or in subsequent years.

A private person: None known, Another state agency: None known. A municipality: None known.

- 8. Cost of implementation to the state agency and available funding (in thousands of dollars):
- 9. The name of the contact person for the regulation:

Cori Hondolero, Executive Administrator Alaska Board of Public Accountancy Division of Corporations, Business and Professional Licensing

Department of Commerce, Community, and Economic Development

Telephone: (907) 269-4712 E-mail: cori.hondolero@alaska.gov

10. The origin of the proposed action: Board of Public Accountancy. 10/1/21 11. Date: Prepared by:

Regulations Specialist

AFFIDAVIT OF NOTICE OF PROPOSED REGULATION AND FURNISHING OF ADDITIONAL INFORMATION

I, Jun Maiquis, Regulations Specialist, of the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing, being sworn, state the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to 12 AAC 04.004, 12 AAC 04.038, 12 AAC 04.165, 12 AAC 04.175, 12 AAC 04.185, 12 AAC 04.200, 12 AAC 04.205, 12 AAC 04.300, 12 AAC 04.370, 12 AAC 04.390, 12 AAC 04.430, and 12 AAC 04.610, dealing with code of professional conduct of the section references of the American Institute of Certified Public Accountants (AICPA) Professional Standards and National State Auditors Association (NSAA) Peer Review Manual, licensure by reciprocity and examination, education, examination, hours of continuing education, individual study, publications, and inactive licenses, has been given by being

- 1. published in a newspaper or trade publication;
- 2. furnished to every person who has filed a request for notice of proposed action with the state agency;
- 3. furnished to appropriate state officials;
- 4. furnished to interested persons;
- 5. furnished to the Department of Law, along with a copy of the proposed regulation;
- 6. furnished electronically to incumbent State of Alaska legislators;
- 7. posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1).

As required by AS 44.62.190, additional regulation notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (2), (4), and (6) of the list above. The additional regulation notice information also has been posted on the Alaska Online Public Notice System.

DATE: 11/23/21 Juneau, Alaska

Jun Maiquis, Regulations Specialist

Notary Public in and for the

My commission expires:

State of Alaska

SUBSCRIBED AND SWORN TO before me this 23 day of November , 2021

NOTARY
PUBLIC

Notary
Public

AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

I, Jun Maiquis, Regulations Specialist for the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing, being duly sworn, state the following:

In compliance with AS 44.62.215, the Board of Public Accountancy has kept a record of its use or rejection of factual or other substantive information that was submitted in writing as public comment and that was relevant to the accuracy, coverage, or other aspect of the Board of Public Accountancy regulations on dealing with code of professional conduct of the section references of the American Institute of Certified Public Accountants (AICPA) Professional Standards and National State Auditors Association (NSAA) Peer Review Manual, licensure by reciprocity and examination, education, examination, hours of continuing education, individual study, publications, and inactive licenses.

DATE: 11/23/21

Jun Maiquis, Regulations Specialist

SUBSCRIBED AND SWORN TO before me this 23 day of November, 2021.

NOTARY PUBLIC *

Notary Public in and for the

State of Alaska

My commission expires:

ANCHORAGE DAILY NEWS AFFIDAVIT OF PUBLICATION

Account #: 105545 ST OF AK/DEC/OCCU

Attention To: ATTN TO: JUN MAIOUIS PO BOX 110806, JUNEAU, AK 99811

Order #: W0025426

Cost: \$687.28

STATE OF ALASKA THIRD JUDICIAL DISTRICT

Adam Garrigus being first duly sworn on oath deposes and says that she is a representative of the Anchorage Daily News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on

10/03/2021

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Subscribed and sworn to before me this 4th day of October 2021.

Notary Public in and for The State of Alaska.

Third Division Anchorage, Alaska

Signed U

MY COMMISSION EXPIRES

RECEIVED Juneau

OCT 1 1 2021

CBPL

AFFIDAVIT OF BOARD ACTION

I, Cori Hondolero, Executive Administrator for the Board of Public Accountancy, being duly sworn, state the following:

The attached motion dealing with individual study and instructor or discussion leader of an educational program was passed by the Board of Public Accountancy during its February 14-15, 2022 meeting.

Date:	3/4/22	Cori Hondolero Date: 2022.03.04 14:11:52 -09'00'				
		Cori Hondolero, Executive Administrator				

Excerpt from the Draft Minutes of the February 14-15, 2022 Meeting of the Board of Public Accountancy

Proposed regulations: 12 AAC 04.370 and 12 AAC 04.380 (File#2021200453-Part 2)

Current regulation project – Ms. Hondolero noted that a majority of the project adopted at the last meeting would become effective February 24, 2022. One section had been pulled and would now be considered a part two of the project; a reference to a section being repealed had been missed. A change to 12 AAC 04.380 is also required to conform with the repeal of 12 AAC 04.370.

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

RESOLVED to re-adopt the repeal of 12 AAC 04.370 and the amendments to 12 AAC 04.380 to remove the reference to 12 AAC 04.370.

The motion passed with no further discussion.