

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

June 18-20, 2001

1. General

A. Call to Order and Roll Call. The Board of Public Accountancy was called to order at 8:52 a.m. on Monday, June 18, 2001 with Chair H. Dean Graf presiding. The roll was called with the following members present: Dean Graf, William Nuckolls, Nina Kavich, Richard Hoiekvam, George Klein, Michelle Thornburg and Kathleen Smith. Also present was Executive Director, Annette Harmon. Member William Gaines was absent. The meeting was held at the Board's office, 140 N. 8th Street, Suite 290, Lincoln, Nebraska.

B. Approval of meeting agenda for June 18-20, 2001. Moved by Smith, seconded by Nuckolls, to approve the agenda for the June 18-20, 2001 meeting as written. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 1 carried.

C. Approval of the minutes of the April 30-May 1, 2001 Board meeting. Moved by Smith, seconded by Hoiekvam, to approve the minutes as written. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 2 carried.

2. Proposed Legislative Draft

The Board discussed a proposed legislative draft that is a rewrite of the Public Accountancy Act of 1957.

The Board recessed at 5:05 p.m.

The Board reconvened on Tuesday, June 19, 2001 at 8:42 a.m. with all Members and the Executive Director present, except Member Gaines who was absent.

2. Proposed Legislative Draft

The Board continued its discussion of the proposed legislative draft.

3. Consent Agenda

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

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

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B. Approval of April and May 2001 disbursements. The Board reviewed and approved the April and May 2001 disbursements.

C. Review of Board Budget Status Report. The Board reviewed the May 31, 2001 Budget Status Report.

D. Requests for Acceptance of Surrendered Certificates and Approval of Inactive-Retired Classification. The Board accepted the voluntary surrender of CPA certificates for Michael W. McGowan (6477), Donald G. Roepke (4902), Richard F. Spillman (1516), Kelly S. Tipton (6431), and William E. Zimmerman (4031); and the classification of Inactive-Retired for William C. Grapes (#577), Hans V. Johnson (847), Hugo Kahn (451), Lawrence Louk (264), Robert H. Marks (818), Julia A. Peralez (2037), Ronald C. Peterson (713), James J. Ralph (761), Robin L. Rasmussen (1057), James E. Schmidt (1059), Jerry D. Sestak (1480), David A. Upp (554), and Walter Ver Steeg (646).

Office Management Report. The Board reviewed a report on permits and registrations issued as of June 1, 2001. Prior year's statistics were also reviewed for comparison.

CLOSED MEETING

Closed Meeting. Moved by Kavich, seconded by Thornburg, that the Board go into closed session at 2:42 p.m. for the purpose of discussing personnel issues. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 4 carried.

Return to Open Meeting. Moved by Smith, seconded by Nuckolls, to return to open session at 3:46 p.m. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 5 carried.

4. Report of the Chair

A. Evaluation of the Executive Director. In accordance with State law and the Board's July 1994 policy, the Chair reported that the Executive Committee had performed the annual evaluation of the Executive Director during the May CPA Exam.

Moved by Smith, seconded by Nuckolls, that the Board approve the evaluation of the Executive Director as done by the Executive Committee, and therefore, increase the Executive Director's salary for fiscal year 2001-2002 by 5%. On roll call vote, all members present voted aye, except Member Klein who voted nay. Member Gaines was absent. Motion number 6 carried.

5. Report of Continuing Education Committee

A. Ratification of staff program evaluations since last meeting. Moved by Kavich, with the Committee's recommendation, to approve courses that have been evaluated and approved by the staff

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since the last meeting, and to disqualify courses #01-169 to 01-177, #01-185, #01-207 and #01-222. On roll call vote, all members present voted aye, except Member Klein and Graf who voted nay. Member Gaines was absent. Motion number 7 carried.

B. Exposure Draft on Revised CPE Standards. The Board generally discussed the newly revised CPE Standards. As a Committee, a comment form will be completed and forwarded to NASBA.

CLOSED MEETING

Closed Meeting. Moved by Smith, seconded by Thornburg, that the Board go into closed session at 4:10 p.m. for the purpose of enforcement and litigation issues. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 8 carried.

Member Hoiekvam recused himself from a portion of the closed session and left the conference room during that part of the closed meeting.

Return to Open Meeting. Moved by Smith, seconded by Thornburg, that the Board return to open session at 5:12 p.m. On roll call vote, all members present voted aye. Members Gaines and Hoiekvam were absent. Motion number 9 carried.

6. Report of Enforcement of Professional Conduct Committee

A. Complaint Consent Agenda. Moved by Smith, with the Committee's recommendation, to approve the Complaint Consent Agenda. On roll call vote, all members present voted aye. Members Gaines and Hoiekvam were absent. Motion number 10 carried.

B. Complaint #9899015 Competency/ Technical Standards. No action necessary at this time.

C. Complaint #9900-12 Form of Practice Violation. No action necessary at this time.

D. Complaint #9900-06 Failure to Follow GAAP with no Qualification in Report. No action necessary at this time.

E. Complaint #0001-008 Failure to Provide Client Records. Moved by Smith, with the Committee's recommendation, to find no probable cause and to close the complaint. On roll call vote, all members present voted aye. Members Gaines and Hoiekvam were absent. Motion number 11 carried.

F. Complaint #0001-009 Failure to Provide Client Records. No action necessary at this time.

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G. Complaint #0001-010 Fraud/Deceit in Obtaining Permit. Moved by Smith, with the Committee's recommendation, that there is no finding of probable cause and to dismiss this complaint. On roll call vote, all members present voted aye. Members Gaines and Hoiekvam were absent. Motion number 12 carried.

H. Complaint #0001-011 Failure to Follow Standards. No action necessary at this time.

I. Complaint #0001-012 Failure to Follow Standards. Moved by Smith, with the Committee's recommendation, that there is no finding of probable cause and to dismiss this complaint. On roll call vote, all members present voted aye. Members Gaines and Hoiekvam were absent. Motion number 13 carried.

J. Permit Renewal Applications with Pending Litigation/Disciplinary Action. Moved by Smith, with the Committee's recommendation, to request that the CPAs and CPA Firms in Complaints #0001-013 to 0001-017 sign Litigation Monitoring Consent Orders, and to enter into a Stipulation and Consent Order for censure with the CPA in Complaint #0001-018 with disciplinary action from another state. On roll call vote, all members present voted aye. Members Gaines and Hoiekvam were absent. Motion number 14 carried.

The Board recessed at 5:17 p.m.

The Board reconvened on Wednesday, June 20, 2001 at 8:38 a.m. with all Members and the Executive Director present, except Member Gaines who was absent. Mr. Donald Erftmier appeared briefly as a guest.

7. Report of Examination & Licensing Committee

A. Ratification of initial permits to practice issued; certificates issued. Moved by Nuckolls, 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. Member Gaines was absent. Motion number 15 carried.

B. Application(s) for Reinstatement to Active Permit. Moved by Nuckolls, with the Committee's recommendation, to ratify the approval of the applications for Reinstatement to Active Permit. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 16 carried.

C. Exam, Certificate and Permit Applications. Moved by Nuckolls, with the Committee's recommendation, to approve the applications with modifications recommended by the Committee. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 17 carried.

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E. Approval of Grades for May 2001 CPA Exam. Moved by Nuckolls, with the Committee's recommendation, to approve the advisory grades upon approval of Personnel's audit procedures. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 18 carried.

D. Evaluations of Experience Requirement. The Committee discussed and evaluated three different situations of individuals meeting/not meeting the experience requirement. The first request will be informed of the Office and Workspace Guidelines and his email request answered. The second request involved a reciprocal request where the individual had been licensed less than two years in another state. Regarding the third request, it was moved by Nuckolls, with the Committee's recommendation, to find probable cause exists and to file a formal complaint and Notice of Hearing for the next regular meeting against Lanette Green, alleging violations of the Public Accountancy Act, Section 1-137 (1) Fraud or deceit in obtaining a certificate as certified public accountant, registration, or a permit under the Public Accountancy Act; and Section 1-136.02 (1)(a)(ii) Permit; when issued.

Moved by Smith, seconded by Kavich, to go into closed session at 9:00 a.m. for the purpose of enforcement. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 19 carried.

Moved by Smith, seconded by Thornburg, to return to open session at 9:25 a.m. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 20 carried.

Member Smith called the question. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 21 carried.

F. Discussion of Exam Issue: Briefing Paper #2. The Board discussed the AICPA's Briefing Paper #2 and formulated a Board response.

G. Discussion of Exam Issue: Content Exposure Draft. The Board discussed the AICPA's Content Exposure Draft and formulated a Board response.

8. New Business

A. Future Meeting Dates. The Board will next meet on August 9-10, 2001 and September 26-27, 2001.

B. NASBA.

1. Attendance at Annual Meeting. No action necessary at this time.

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9. Adjournment

It was moved by Smith, seconded by Thornburg, that the Board adjourn at 11:45 a.m. on Wednesday, June 20, 2001. On roll call vote, all members present voted aye. Member Gaines was absent. Motion number 22 carried.

Submitted by,

William Nuckolls
Secretary