

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

January 7, 2000

1. General

A. Call to Order and Roll Call. The Board of Public Accountancy was called to order at 8:05 a.m. on Friday, January 7, 2000 with Chair William Gaines, Jr. presiding. The meeting was held at the office of the Board at 140 N. 8th Street, Suite 290, Lincoln, Nebraska.

The roll was called with the following members present: William Gaines, Nina Kavich, Dean Graf, Richard Hoiervam, George Klein, William Nuckolls and Kathleen Smith. Also present were personnel members Annette Harmon and Gerald Batliner.

B. Approval of meeting agenda for January 7, 2000. Moved by Graf, seconded by Nuckolls, to approve the agenda for the January 7, 2000 meeting as written. On roll call vote, all members present voted aye. Member Aldy was absent. Motion number 1 carried.

C. Approval of the minutes of the December 1, 1999 Board meeting. Moved by Smith, seconded by Graf, to approve the minutes as written. On roll call vote, all members present voted aye. Member Aldy was absent. Motion number 2 carried.

2. Consent Agenda

Approval of Consent Agenda by Roll Call Vote. Moved by Smith, seconded by Graf, to approve the Consent Agenda. On roll call vote, all members present voted aye. Member Aldy was absent. Motion number 3 carried.

A. Published Notice of Meeting. Pursuant to call and published notice, the notice of meeting is herewith attached.

B. Review of Board Budget Status Report. The Board reviewed the November 30, 1999 Budget Status Report.

C. Approval of November and December 1999 disbursements. The Board reviewed and approved the November and December 1999 disbursements.

D. Office Management Report. The Board reviewed a report on permits and registrations issued as of December 20, 1999. Prior year's statistics were also reviewed for comparison.

Member Aldy was present at 8:08 a.m.

3. Special Speaker: Janice Mumm, CPA

Janice Mumm was asked to make a presentation on the AICPA's Vision Project to the Board. Jan is a past president of the Nebraska Society of CPAs and is currently a member of the AICPA Vision Committee. Ms. Mumm discussed the importance of communicating the AICPA's Future Focus

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Forum ideas to the state board, by sharing the AICPA Vision Statement, the Core Purpose, the Core Values, Core Services, and Core Competencies.

CLOSED MEETING

Closed Meeting. Moved by Hoiekvam, seconded by Klein, that the Board go into closed session at 8:43 a.m. for enforcement and personnel matters. On roll call vote, all members present voted aye. Motion number 4 carried.

Member Hoiekvam recused himself from the closed session pertaining to personnel issues and left the conference room during that part of the closed meeting.

Return to Open Meeting. Moved by Smith, seconded by Graf, that the Board return to open session at 10:10 a.m. On roll call vote, all members present voted aye. Motion number 5 carried.

4. Report of Enforcement of Professional Conduct Committee

A. Complaint Consent Agenda.

1. Complaint Status Log. The Board reviewed the Complaint Status Log, consisting of open and monitored complaints. No action necessary.

B. Request of A.G. for Injunction Against Robert Chisholm. The Attorney General's office has filed a Petition for Injunction against Robert Chisholm. Mr. Chisholm's attorney has finally forwarded a letter with copies of correspondence with U.S. West. Ms. Melson indicates that it appears they were successful in getting the U.S. West advertising corrected. Moved by Smith, seconded by Aldy, that Lynn Melson request that substantive evidence be provided that his listings in both white and yellow pages have been removed from all phone books, that a letter be sent to the Attorney General that if their office is not going to pursue the petition for an injunction that the Board be given permission to hire legal counsel to proceed with the injunction, and that staff prepare a news release . On roll call vote, all members present voted aye. Motion number 6 carried.

C. Possible Practice without Firm Permit #1. The office has received the CPA's application for an acceptable Professional Corporation and he is in compliance. This item was provided for information only.

D. Possible Practice without Firm Permit #2. This practitioner has now revived his professional corporation with the Secretary of State's office, with a new firm name. The new name is in compliance with the Board's policy that was revised in August, 1999. However, he has not changed his registration and name with the Board. Moved by Smith, with the Committee's recommendation, to send the CPA a strong letter that he needs to be in compliance with this office by filing a change of

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name and the appropriate forms, and that in the future he needs to comply with the Board's directives in all respects. On roll call vote, all members present voted aye. Motion number 7 carried.

E. Update on Morris Shields Appeal. It was noted that a hearing was held in December and a time frame for the presentation of briefs was set. Copies of the briefs will be provided to members of the Board when they are available.

F. Findings of Fact/Conclusions of Law for Gerard Forget: Complaint #99-07. The Board reviewed the Findings of Fact and Conclusions of Law prepared by the Hearing Officer, Kent Radke. Moved by Smith, seconded by Aldy, to postpone this item until the Board's next meeting on March 27, 2000. On roll call vote, all members present voted aye. Motion number 8 carried.

G. Status of Consent Order: Lee A. Johnson. It was reported to the Board that Mr. Johnson had returned his Nebraska CPA certificate to the office but that he had a listing under "Accountants – Certified Public" in the December 1999-2000 Lincoln telephone book. He was subsequently sent the Board's yellow page cancellation form to complete and return to our office. This item was provided for information only.

5. Report of Continuing Education Committee

A. Ratification of staff program evaluations since last meeting. Moved by Hoiekvam, with the Committee's recommendation, to approve the recommendations of administrative personnel for courses requesting continuing education credit, with the exception of course #99-447 which will be granted 8 hours. On roll call vote, all members present voted aye. Motion number 9 carried.

B. Reconsideration of Program Denials. There were two programs, #99-390 and #99-332, that attendees asked for reconsideration of credits. Moved by Hoiekvam, with the Committee's recommendation, that the Board approve course #99-390 for 16 hours of credit and course #99-332 for 16 hours of credit. On roll call vote, all members present voted aye. Motion number 10 carried.

6. Report of Examination & Licensing Committee

A. Ratification of initial permits to practice issued; certificates issued. Moved by Aldy, with the Committee's recommendation, to ratify the initial permits to practice and certificates issued by examination and reciprocity. On roll call vote, all members present voted aye. Motion number 11 carried.

B. Checklists for Licensing Firm Entities. Personnel has compiled checklists based on a minimum level of legal requirements for firm registration and licensure. It was suggested that personnel ask

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Lynn Melson to review them in the next 30 days for whether they are accurate and complete, and if the Board should make it available to the public.

C. Application(s) for Reinstatement to Active Permit. There were no applications for reinstatement to review at this time.

D. July 1, 1999 Non-Renewals. The Board reviewed the actions personnel had taken in a minimal effort to determine if any of the non-renewals were practicing public accountancy. There was no action necessary at this time.

7. Report of Legislation and Rules Committee

A. Report on NSCPA Legislative Task Force. Task force member Dick Hoiekvam reported briefly on the last meeting with the Society's Legislative Task Force. Kathy Smith also commented on the issue of the members present at the meeting representing the Board as a whole, and that it was not the Board's policy to commit the entire Board to the opinions of a few members.

8. Old Business

A. State Information on Travel Expenses. Copies of state travel policies were distributed to Board members. The Executive Director will check to be sure the NAS policies are the most current.

B. Office Manual Revisions, QEP Procedures. Moved by Smith, seconded by Kavich, to approve the revisions to the Board's Office Manual, including the addition of the wording "within two weeks of the anniversary date of hire" on page 5, Section D after "Each employee's performance will be evaluated by the Executive Director at least annually," and a change on page 6 under "Salary Evaluation" to state that the Board will review and approve or reject any nominations for bonuses or merits. On roll call vote, all members present voted aye, except for Members Aldy and Nuckolls who abstained. Motion number 12 carried.

Dean Graf reviewed changes to the updated QEP Procedures and will work with the Executive Director to update the procedures to what is the current practice.

7. Report of Legislation and Rules Committee

B. Letter from U.S. Securities & Exchange Commission. The Board reviewed a letter received from NASBA's David Costello regarding the receipt of a November 10, 1999 letter from the U.S. SEC's Lynn Turner and Harvey Goldschmid. NASBA is encouraging state boards of accountancy to

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review the letter and provide any input on the associated issues. Moved by Aldy, seconded by Graf, to have Member Hoiekvam and the Executive Director write a letter of response to NASBA. On roll call vote, all members present voted aye. Motion number 13 carried.

8. Old Business

C. Policy Manual Revisions (By Committee). The Exam & Licensing Committee discussed the certificate of Audit Experience form. Moved by Aldy, with the Committee's recommendation, to revise the experience verification form effective January 7, 2000. The form will now be called the "Certificate of Public Accounting Experience." The form will include the statutory citation for experience, a definition of public accountancy experience as experience received under the direct supervision of a CPA with an active permit to practice in a licensed, registered CPA firm for a minimum of 4,000 hours in not less than two years. Internal procedures will include verification of the CPA's certificate and permit and the CPA firm's permit and registration. On roll call vote, all members present voted aye. Motion number 14 carried.

Other committees will continue to review the policies and make suggestions at the next meeting.

9. New Business

A. Future Meeting Dates. The next regularly scheduled Board meeting is March 27, 2000 in Lincoln, Nebraska. Future meetings are set for May 19 in Lincoln, July 17-18 in Grand Island, September 8 and November 16-17 in Lincoln.

B. NASBA. 1. Attendance of Legal Counsel at Legal Counsel Conference. Moved by Aldy, seconded by Smith, to approve the attendance of Legal Counsel, Robert Gruit, on scholarship to the NASBA Legal Counsel Conference in Washington, DC, with the payment of meals and incidental travel expenses by the Board. On roll call vote, all members present voted aye. Motion number 15 carried.

B. NASBA. 2. Regional Representative to Nominating Committee. Moved by Smith, seconded by Kavich, to nominate Kent Smoll of Kansas to the Nominating Committee, on the condition that Mr. Smoll allows his name to be put forward and provides a resume. On roll call vote, all members present voted aye. Motion number 16 carried.

B. NASBA. 3. Public Perception Poll. The Board reviewed communication from NASBA regarding the Wirthlin Worldwide survey results. Member Kavich and the Executive Director will confer to answer the questions asked and respond to NASBA's Public Perception Committee.

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10. Adjournment

It was moved by Smith, seconded by Kavich, that the Board adjourn at 1:07 p.m. On roll call vote, all members present voted aye. Motion number 17 carried.

Submitted by,

Nina B. Kavich, CPA
Secretary