

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes
January 11, 2013

Draft Minutes. Minutes are not approved until the next Board meeting.

Friday, January 11, 2013

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:33 a.m. on Friday, January 11, 2013 with Chair Michael Wassinger, presiding. The roll was called with the following members present: Michael Wassinger, Lori Druse, Bernie Gutschewski, Richard Zacharia, Doug Skiles, Jan Glenn, Michele Stromp, and Michael McClure. Also present were Executive Director Dan Sweetwood and Staff members Jo Lowe and Heather Myers. The meeting was held at the Board Office, 140 N. 8th Street, Suite 290, Lincoln, Nebraska. Chair Wassinger noted the location of the notebook containing the Public Open Meeting Act, the statutes were posted on the wall, and asked if anyone present needed an agenda or had any questions regarding the law. Visitors present: Mr. Dan Dustin, Vice President, NASBA State Board Relations, and Mr. Dan Vodvarka, President of the Nebraska Society of CPAs (Society).
- B. Approval of Meeting Agenda for Friday, January 11, 2013.** Moved by Skiles, seconded by Stromp, to approve the agenda for the January 11, 2013 meeting. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #1 carried.
- C. Approval of Minutes from November 16, 2012.** Moved by McClure, seconded by Glenn, to approve the Board minutes from the November 16, 2012 meeting. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #2 carried.

2. Public Comment Period (15 minute period)

Mr. Dan Dustin, CPA, Vice President, NASBA State Board Relations, gave an overview of his position, NASBA Committee membership, and opportunities for NASBA support and facilitation of Board functions. He emphasized NASBA's re-commitment to the State Boards and ways they can assist and provide services when needed such as with Board newsletters. His new position is a testament to this commitment as he is like an "ombudsman" for State Boards to provide feedback and reconnect to NASBA. He also indicated that Mr. John Johnson, Director of Legislative Services, new position is to provide State Boards services including monitoring current legislation and providing input when requested on new legislative initiatives. Several current NASBA initiatives were mentioned including the Accountancy Licensing Database (ALD), the Accountancy Licensing Library (ALL), CPA Exam Services (CPAES), the National Candidate Database for CPA examination candidates, and the National Registry of CPE sponsors. Board members asked about holding NASBA meetings in Hawaii which can be considered an exotic, perhaps expensive location, and cause scrutiny for Boards. Board members discussed the importance and relevance of attendance at regional and nation

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meetings. Chair Wassinger thanked Mr. Dustin for coming to Nebraska to present NASBA initiatives.

Dan Vodvarka, President of the Nebraska Society of CPAs was present. He reported that the Society Senator's Reception was well attended. He acknowledged Chair Wassinger and Member Stromp for their attendance. Both commented they were able to hold discussions with the Senators in attendance. Mr. Vodvarka discussed a late December Society CPE course that was cancelled due to weather conditions, indicated he had discussed rescheduling with Board staff, and was pleased with the quick initial response. He also discussed the progress of the proposed Legislative Bill to change the experience provisions within the Public Accountancy Act. The Bill (LB 27) was introduced by Senator Galen Hadley and will soon be set for hearing within the Banking, Commerce, and Insurance Committee. Chair Wassinger indicated Member Skiles will represent the Board at the hearing as he was the Chair of the Experience Work Group and is the Legislative Committee Chair. Mr. Vodvarka will coordinate preparation for the hearing.

Agenda Item 5 B. 9:00 am: Public Hearing for Revocation of Certificates of Non-Renewed 2001-2007 Inactive Registrations. Hearing Officer Michael Wassinger, opened the hearing at 9:54 am. The hearing concluded at 9:56 am.

Public Hearing for Marty Dasovich request for active permit. Hearing Officer Michael Wassinger opened the hearing at 9:30. Mr. Robert Gruit, Board Attorney, represented the Board at the hearing. Let the record show Mr. Dasovich did not call the office to participate in the call. The hearing concluded at 9:47 am. Moved by Zacharia, seconded by Skiles, to deny the reciprocal application of E. Marty Dasovich without prejudice to allow his re-application. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #3 carried.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by Skiles, seconded by Zacharia, to approve the consent agenda. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #4 carried.
- B. Approval of Disbursements for October and November 2012.** Disbursements were reviewed prior to the Board meeting by Secretary Druse. She reported a substantial purchase of a new Board server. Ms. Druse will continue to work with Ms. Myers in preparation of the documents from the state financial system.
- C. Review of Board Budget Status Report.** The current budget status report was provided for review. Executive Director Sweetwood commented that he had not been contacted by Mr. Gary Bush, DAS Budget Officer, regarding the Boards FY14-15 Budget submission. Staff will await the presentation of the Governor Heineman's budget after his State of the State address set for Tuesday, January 15, 2013. She

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reviewed the Budget Status Report and discussed areas of variance in the budget FY 2012-2013 YTD actual compared to FY 2012–2013 budget and FY 2011-2012 YTD actual.

- D. Office Licensing Report.** The Office Licensing Report was provided to the Board.

4. Report of the Chair

- A. Report of the Chair.** Chair Wassinger gave the report.
- B. Executive Committee Report: Set 2013 Fees.** The Executive Committee met in December and recommended that the current fee structure should be retained for 2013. The minutes were distributed to members. Chair Wassinger indicated although an increase last fiscal year to the Board's Cash Fund occurred, there is the possibility of substantial expenses due to major enforcement cases. ED Sweetwood indicated members received detailed past Board financial information regarding expense, revenue, and licensee population trends for consideration. He also acknowledged the members for their review and feedback on Board financials. Motion out of Committee to retain the 2012 fee schedule. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #5 carried.
- C. Attendance at NASBA ED and Legal Council Conference, March 3-6, 2013, Tucson AZ.** Due to the importance of national issues affecting the profession, participation at national meetings is valuable to staff. Motion out of Committee for ED Sweetwood and Staff Lowe to attend the 31st NASBA ED and Legal Council Conference, March 3-6, 2013, Tucson AZ. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #6 carried. Motion out of Committee Board attorney Gruit attends the 18th NASBA Legal Council Conference, March 3-5, 2013, Tucson AZ, with the attempt to have conference registration paid by NASBA scholarship. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #7 carried.
- D. Review Board Calendar.** There were no changes to the Board calendar.
- E. Report on To Do List.** There was no report at this time.

Closed Session

Closed Session. Moved by Zacharia, seconded by Stromp, that the Board go into closed session at 10:34 a.m., on Friday, January 11, 2013, for the purpose of discussing enforcement. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #8 carried. Chair Wassinger restated that the purpose for the closed session was to discuss enforcement matters.

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Return to Open Session. Moved by Druse, seconded by Glenn, that the Board return to open session at 10:45 a.m., on Friday, January 11, 2013. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #9 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. **Open Case/LMCO Update.** Committee Chair Zacharia reviewed the open case file.
- B. **Recommended Closure of Enforcement Cases.** No cases were recommended for closure at this time.
- C. **Report on To Do List.** There was no report at this time.

6. Report of Continuing Professional Education (CPE) Committee

- A. **Report of the Committee.** Committee Chair Zacharia gave the report. The Committee reviewed a total of 109 courses, with one to be further evaluated, from November 15, 2012 to January 8, 2013 with 109 recommended for Board approval and none denied. Motion out of Committee to forward 12 reinstatements to the Licensing Committee. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #11 carried. The Committee reviewed three CPE sponsors: Nebraska Society of CPAs, CPA Magazine, and Joel Christensen Learning Academy for Ethical Leadership. Due to high compliance on the reporting of CPE courses to the Board by licensees, Motion out of Committee to recommend Board approval to continue to audit 2% of licensees renewing in 2013 and those approved for CPE extensions also be audited for CPE compliance. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #13 carried. Motion out of Committee to approve the rescheduled Society December Ethics Course held Jan 15, 2013 to count toward 2012 CPE. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #14 carried. The Committee was evaluating a limitation on ethics hours per each reporting period and held a discussion with the Board. It was decided to gather further information. Chair Zacharia indicated he would call an expanded CPE Committee meeting and invite members of the Experience Work Group, Nebraska Society of CPAs leadership, and others to provide perspective and ideas associated with the future of personal development and other courses related to possible changes to the number of hours for these types of courses that would count toward the 80 required for renewal. The Committee will report back on the discussions held.
- B. **Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 110 (following review of the course in question) courses from November 15, 2012 to January 8, 2013 with 110 approved and none denied. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #10 carried.

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- C. **Ratification of CPE Sponsor.** Motion out of Committee to approve three CPE sponsors: Nebraska Society of CPAs, CPA Magazine, and Joel Christensen Learning Academy for Ethical Leadership. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #12 carried.
- D. **Report on To Do list.** The To Dos are listed in the Committee Report.

7. Report of Education & Exam (E&E) Committee

- A. **Report of the Committee.** Committee Chair Skiles gave the report. Moved by Skiles, seconded by McClure, to recommend Board approval of a request for extension of the CPA exam window to May 2013 due to illness. (#13-01/MW). On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #15 carried. The Center for the Public Trust, with a focus on ethics and end users of financial instruments, has begun an outreach in educational institutions often through Beta Alpha Psi chapters. Committee Chair Skiles would like to see chapters develop in Nebraska. ED Sweetwood met with Paul Shoemaker, UNL Accounting Dept. Chair, who was receptive to the idea and suggested including Deb Cosgrove, Beta Alpha Psi Advisor, in the process, with the possibility of students attending the Chicago conference summer 2013. ED Sweetwood will visit with Mike Decker during the BOE state board meeting about adding Nebraska specific questions to the AICPA ethics exam. Newly implemented use of reusable “noteboards” in place of scratch paper should help reduce security issues for the CPA Exam test centers.
- B. **Approval of CPA Exam Scores.** Motion out of Committee to recommend Board approval of the CPA Exam scores for October –November 2012. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #16 carried.
- C. **Report on To Do List.** There was no report at this time.

8. Report of the Legislative Committee

- A. **Report on Legislation: Review of EWG meeting and draft amendments to the Public Accountancy Act (PAA) and Board Regulations.** Committee Chair Skiles reiterated Society Pres. Vodvarka’s public period comments about the legislation. Chair Skiles indicated further discussions along with possible use of the EWG Workgroup might be required in development of the proposed future regulations should the legislation pass.
- B. **Report on To Do List.** There was no report at this time.

9. Report of Quality Enhancement Program (QEP) Committee

- A. **Report of the Committee.** Committee Chair Wassinger indicated the proposed firm review Rule draft letter was under review by the Board attorney will be sent soon under

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his signature to the attorney general's office. The Committee is requesting an opinion from the attorney general on whether the Board would have the ability to discipline firms if the Board changes regulations/rules in implementing a peer review requirement for licensed CPAs or whether the revisions may require a statute change. The Committee will continue to determine the steps needed to determine the steps to follow.

B. Report on To Do List. There was no report at this time.

10. Report of the Licensing Committee

A. Report of the Committee. Committee Chair Druse gave the report. The Committee reviewed one licensing issue regarding the firm name beginning with "Southwood." Due to the geographical reference, the committee requested the applicant provide further explanation. The Committee approved the fictitious name Praxis. The Committee denied the issuance of a certificate applicant who did not meet the 150 hour Rule (PAA 1-114 and 116). The Committee reviewed the certificate revocation listing of active and inactive registrants not renewed for at least 3 years.

B. Ratification of initial permits to practice, initial firm permits, and certificates issued between November 16, 2012 and January 10, 2013. Motion out of Committee to recommend Board approval of initial permits to practice, initial firm permits, and certificates issued between November 16, 2012 and January 10, 2013. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #18 carried.

C. Reinstatements to Active Permits, Inactive Retired Affidavits, Surrendered Certificates. Motion out of Committee to approve the Reinstatements, Inactive Retired Affidavits, and Surrendered Certificates received between November 16, 2012 and January 10, 2013.

Reinstatements:	Mitch Alloway	Omaha NE
	Robyn Koch Hansen	Omaha NE
	Michael Wilcox	Omaha NE
	John Bushouse	Columbus NE
	John Fruhwirth	Omaha NE
	Jenny Lorensen	Alliance NE
	Kathleen Daniel	Winston-Salem NC
	Robert Ludwig	Lincoln NE
	Lowell Koehn	Lincoln NE
	Jane Samson	Waterloo NE
Inactive - Retired affidavits:	Mary Wilson	Lincoln NE
	Dennis Kubicek	Lincoln NE
	Richard Ramm	Omaha NE
Surrendered Certificates:	Stephanie Fowler	Savage MN
	Thomas Unke	Madison WI
	Edward Kuczmariski	New York, NY
	Jason Flynn	Minneapolis MN

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Ajay Gupta	Minnetonka MN
Ronald Nielsen	Waukee IA
J. Craig Peterson	Leawood KS
Brian Pick	Omaha NE
Jay Golonka	Cary NC

On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #19 carried.

- D. Public Hearing for Revocation of Certificates of Non-Renewed 2001-2007 Inactive Registrations.** See public Comment Period. Moved by Glenn, seconded by Zacharia, due to the neglect of the following inactive registrants and at the conclusion of the public hearing, the certified public accountant certificate shall be revoked for the following individuals:

NUSSBAUM	RODNEY
OLSEN	NICOLE
ORLOG	GLENN
OTTEN	RICHARD
PANEK	ROBERT
PAYNE	MARSHA
PEDLEY	JOSEPH
PETERSEN	KATHRINE
PETERSEN	KATHLEEN
PETERSEN	DANIEL
PISTILLO	JAMES
PREWITT	AARON
PRIEFERT	TRACEY

On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #17 carried.

- E. Report on To Do List.** There was no report at this time.

11. Report of Executive Director

- A. Budget Update.** See comments under 3.C
- B. Staffing & General Office Issues.** ED Sweetwood reported to the Executive Committee the acknowledgement of Staff member Lowe for her assistance during the transition with new staff member Myers. He also indicated Ms. Myers is off to a good start and learning her various responsibilities. She will attend NASBA U in April in Nashville, TN along with other new staff members from other State Boards as invited and expenses paid by NASBA. Additionally, a new intern, Dakota Sombke has begun her duties for the Board.

12. New Business

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A. NASBA Items:

1.) NASBA Updates: Focus Questions were answered by Board members with Central Regional Director Doug Skiles.

2.) NASBA Committees. Board members serving on a NASBA Committee were asked to report including:

Member Skiles – NASBA CPA Exam Committee including an ethics proposal and IASB lack of common language.

Member Zacharia – NASBA CPE Committee which continues to update and improve CPE course quality with some discussion about course completion tests to mitigate “seat time vs. learning time.”

Chair Wassinger – Compliance Assurance Committee is reviewing the programs in various states which will be helpful as the QEP Committee revises Nebraska firm standards compliance.

ED Sweetwood reported on committee work for the NASBA ALD and as the AICPA Board of Examiners (BOE) State Board Committee representative. He will be attending a meeting in Dallas, TX next week for the BOE State Board Committee with expenses paid by the AICPA. He also is a member of the AICPA State Board Codification Committee.

B. Other Miscellaneous Items: Articles of interest were provided to the Board.

13. Adjournment

Moved by Zacharia, seconded by Druse, to adjourn the meeting at 12:14 p.m. on January 11, 2013. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #20 carried.

Respectfully submitted by,

Board Secretary
Lori Druse