

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

Minutes  
March 18, 2011

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

**Friday, March 18, 2011**

**1. General**

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:36 a.m. on Friday, March 18, 2011 with Chair Doug Skiles, presiding. The roll was called with the following members present: Doug Skiles, Michael Wassinger, Anne Fuhrman, Kate King Wu, Jim Rieker, Tom Obrist, Bernie Gutschewski, and Richard Zacharia. Also present were Executive Director Dan Sweetwood, Staff members Kelly Ebert and Jo Lowe, and Board Intern Nicole Enstrom. The meeting was held at the Board Office, 140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska. Chair Skiles noted the location of the notebook containing the Public Open Meeting Act, that the statutes were posted on the wall, and asked if anyone present needed an agenda or had any questions regarding the law.
- B. Approval of Meeting Agenda for March 18, 2011.** Moved by King Wu, seconded by Fuhrman to approve the agenda for the March 18, 2011 meeting. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #1 carried.
- C. Approval of Minutes from January 6, 2011.** Moved by Wassinger, seconded by Rieker, to approve the Board minutes from the January 6, 2011 meeting. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #2 carried.

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

**Agenda Item 5 B. 9:00 am: Public Hearing for Revocation of Non-Renewed 2007 Permits.**

Board Chair Skiles, serving as hearing officer, opened the recorded public hearing for complaints filed against 2007 permit non-renewals per PAA 1-136(3) at 9:00 a.m., Friday, March 18, 2011. No respondents were present. The public hearing was closed at 9:18 a.m., Friday, March 18, 2011. Moved by Fuhrman, seconded by King Wu to revoke the certificates of Aimi Daniel, James Gregory, Robert Langer, Richard Fallahee, and Jay Musil per the prepared Orders of no response to certified letter. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, King Wu, Wassinger, Zacharia, and Gutschewski voted aye. Motion # 4 carried. Moved by Zacharia, seconded by Wassinger, to accept the surrender affidavit of Amy Brown, Adam Miljavac, Charles Rayburn, and Michael Uhlenbrock, per the prepared Orders. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, King Wu, Wassinger, Zacharia, and Gutschewski voted aye. Motion # 5 carried. Moved by King Wu, seconded by Zacharia, to return to good standing the certificate of Jennifer Callahan per the prepared Orders. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, King Wu, Wassinger, Zacharia, and Gutschewski voted aye. Motion # 6 carried.

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**9:30 Lynn Melson, Attorney General's Office, presentation.** Assistant Attorney General Lynn Melson was present to review her office's relationship with the Board. She discussed formal and informal opinions issued by her office, development and approval of Board regulations, the Open Meetings and Public Records Acts within Nebraska, and how the Board Attorney is selected and approved.

**10:00 CPE Online and 2011 Renewal Reporting.** Jessica Zywiec, Nebraska.gov, and NBPA Staff Kelly Ebert demonstrated the online process for submitting CPE courses into the system. Improvements were noted to the system as requested by CPA practitioners. NBPA Staff Jo Lowe and Ms. Zywiec then demonstrated the 2011 firm and individual license renewals for firms, active permit holders, and inactive registrants. Suggestions were made by Board members to continue to improve these programs.

### **3. Consent Agenda**

- A. Published Notice of Meeting.** Moved by Zacharia, seconded by Rieker, to approve the consent agenda. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #3 carried.
- B. Approval of Disbursements.** Disbursements were reviewed by Member Fuhrman who provided explanations for atypical expenses.
- C. Review of Board Budget Status Report.** The current budget status report was provided for review. ED Sweetwood commented expenses in the current fiscal year are tracking lower mainly due to fewer legal related expenses and other savings instituted by the Board. Legal related expenses will increase due to an anticipated formal hearing at the May Board meeting.
- D. Office Licensing Report.** The Office Licensing Report was provided. The report was revised to more accurately reflect licensing numbers with trend graphs.

### **4. Report of the Chair**

- A. Report of the Chair.** Board Chair Skiles gave the report.
- B. NASBA Permission for Candidate Names** The Board decided not to entertain any change to its current policy of not granting permission for any use of candidate names.
- C. Attendance at NASBA Regional Meeting, Omaha, NE June 8-10, 2011!** ED Sweetwood reported he had met with Ms. Lori Curd, NASBA Conference Coordinator, at the ED Conference. Curd indicated she will be meeting soon with Omaha Chamber representative to finalize the Omaha conference. When completed, Ms. Curd will update the Hospitality Work Group on the conference. Moved by Zacharia, seconded by Wassinger, for the full Board, ED Sweetwood, and NBPA staff to attend the NASBA Regional Meeting, Omaha, NE June 8-10, 2011, due to the significance of the meeting agenda, value of the exchange of information, and importance to our regulatory Board's mission and the meeting being held in Nebraska. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and

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Zacharia, voted aye. Motion #7 carried. All Board members and staff were invited to attend the highly anticipated NASBA Omaha Western Regional meeting

- D. NASBA Vice Chair Nomination.** See #12.A
- E. Regional Director's Focus Questions.** The Board reviewed the NASBA Focus Questions and provided input to ED Sweetwood who will complete and submit the questions.
- F. Review Board Calendar.** The May Board meeting will be set for Thursday, May 19 2011 for one day.
- G. Report on To Do List.** There was no report at this time.

**Closed Session**

**Closed Session.** Moved by King Wu, seconded by Obrist, that the Board go into closed session at 11:20 a.m., on Friday, March 18, 2011 for the purpose of updating the Board about current open enforcement cases and to discuss disciplinary matters. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #8 carried. Chair Skiles restated that the purpose for the closed session was to update the Board about current open enforcement cases and to discuss disciplinary matters.

**Return to Open Session.** Moved by Zacharia, seconded by Fuhrman, that the Board return to open session at 11:30 a.m., on Friday, March 18, 2011. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #9 carried.

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

- A. Open Case/LMCO Update.** Committee Chair Zacharia reviewed the open cases.
- B. Public Hearing for Revocation of Non-Renewed 2007 Permits 9:00 am.** See Item #2
- C. Recommended Closure of Enforcement Cases.** Motion out of Committee to close cases #06-11, #10-06, #11-01, and #11-05:
  - #06-11** The Committee reviewed the Order issued for summary judgment dismissing the matter before the District Court from a civil case where the Plaintiff alleged being misled by the CPA firm involving a valuation engagement. Based on the Order the Committee recommended to the Board the matter be dismissed.
  - #10-06** The Certificate Holder sent a letter of apology regarding holding out on resume. The Committee recommended the matter be closed before the Board.
  - #11-01** The Committee recommended the matter be closed before the Board based on no further need for the Board to follow up on the matter. Staff had requested a letter be sent regarding a response from a CPA firm where embezzlement had occurred.
  - #11-05** Received letter from complainant regarding not receiving prior tax return information as requested from the CPA. After telephone call from staff, the CPA agreed to provide the information as required by Board regulations.On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #10 carried.

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**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 117 courses from December 29, 2010 to March 10, 2011 with 116 approved and one denied. The Committee forwarded 3 reinstatements to the Licensing Committee for approval. The 2010 CPE Audit was set at 2.5%. The Committee discussed and recommended to the Board that generally “personal development” or soft courses will be granted 50% of the hours requested for approval. The Committee will review the proposal at the next meeting after conferring with Nebraska Society. The Committee discussed the large number (66) of CPE deficient people and the number (41) requesting CPE extensions.
- B. Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 116 approved and one denied from December 29, 2010 to March 10, 2011. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #11 carried.
- D. Ratification of CPE Sponsor.** Motion out of Committee to recommend Board approval of sponsor applications for Nebraska Society of CPAs and AGA-Lincoln Chapter. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #12 carried.
- E. 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 King Wu reported that we had received the successful exam candidate’s survey from Jan. - Feb. 2011. Staff Lowe will visit NASBA/CPAES March 21-22, 2011 to discuss some of the items. There were no scores at this time. The CBT Steering Group report was provided to the Committee and there will be a decrease in Prometric and AICPA fees in 2013 due to the large number of candidates taking the exam. Board of Examiners Meeting highlights were reviewed by the Committee. The U.S. Uniform CPA exam will be offered at five international locations. Licensure must come through the states. Nebraska has a residency requirement and does not expect any certificate applicants.
- B. Approval of CPA Exam Scores.** No exam scores were available at this time.
- C. Report on To Do List.** There was no report at this time.

**8. Report of the Legislative Committee**

- A. Report on Legislation.** ED Sweetwood indicated no legislative bills had been filed of particular interest to the Board during the current session. One bill would require an additional step in the rule making process requiring legislative approval for proposed regulations and another would change provisions how the Board could provide official

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notifications. Chair Skiles noted the Experience Work Group (EWG) will be announced soon with the first meeting set for the spring.

- 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 Fuhrman reported the QEP Task Force met on February 4, 2011 and discussed several items related to their recommendation to the Board that will require a Peer Review in the future for CPA firm licensure and renewal if the firm conducts attest work. The Task Force reviewed initial drafted rules and made several recommended changes for staff to propose at their next meeting this spring. ED Sweetwood commented he had met with Mr. James Bracken, from the AICPA at the recent Executive Director's Conference, who offered to present an overview of the Peer Review reporting system to the Board at a future meeting. Sweetwood also indicated he would visit the Kansas and South Dakota Boards to gain a better understanding of how the Board's staff monitor Peer Review compliance and oversight of the program.
- B. Report on To Do List.** There was no report at this time.

**10. Report of the Licensing Committee**

- A. Report of the Committee.** Chair Obrist gave the report. Staff drafted language to include the term "network" for the Firm Guidelines. Staff continues to work toward IRS understanding of the two tiered status in Nebraska for the PTIN applicants. The Committee is considering an audit process for disclosure forms required of firms that accept contingent fees, referral fees, and commissions. Staff created an audit process for discussion at the next Committee meeting and the March Board meeting. Letters to inactive registrants regarding options after three years of non-renewal will be sent following a review of addresses by the Nebraska Society.
- B. Ratification of initial permits to practice issued, certificates issued, firm permits.** Motion out of Committee to approve the initial permits to practice, certificates, and firm permits, issued between January 4, 2011 and March 17, 2011. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #13 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 January 4, 2011 and March 17, 2011.

Reinstatements:	Bryce Biffar	Omaha NE
	Steven Scheibelhofer	Leesburg VA
	Lincoln Zehr	Lincoln NE

Inactive - Retired affidavits:	Michael Aron	Lincoln NE
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Richard Akerlund	Aurora NE
Elaine Booth	Lincoln NE
Richard Eakin	Omaha NE
David Larson	Omaha NE
Kenneth Ohlinger	Omaha NE
Robert Pilgrim	Bellevue NE
Jeanne Ross	Green Valley AZ
Lester Linder	Kearney NE
Robert Salman	Hastings NE
Charles Rayburn	Clive IA
James Scow	Columbus NE

Surrendered Certificates:	Amy Brown	Columbus OH
	Abigail Croll	Des Moines IA
	Michaela Fisher	Elkhorn NE
	Jon Schulte	Sioux Falls SD
	Michael Uhlenbrock	San Antonio TX
	John Wenande	Sioux Falls SD
	John Wodzinski	Sioux Falls SD
	Greg Honl	Sioux Falls SD
	Linda Koerselman	Mankato MN
	Cassandra Meschke	Kansas City MO
	Joseph Willaert	Mankato MN

On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #14 carried.

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

### **11. Report of Executive Director**

- A. Annual Letter 2010.** ED Sweetwood indicated the letter is complete and will be sent soon by mail to all Active Permit Holders and via email to all other registrants. It will also be displayed on the Board's website with prior letters.
- B. Neb. Gov Update- CPE/ Renewal Presentations 10:00 am.** See agenda item #2.
- C. Budget Update.** ED Sweetwood appeared before the Legislative Appropriations Committee on February 15, 2011 on behalf of the Board. The Board's submitted FY 2012-2013 Budget did not include an increase in appropriations from the FY 2011 Budget. ED Sweetwood did stress the Board has instituted cost savings and efficiencies including the Board's online and CPE reporting systems. He indicated the Board's Fiscal Officer Mike Lovelace had made initial recommendations decreasing the amount of per diems but leaving the appropriation the same. He also requested the Committee allow the carry over of unspent appropriations into the new budget biennium as happened two years ago. In 2012-2013, the Governor's recommended budget did

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not allow the carryover. The Legislative Appropriations Committee will release their recommendations within the budget bill sometime later in the legislative session.

- D. Staffing and Office Issues:** ED Sweetwood, again, recognized Lowe and Ebert based on the Neb.gov survey information and the favorable comments received for their efforts and assistance regarding the online reporting systems. Staff also visited the Assurity Building with DAS Building Division representatives and were overall impressed with the proposed offices. Board offices are slated to move to the Assurity Building sometime in late 2012 or 2013.
- E. 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. Nomination for NASBA Board of Directors (BOD) Vice Chair.** The Board received two letters requesting a letter of support for nomination as NASBA BOD Vice Chair. Moved by Zacharia, seconded by King Wu, to send a letter in support of Dr. Carlos Johnson, former Oklahoma Board member, for NASBA BOD Vice Chair. On a roll call vote, Members Skiles, Fuhrman, King Wu, and Zacharia, voted aye. Members Wassinger, Obrist, Rieker, and Gutschewski abstained. Motion #15 carried.
- B. Other Miscellaneous Items: FYI articles.** Various articles were noted related to the CPA profession as provided by staff.

**13. Adjournment**

Moved by Obrist, seconded by Zacharia, to adjourn the meeting at 12:42 pm on Friday, March 18, 2011. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #16 carried.

Respectfully submitted by,

Anne K. Fuhrman  
Board Secretary