

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

Minutes  
**January 4-5, 2007**

**Draft minutes. Minutes are not approved until the following Board meeting.**

**Thursday January 4, 2007**

**1. General**

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 1:00 p.m., January 4, 2007 with Chair Jim Titus, presiding. The roll was called with the following members present: Jim Titus, Doug Skiles, William Nuckolls, Anne Fuhrman, Tom Obrist, Michael Wassinger, and Richard Zacharia. Member Kate King Wu was absent. Also present were Executive Director Dan Sweetwood, Staff member Jo Lowe, and Board Intern Nicole Rowedder. The meeting was held at the Board Office at 140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska. Chair Titus noted the location of the notebook containing the Public Open Meeting Act and asked if anyone present needed an agenda or had any questions regarding the law.
- B. Approval of Meeting Agenda for January 4-5, 2007.** Moved by Nuckolls, seconded by Skiles, to approve the agenda for the January 4-5, 2007 meeting. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #1 carried.
- C. Approval of Minutes from November 17, 2006.** Moved by Skiles, seconded by Zacharia, to approve the Board minutes from the November 17, 2006 meeting. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #2 carried.

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

Tom Grafton, CPA, was present to comment on the public hearing to be held at 1:30. Chair Titus cautioned him that this was not an evidentiary comment period and no new documents or facts would be entered into the record. Grafton spoke and provided a handout to Board members.

Dan Vodvarka, Nebraska Society of CPAs (NSCPA) President, was present to update and to report on legislation regarding amendments to Public Accountancy Act (PAA) 1-124 and 1-136.02 which was offered to the Legislature by the Society. The Bill was introduced by Senator Rich Pahls, Chair of the Banking and Commerce Committee, and is designated as LB 24. NSCPA recognized Chair Titus's contribution to the legislation. Vodvarka requested a response from the Board to provide a mutual agreement letter with the NSCPAs.

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

Minutes  
January 4-5, 2007

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

- A. Public Hearing for Complaint Case #04-21, 1:30 p.m.** Board Chair Titus opened the public hearing for Complaint case #04-21 at 1:15 p.m. with the consent of both attorneys. Thomas Larson was present and represented by Attorney Don Bowman. Robert Gruit, Board attorney, was present representing the Board. Tom Grafton was also present. Panel member Robert McChesney, CPA, was connected via telephone to answer questions from the Board regarding the panel's conclusions. The public hearing was closed at 2:23 p.m., Thursday, January 4, 2007.

**Closed Session**

**Closed Session.** Moved by Zacharia, seconded by Fuhrman, that the Board go into closed session at 2:26 p.m., for the purpose of deliberating Complaint Case #04-21. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #3 carried. Chair Titus restated that the purpose for the closed session was to deliberate Complaint Case #04-21.

**Return to Open Session.** Moved by Obrist, seconded by Skiles, that the Board return to open session at 3:03 p.m. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #4 carried.

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

- A. Public Hearing for Complaint Case #04-21, 1:30 p.m.** Moved by Fuhrman, seconded by Zacharia, to accept the report of the Panel convened by the Board pursuant to the Stipulation and finds no violation of the Board's Statutes and Rules and Regulations. The Board further finds that the complaint filed against the Respondent should be dismissed. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #5 carried.

**3. Consent Agenda**

- A. Published Notice of Meeting.** Moved by Obrist, seconded by Fuhrman, to approve the consent agenda. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #6 carried.

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

Minutes

January 4-5, 2007

- B. **Approval of Disbursements.** No disbursements were approved.
- C. **Review of Board Budget Status Report.** The Budget Status Report was provided. Executive Director Sweetwood gave the report on the 2006-2007 fiscal year budget, and reported that this year may have significant enforcement expenditures. Regarding the FY2008-2009 the ED reported the Board is awaiting the Governor's recommended budget.
- D. **Office Management Report.** The Office Management Report was provided.

**4. Report of the Chair**

- A. **Report of the Chair.** Chair Titus gave the report.
- B. **Executive Committee Report.** Chair Titus gave the report of the Executive Committee that met on November 29, 2006.
- C. **Set Board Fee Schedule for 2007 per Title 288 Rules Chapter 7 002.** The Executive Committee met and reviewed financial information provided by staff. Moved by Skiles, seconded by Nuckolls, to approve the following fee schedule as proposed by the Executive Committee:

**NBPA licensing fees for 2007:**

Active Permit to Practice	\$200
Inactive Permit to Practice	\$ 80
Reciprocal Certificate	\$200*
Firm Permit: P.C.s, LLCs, LLP's, Part.	\$ 50*
Certificate of Registration P.C.s & LLCs	\$ 25
Office Fee: All firms	\$ 25*
CBT Examination/ Initial Admin. Fee	\$ 15

\* Reduction from 2006 fees.

On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #7 carried.

- D. **Adoption of Employee Recognition Program.** Moved by Fuhrman, seconded by Zacharia, to approve the adoption of the Employee Recognition Program as outlined in the proposal from the Executive Committee. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #8 carried.
- E. **Approval for Staff to Attend NASBA ED Conference/Attendance at CPE Conference, Las Vegas, NV, March 11-14, 2007.** After review of the conference agenda, moved by Obrist, seconded by Wassinger, to approve ED Sweetwood and Administrator Lowe attend the NASBA Executive Directors/ Staff Conference; to approve Board Member Zacharia (or Member Nuckolls if Zacharia cannot attend) attend the NASBA CPE Committee meeting, both to be held March 11-14, 2007, in Las Vegas, NV; and to approve the ED attend the second half of the CLEAR investigation course set for September 2007 in Atlanta, Georgia. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles,

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

Minutes  
**January 4-5, 2007**

- Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #9 carried. ED Sweetwood has obtained a scholarship for Board Attorney Gritmit to attend the Legal Counsel Conference held in conjunction with the Executive Director Conference. Asst. Attorney General Lynn Melson was unable to attend.
- F. Review Board Calendar.** Board Meeting dates for September and November were set: September 20-21, 2007 and November 15-16, 2007.
- G. Report on To Do List**

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

- A. Open Case /LMCO Update.** Enforcement Committee Chair Zacharia reviewed the open cases.
- B. Recommended Closure of Enforcement Cases.** Motion out of Committee to recommend that the Board close case # 06-07. In July, the Board office received anonymous letter with two business cards listing an inactive registrant (expired in 2002) as a "CPA." The firm manager called regarding remedies for inactive CPA in response to the letter. They were unaware of the Rules and PAA regarding use of the title. The ED discussed the Rules with the manager. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #10 carried.
- 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 Nuckolls gave the report. The Committee reviewed a total of 129 courses from November 15, 2006 to December 12, 2006. The Committee reviewed CPE sponsor applications. Motion out of Committee to approve Lorman Education Services (NASBA approved for 2007) as a CPE sponsor. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #11 carried. The Committee reviewed the staff evaluation of reinstatement applications and referred the list to the Licensing Committee. The Committee also discussed the online CPE reporting process. Approximately 300 people were invited to test the new system, with over half voluntarily reporting on line. Favorable comments from users have been received.
- B. Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to approve 129 courses reviewed from November 15, 2006 to December 12, 2006. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #12 carried.
- C. Approval for NASBA approved Sponsor/CPE/QAS courses to be accepted in Nebraska.** After review of the NASBA CPE standards and approval process, motion out of Committee to accept NASBA approved CPE sponsors, NASBA

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

Minutes  
**January 4-5, 2007**

- approved CPE courses, and QAS courses for Nebraska on an annual basis. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #13 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. Nina Kavich, former NBPA Board member, and Board of Examiners (BOE) and Practice Analysis Oversight Committee (PAOC) participated in the Committee call. Kavich gave an update and expressed her concerns with the CPA Exam on the national level. She requested Committee and Board input regarding any issues with the CPA Exam. The Board's Educational Advisory Committee (EAC) may also provide additional input. The Committee also discussed the value of staff visiting NASBA/CPAES to better understand educational and exam application processes. Motion out of Committee to allow staff to visit CPAES at NASBA's expense. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #15 carried. Chair Skiles reported on his work with the NASBA Education Committee's UAA Rules 5-1 and 5-2 revisions. It was noted that former Missouri ED, Ken Bishop, has been named Director of CPAES. Exam fee increases were noted.
- B. Approval of CPA Exam Scores for the October - November 2006 Window.** Exam score statistics were provided to the Board. Moved by Skiles, seconded by Obrist, to approve the CPA Exam scores from the October - November 2006 window. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #14 carried.
- C. Report on To Do List.** There was no report at this time.

**8. Report of the Legislative Committee**

- A. Report on Legislation.** See January 5, 2007 meeting minutes.

**9. Report of the Quality Enhancement Program**

- A. Report of the Committee.** Committee Chair Fuhrman reported that we have six applications for QEP reviewers for 2007.
- B. Report on To Do List.** There was no report at this time.

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

Minutes  
January 4-5, 2007

**10. Report of the Licensing Committee**

- A. Report of the Committee.** Committee Chair Obrist gave the report. Licensing issues involved applications for permits when a discrepancy appeared in the disclosure statements between the application and the JUSTICE system. Firm permits were to be issued to Deloitte and Touche USA and Deloitte and Touche Tax per revisions to Title 288 Rules Chapter 11. The Committee reviewed firms use of DBA (doing business as), concluding that if the Secretary of State's Office allows DBA names for firms and the name fits within the Board's Guidelines, the name may be allowed. Suggestion was made that the firm application form certifies that only the name on the application is used for the business. The ED was requested to write a letter to RSM McGladrey for clarification of their services. Board member firms will be the first to be reviewed for use of disclosure forms as a trial procedure for Board staff. The re-issuance of certificates in the new format has been completed.
- B. Public Hearing for Complaint filed against 1995-2003 permit non-renewals per PAA 1-136(3) and potentially Title 288 Rules Chapter 5 007.06.** See January 5, 2007.
- C. 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 16, 2006 and January 3, 2007. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #16 carried.
- D. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.** Motion out of Committee to approve the reinstatements, inactive - retired affidavits, and surrendered certificates received between November 16, 2006 and January 3, 2007:
- a.) Reinstatements:
    - Jane Bauer
    - Tammy Boynton
    - Stacy Church
    - Billie Determan
    - Sheryl Hess
    - Neil Phillips
    - Michelle Quinn
    - Christopher Ritterbush
  - b.) Inactive - Retired affidavits:
    - Larry Benke, Norfolk NE
    - Jack Kramer, Hastings NE
  - c.) Surrendered Certificates:
    - Melissa Rupert, Sioux Falls SD
    - Kevin Sickels, Rapid City SD
    - Douglas Beck, Pittsburgh, PA

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

Minutes  
**January 4-5, 2007**

On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #17 carried.

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

**11. Report of Executive Director**

- A. **AG's Informal Opinion on Board Member Lawsuits.** ED Sweetwood reviewed the potential concern for lawsuits where specific Board members are named and provided an AG's informal opinion dated Dec. 6, 1995.
- B. **Budget Update.** Gary Bush, State Budget Analyst, is working on the budget. There appear to be no issues at this time.
- C. **Staffing and General Office Issues.** Executive Director Sweetwood and Board member Skiles reported that the online license renewals should be ready by the spring of 2007, while Nebraska.gov continues to develop the JoKel system. Staff member Kelly Ebert has had her baby and will generally be working from home on her new laptop computer for the next several months that is remotely connected to her office computer.
- D. **Report on To Do List.** There was no report at this time.

**12. New Business**

- A. **National Association of State Boards of Accountancy (NASBA) Items.**
- 1.) **NASBA FYIs.** Various articles relating to NASBA were noted. Board members expressed the value of attending the NASBA meetings and gathering information pertinent to Nebraska issues that impact the Board and the CPA profession. *Two members of the board are on NASBA committees and the involvement at the conferences in breakout sessions and discussions with other boards has given Nebraska impact on the national level on CPA issues.* Former Nebraska Board members continue to serve at the national level due to their participation in NASBA meetings while NBPA Board members. Moved by Obrist, seconded by Zacharia, to approve all Board members (except the newly appointed member in 9-07) and the ED to attend regional and national NASBA meetings in 2007. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #18 carried.
- B. **IRS Request/Tax Gap.** Board Members suggested the request from the IRS be forwarded to the NSCPAs and/or the Nebraska Department of Revenue.
- C. **Other Miscellaneous Items.** Various articles were noted related to the CPA profession as provided by staff.

**Recess**

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

Minutes  
**January 4-5, 2007**

Moved by Zacharia, seconded by Fuhrman, that the Board recess and resume the meeting 8:30 a.m., Friday, January 5, 2007. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #19 carried. The Board recessed at 5:20 p.m., Thursday, January 4, 2007.

**Friday, January 5, 2007**

**1. General**

**A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:45 a.m., January 5, 2007 with Chair Jim Titus, presiding. The roll was called with the following members present: Jim Titus, Doug Skiles, William Nuckolls, Anne Fuhrman, Tom Obrist, Michael Wassinger, and Richard Zacharia. Member Kate King Wu was absent. Also present were Executive Director Dan Sweetwood, Staff member Jo Lowe, and Board Intern Nicole Rowedder. The meeting was held at the Board Office at 140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska. Chair Titus noted the location of the notebook containing the Public Open Meeting Act and asked if anyone present needed an agenda or had any questions regarding the law.

**10. Report of the Licensing Committee**

**B. Public Hearing for Complaint filed against 1995-2003 permit non-renewals per PAA 1-136(3) and potentially Title 288 Rules Chapter 5 007.06.** Board Chair Titus opened the public hearing filed against 1995-2003 permit non-renewals per PAA 1-136(3) and potentially Title 288 Rules Chapter 5 007.06 at 8:45 a.m., Friday, January 5, 2007. Robert Gritit, Board attorney, was present representing the Board. No other individuals appeared. Mr. Gritit entered Exhibit #1 to the Board. The public hearing was closed at 9:02 a.m., Friday, January 5, 2007. Moved by Zacharia, seconded by Obrist, to adopt the action proposed in Exhibit #1, and that the Board Chair sign the Orders to reflect Exhibit #1. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #20 carried.

**Closed Session**

**Closed Session.** Moved by Nuckolls, seconded by Fuhrman, that the Board go into closed session at 9:10 a.m., for the purpose of strategy of further litigation procedure regarding Complaint Case #04-21 with Board Legal Counsel, other enforcement matter updates pertaining to possible litigation, and a personnel matter. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion

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

Minutes  
**January 4-5, 2007**

#21 carried. Chair Titus restated that the purpose for going into closed session was to work on strategy of further litigation procedure regarding Complaint Case #04-21 with Board Legal Counsel, other enforcement matter updates pertaining to possible litigation, and a personnel matter.

**Return to Open Session.** Moved by Nuckolls, seconded by Obrist, that the Board return to open session at 10:15 a.m. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #22 carried.

**8. Report of the Legislative Committee**

- A. Report on Legislation.** Committee Chair Titus gave the report.
- 1.) Update on 4-10 Legislation / Dan Vodvarka, President – NSCPA.**  
Vodvarka provided an update on 4-10 legislation. (See Public Comment Period for further details). Moved by Skiles, seconded by Zacharia, to offer to write a letter of support to NSCPAs for LB 24. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #23 carried.
  - 2.) Title 288 Chapter 7: Temporary Practice update/ UAA Draft Proposals/ D. Sweetwood.** ED Sweetwood requested Board members review the information recently provided to amend the Uniform Accountancy Act (UAA) regarding mobility within Section 23 and the proposed temporary practice rules developed by the Legislative Committee. Following further work by the Legislative Committee, including a meeting with Neb. Society leadership, a target date for public hearing on the proposed rules would be the July Board meeting.
  - 3.) Title 288 Chapter 6 & 7: Character and Fitness Standards Rules Review and Approval.** The ED reported that the Attorney General's office found two necessary modifications prior to approving the revised Rule. The ED applied for a waiver from the Governor's Policy Research office due to the unsubstantial modifications that needed to be made. Board members reviewed revised clarification wording for the Rule. Moved by Obrist, seconded by Skiles, to accept the revised clarification language for Title 288 Rules Chapter 6 Character and Fitness Standards. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #24 carried.
- B. Report on NSCPA Senators' Reception, Jan. 2, 2007.** Members Skiles, Nuckolls, and Zacharia attended the NSCPAs Senators' reception to help inform the many new senators about the Board and visit with holdover senators.
- C. Report on To Do List.**

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

Minutes  
**January 4-5, 2007**

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

- A. Report of the Committee.** Moved by Nuckolls, seconded by Wassinger, to approve Merrill Lynch as a CPE sponsor. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #25 carried.

**13. Adjournment**

Moved by Zacharia, seconded by Obrist, to adjourn the meeting at 11:00 a.m. on Friday, January 5, 2007. On a roll call vote, Members Titus, Fuhrman, Nuckolls, Obrist, Skiles, Wassinger, and Zacharia voted aye. Member Kate King Wu was absent. Motion #26 carried.

Respectfully submitted by,

William C. Nuckolls  
Board Secretary