

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

Minutes  
January 6, 2006

**DRAFT: Minutes of the meeting are not final until approved at the March 16, 2006 Board meeting.**

**1. General**

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:46 a.m. on Friday, January 6, 2006 with Chair H. Dean Graf, CPA presiding. The roll was called with the following members present: H. Dean Graf, William Nuckolls, Jim Titus, Anne Fuhrman, Doug Skiles, Kate King Wu, Tom Obrist, and Richard Zacharia. Also present were Executive Director Dan Sweetwood, Staff members Kelly Ebert and Jo Lowe, and Intern Nicole Rowedder. Dan Vodvarka, Nebraska Society of CPAs (NSCPA) President, was also present. The meeting was held at the Board Office at 140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska.
- B. Approval of Meeting Agenda for January 6, 2006.** Moved by Nuckolls, seconded by King Wu, to approve the agenda for the January 6, 2006 meeting. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #1 carried.
- C. Approval of Minutes from November 16, 2005.** Moved by Obrist, seconded by King Wu, to approve the Board minutes from the November 16, 2005 meeting as corrected. On a roll call vote, Members Graf, King Wu, Nuckolls, Obrist, Skiles, and Titus voted aye. Members Fuhrman and Zacharia abstained. Motion #2 carried.

**2. Public Comment Period (15 minute period)**

Dan Vodvarka, Nebraska Society of CPAs President, was present and thanked Members Titus and Nuckolls for attending the NSCPA Legislative reception. The Society Board reviewed recent Rule changes and the potential for Rule changes in 2006. The Society has been creating the CPE course catalogue and appreciates the Board's process for CPE course approval. The proposed Firm Guidelines were provided to the NSCPA. It was noted that the Guidelines are Board policy and can be amended as needed by the Board (see agenda item 10B). The Board's Legislative Committee will be meeting with the NSCPA to discuss future Rule changes.

**3. Consent Agenda**

- A. Published Notice of Meeting.** Moved by Obrist, seconded by Zacharia, to approve the consent agenda. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #3 carried.

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- B. **Approval of Disbursements.** Board Secretary Nuckolls reviewed the disbursement report prepared by staff. The Board complimented the staff on the financial reports. Disbursements for November 2005 was approved.
- C. **Review of Board Budget Status Report.** The Budget Status Report was provided, and Executive Director Sweetwood reported on the current FY 06 budget.
- D. **Office Management Report.** The Office Management Report was provided.

**4. Report of the Chair**

- A. **Report of the Chair.** Chair Graf gave the report. He suggested that Board Members consider running for NASBA Regional Director. Member Skiles was encouraged to apply.
- B. **Set Board Fees for 2006.** The Board Executive Committee recommended the following fees for 2006 after consultation with the Board's DAS Budget Officer and staff::

Active Permit	\$200 – a reduction from 2005
Inactive Registration	\$ 80 - a reduction from 2005
Reciprocal Certificate	\$400
Firm Permit	\$100 - a reduction from 2005
Certificate of Registration	\$ 25
Firm Office Fee	\$ 50
CPA Examination fee	\$ 15

- Motion out of Committee to approve the fees as recommended. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion # 4 carried.
- C. **Review of Board Calendar.** After discussion, the May Board meeting was moved to May 1 & 2, 2006. If the September meeting will be two days, the dates will be September 20 & 21, 2006. If the September meeting is one day the date will be Wednesday, September 20, 2006. Staff will update the Board calendar.
  - D. **Report on To Do List.** There was no report at this time.
  - E. **Other Miscellaneous Items.**
    - 1.) **Attendance at the NASBA Regional Conference in San Francisco, CA, May 31 – June 2, 2006.** Moved by King Wu, seconded by Zacharia, to approve the attendance of Board Members and Executive Director Sweetwood at the NASBA Regional Conference in San Francisco, CA, May 31 – June 2, 2006. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #5 carried.
    - 2.) **Attendance at NASBA Executive Director's Conference.** Due to staff member Kelly Ebert's inability to attend the conference as approved at the November 16, 2005 Board meeting, it was suggested that staff member Jo Lowe attend in her place. Moved by Zacharia, seconded by Fuhrman, to approve the attendance of Jo Lowe at the NASBA Executive Director's/ Staff Conference to be held in Tucson, AZ, February 13-16, 2006. On a roll call vote, Members Graf,

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Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye.  
Motion #6 carried.

**Closed Session**

**Closed Session.** Moved by Nuckolls, seconded by King Wu, that the Board go into closed session at 10:02 a.m., for the purpose of discussing enforcement cases and personnel issues. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #7 carried.

**Return to Open Session.** Moved by Titus, seconded by Fuhrman, that the Board return to open session at 11:30 a.m. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #8 carried.

**5. Report of Enforcement of Professional Conduct Committee**

- A. Rodney Zwygart Appeal Update.** Executive Director Sweetwood reported that the case had been appealed to the Nebraska Court of Appeals. Board members were provided with a copy of the documents.
- B. Open Case /LMCO Update.** Chair Graf reviewed the open cases. Motion out of Committee to recommend case #05-06 move to formal hearing and to direct Board Attorney, Mr. Robert Gruit, to prepare and file a complaint against the inactive registrant for alleged violation of:

Public Accountancy Act 1-137 (4) Violation of a rule of professional conduct adopted and promulgated by the Board under authority granted by the Act.

Title 288 Rules and Regulations, Chapter 5 007.01 Acts discreditable. A licensee shall not commit acts that reflect adversely on his fitness to engage in the practice of public accountancy.

Title 288/ Rules and Regulations, Chapter 3 001.09 "Holding out to the public as a permit holder." As that term is used in these rules and in the definition of the practice of public accountancy, it means any representation that a person holds a permit to practice made in conjunction with an offer to perform or the performance of services to the public.... For purposes of these definition and these rules, a representation shall be deemed to include any oral or written communication conveying that a licensee holds a permit, including the use of legends displayed in letterheads, business cards, office doors, advertisements, and listings.

On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, and Zacharia voted aye. Member Titus was absent. Motion #9 carried.

- C. Recommended Closure of Enforcement Cases.** Motion out of Committee to close complaint case #05-09. In case #05-09, the proper language written by the

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person for a press release had been changed by the news room editor to include the designation "CPA." News room staff was notified of the CPA designation error for future reference. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #10 carried

- D. **Report on To Do List.** There was no report at this time.
- E. **Other Miscellaneous Items.** Chair Graf reminded members that the Enforcement Committee would be joined by member Zacharia as of the May Board meeting.

**6. Report of Continuing Professional Education (CPE) Committee**

- A. **Report of the Committee.** Committee Chair Nuckolls presented the report. The Committee reviewed a total of 131 courses from November 15, 2005 to December 14, 2005. The Committee forwarded the reinstatement applications to the Licensing Committee for approval. Executive Director Sweetwood and Staff Kelly Ebert reported on their observation of and attendance at ethics courses being offered for CPE credit. A roundtable for ethics course instructors has been proposed before the CPE Committee to assist in keeping courses relevant. The Board discussed whether leadership courses should count toward CPE and gave the Committee some idea on how to proceed. The Board recommended that sessions at NASBA Regional meetings that pertain to the profession and are attended by Board members, should be allowed for CPE credit. Moved by Titus, seconded by Zacharia, the attendance at NASBA Conference and Committee meetings count toward CPE for Board Members, subject to approval by the CPE Committee. On a roll call vote, Members Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Member Graf voted nay. Motion #12 carried. Moved by Skiles, seconded by Zacharia, that Board Members receive CPE for serving on the QEP Committee. Motion amended by Obrist, seconded by King Wu, to double the CPE for the QEP Chair. On a roll call vote for the amendment, Members Nuckolls and Obrist voted aye. Members Graf, Fuhrman, King Wu, Skiles, Titus and Zacharia voted nay. Motion #13 failed. On a roll call vote for the original motion, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #14 carried.
- B. **Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to approve 131 courses from November 15, 2005 to December 14, 2005. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #11 carried.
- C. **Report on To Do list.** The To Dos are listed in the Committee Report.
- D. **Other Miscellaneous Items.** There was no report at this time.

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

- A. Report of the Committee.** Committee Chair Skiles gave the report. The Committee did not meet formally, however, several items were reviewed regarding:
- 1.) The simulation addition and implementation for the CPA/ CBT;
  - 2.) The letters from the AICPA encouraging people to take the CPA exam;
  - 3.) Exam fee increases for 2007;
  - 4.) A request to host a chapter meeting from Beta Alpha Psi, UN-L accounting honorary organization.
- Member King Wu requested that copies of the Nov. 10 & 11, 2005 letters be sent to the Board's EAC Committee and Nebraska accounting educators for their information.
- B. Exam Score Ratification.** Chair Skiles gave a review of the October - November 2005 window CPA exam statistics summary. Moved by Skiles, seconded by Zacharia, to approve the CPA exam scores for the October - November 2005 window. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, and Zacharia voted aye. Member Titus was absent. Motion #15 carried.
- C. Report on To Do List.** There was no report at this time.
- D. Other Miscellaneous Items.**  
**UN-L Beta Alpha Psi Chapter Meeting.** Moved by Skiles, seconded by King Wu, that Board staff be allowed to host a Chapter meeting of Beta Alpha Psi, UN-L accounting honorary organization, to explain the Board's purpose and processes, with the Executive Director contacting NSCPA for collaboration. On a roll call vote, Members Titus, Skiles, King Wu and Nuckolls voted aye. Members Graf, Fuhrman, and Obrist voted nay. Member Zacharia was absent. Motion #16 carried.

**8. Report of the Legislative Committee**

- A. Report on Legislation.** Committee Chair Graf gave the report.
- 1.) **Temporary Practice.** The Legislative Committee will meet after receiving the response to the NBPA request for an attorney general's opinion on temporary practice.
  - 2.) **Good Moral Character.** Staff is working with the NSCPA on language for a proposed rule.
- B. Report on To Do List.** There was no report at this time.
- C. Other Miscellaneous Items.** There were no miscellaneous items at this time.

**9. Report of Quality Enhancement Program (QEP) Committee**

- A. Report of the Committee.** Committee Chair Fuhrman gave the report. She reviewed the conference call on Oct. 6, 2005, with NASBA's Compliance

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Assurance Committee (CAC). The CAC purpose is to share best practices and to review the oversight role of state boards in the quality assurance and peer review programs. Suggestion was made that the Board review the oversight process for Nebraska firms undergoing AICPA peer review as conducted by the Nevada Society. Board staff is logging in the public PCAOB Reports as they are received. The reports and log will be available for the next QEP Committee Meeting. Board Chair Graf encouraged each Board member to recruit reviewers for the 2006 QEP.

- B. **Report on To Do List.** There was no report at this time.
- C. **Other Miscellaneous Items.** There were no miscellaneous items at this time.

**10. Report of the Licensing Committee**

- A. **Report of the Committee.** Committee Chair Titus gave the report. The Committee has been working with Mr. Bill Ezzell, Deloitte and Touche, on a firm licensing issue. The Committee submitted a proposed Rule change to clarify ownership provisions for natural and non natural persons of registered Certified Public Accounting firms. Motion out of Committee to move to rule making process with Title 288 Rules Chapter 11 proposed changes and to hold a hearing at the March Board meeting. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #17 carried.
- B. **Firm Guidelines.** The Board discussed and reviewed proposed guidelines, created to help firms with naming, advertising, and the practice of public accountancy services. The Board noted that the sample disclosure form included in the Firm Guidelines may be modified by each firm and that some firms may choose to use the disclosure form in the engagement letter with the client. Chair Titus made the motion out of Committee to adopt the Firm Guidelines as proposed and that the Firm Guidelines be sent to all CPA firms. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #18 carried.
- C. **Public Hearing to Return Surrendered Certificate to Good Standing for James McCormick.** At 2:18 p.m., the hearing for James McCormick commenced, with exhibits entered into the record. Mr. McCormick was not present to answer questions, but provided a letter of explanation to the Board. The hearing ended at 2:25 p.m. Moved by Skiles, seconded by King Wu, to return McCormick's CPA certificate to Good Standing, with a \$250 administrative fee for staff processing. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #19 carried.
- D. **Ratification of initial permits to practice issued, certificates issued, firm permits.** Motion out of Committee to approve the permits to practice, certificates, and firm permits, issued between November 17, 2005 and January 5, 2006. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #20 carried.

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- E. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.** Motion out of Committee to approve the reinstatements and surrendered certificates received between November 17, 2005 and January 5, 2006: Reinstatements:
- Sanford Alper, Deerfield, IL
  - Brad Armstrong, Lincoln, NE
  - Sandra Brune, Fremont, NE
  - Dean DeSmet, Omaha NE
  - Jeffrey Leiserowitz, Kansas City, MO
  - Tara Naprstek, Lexington, NE
  - Randy Reinke, Lincoln, NE
  - Randall Schaap, Yankton, SD - Pending final report
  - Harry Sorensen, Omaha NE
  - Lewis Trowbridge, Omaha NE
  - Dale Wanek, Phoenix, AZ
- Surrendered Certificates:
- Arnold Brown, Northbrook, IL
  - Steven Corbin, Irvine, CA
  - Chris Corrie, St. Louis, MO
  - Kenneth Dugas, Cheyenne, WY
  - Zayne Gibson, Daytona Beach, FL
  - Carla Hodder, Omaha, NE
  - Chris Peters, Hartford, SD
  - Gregory Schweiss, Rapid City, SD
  - Evelyn Skelton, Wauneta, NE
- On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #21 carried.
- F. Firm Names Requests.** The following firm names were approved by the Committee on December 15, 2005.
- 1.) Blaine A. Baker, CPA, CVA - WY firm DBA in Nebraska
  - 2.) HBE Becker Meyer Love LLP CPAs - from Hanigan Bjorkman & Ecklund CPAs, LLP
  - 3.) Bearinger Tax and Accounting, LLC – new firm
  - 4.) Moravec, CPA, and Wealth Advisor, P.C. – new firm
- Motion out of Committee to approve the firm names as approved at the December 15, 2005 Committee meeting. Approval letters will be sent to firms along with the Firm Guidelines. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #22 carried.
- G. Report on To Do List.** There was no report at this time.
- H. Other Miscellaneous Items.** There were no miscellaneous items at this time.

### 11. Report of Executive Director

- A. Nebraska.gov Update.** Executive Director Sweetwood received a message from Nebraska.gov that they have had difficulties hiring a replacement project manager but are planning to begin working on the Board's IT project again by January 17,

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2006. Executive Director Sweetwood reported he is planning on attending the next State Records Board meeting to ascertain and report back to the Board Nebraska.gov's new management's progress.

- B. Staffing and General Office Issues.** The Board Members Only portal to the website has been activated including Board/Committee agendas and minutes for Board member use. Other information will be included in the future and staff requested Board member feedback. Board members were sent the user name and password for the site. Copies of the 2005 Board policy changes were handed out to Board members. A version with Board policy changes by Committee and date will also be made available as requested.
- C. Report on To Do List.** There was no report at this time.
- D. Other Miscellaneous Items.** There were no additional miscellaneous items.

**12. New Business**

- A. National Association of State Boards of Accountancy (NASBA) Items.**
  - 1.) **NASBA Committee Interest Forms.** Board members were made aware of the NASBA Committee forms. Congratulations were offered to Member Skiles who was appointed to the NASBA Education Committee. Member Zacharia remains on the NASBA CPE Committee.
  - 2.) **NASBA 2005 Meeting dates and locations.** The NASBA Regional meeting will be May 31- June 2, 2006 in San Francisco, CA. The NASBA Annual Meeting will be October 29 – November 1, 2006 in Atlanta, GA.
  - 3.) **NASBA FYIs.** Various articles relating to NASBA were noted.
- B. Other Miscellaneous Items.** Various articles were noted related to the CPA profession as provided by staff.

**13. Adjournment**

Moved by Fuhrman, seconded by King Wu, to adjourn the meeting at 2:52 p.m. on Friday, January 6, 2006. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus and Zacharia voted aye. Motion #23 carried.

Respectfully submitted by,

William C. Nuckolls  
Board Secretary