

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

Minutes
July 15, 2010

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

Thursday, July 15, 2010

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:40 a.m. on Thursday, July 15, 2010 with Chair Doug Skiles, presiding. The roll was called with the following members present: Doug Skiles, Michael Wassinger, Anne Fuhrman, Jim Titus, Kate King Wu, Tom Obrist, Jim Rieker, and Richard Zacharia. Also present were Executive Director Dan Sweetwood and Staff members Kelly Ebert and Jo Lowe. The meeting was held at the Board Office, 140 N. 8th 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. Also present: Ted Lodden, NASBA Regional Director and Iowa State Board Member, Dan Vodvarka, President, Nebraska Society, and Ken Brauer, Nebraska Society of Independent Accountants.
- B. Approval of Meeting Agenda for July 15, 2010.** Moved by Rieker, seconded by Fuhrman to approve the agenda for the July 15, 2010 meeting. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #1 carried.
- C. Approval of Minutes from May 6, 2010.** Moved by Titus, seconded by King Wu, to approve the Board minutes from the May 6, 2010 meeting. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #2 carried.

2. Public Comment Period (15 minute period)

Dan Vodvarka, President, Nebraska Society, was present and thanked staff for review and approval of their CPE courses for 2010. The annual retreat will be August 27, 2010 and ED Sweetwood has been invited to provide an update on the State Board. Concern regarding the 1099 tax reporting requirement was discussed. Member Zacharia asked if the Society Board would write a letter and encourage tax payers to do so. Tracy Black, Society Board Chair, and Vodvarka attended the QEP Task Force meeting. They agreed the program should be reviewed and changes appear necessary and will work with the Board on future progress in revising the program.

Ken Brauer, Nebraska Society of Independent Accountants, reported on a potential joint meeting with the Nebraska Society.

Ted Lodden, Central Region Director and Iowa Board Member attended on behalf of NASBA, noted that Nebraska has the greatest representation from the Central Region at NASBA

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meetings, and that without Board attendance the Boards can be internally led by staff and/or other Board members. He requested help with Focus Questions to be asked of other Boards to share information across regions. NASBA, through the new Board Relevance Committee, is putting together budgets for small/medium self-supporting Boards. Lodden asked for suggestions for the NASBA CEO position when David Costello retires in two years. He suggested the Board write a letter with necessary attributes of NASBA's future CEO. He requested agenda items for the Central Region Meeting. He also reported on the Exam Review Board (ERB) changes, covering IFRS vs. GAAP, and the Pathways Commission to address education issues such as teaching IFRS, and 120 vs. 150 hours to site for the CPA exam.

Board Chair Skiles thanked Mr. Lodden for attending the Board meeting and keeping members apprised of regional issues including NASBA news.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by King Wu, seconded by Wassinger, to approve the consent agenda. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #3 carried.
- B. Approval of Disbursements.** The disbursements for April and May 2010 were provided. Member Fuhrman reviewed the disbursements and noted items of interest. Ms. Fuhrman noted FY 2010 came to a close on June 30 and were close to appropriations as previously reported.
- C. Review of Board Budget Status Report.** The Budget Status Report was provided and ED Sweetwood gave an update on the "Perfect Storm" with approximately \$60,000 in expenses for a major enforcement action and \$100,000 transferred to the General Fund from the Board's Cash Fund by LB 1 passed in the special session of the Legislature and signed by the Governor last November. A question was raised whether "restricted reserve" was possible for enforcement cases to comply with the agency statutory purpose of protection of the public. The Board may need to raise fees to address the lower Cash Fund balance in 2011. Staff is working on a trend analysis of the Board's revenue sources to assist in the determination.
- D. Office Licensing Report.** The Office Licensing Report was not provided. The report is being revised to more accurately reflect licensing numbers.

4. Report of the Chair

- A. Report of the Chair.** Chair Skiles gave the report. He commended Lodden for his pre-planning for the Western Regional Conference in Seattle, making for a very productive, informative session. It has been officially announced Omaha will be the site of the NASBA Western Regional Conference to be held June 8-10, 2011 at the Downtown Hilton Hotel. A Hospitality Working Group has been working with NASBA staff and Omaha Convention & Visitors Bureau on area activities for June 2011 NASBA Western Regional Meeting attendees.

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- B. Election of 2010-2011 Board Officers.** Moved by Titus, seconded by King Wu, to retain the current officers. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #4 carried.
 - Mr. Douglas Skiles, CPA- Chair
 - Mr. Michael Wassinger, CPA- Vice Chair
 - Ms. Anne Fuhman, CPA- Secretary
- C. Review of Performance Card Survey – if available.** Online survey responses were provided to the Board with 94% finding it easy to renew online. Chair Skiles commended Board staff for the overall positive responses and stressed the importance of the services provided to CPA practitioners over the last several years. .
- D. Review Board Calendar.** There were no changes to the calendar.
- E. Report on To Do List.** There were items on the To Do list at this time.

Closed Session

Closed Session. Moved by King Wu, seconded by Fuhrman, that the Board go into closed session at 10:38 a.m., on Thursday, July 15, 2010 for the purpose of updating the Board about current open enforcement cases, personnel matters, and to discuss disciplinary matters. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #6 carried. Chair Skiles restated that the purpose for the closed session was to update the Board about current open enforcement cases, personnel matters, and to discuss disciplinary matters.

Return to Open Session. Moved by Zacharia, seconded by Rieker, that the Board return to open session at 10:50 a.m., on Thursday, July 15, 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #7 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. Open Case/LMCO Update.** Committee Chair Zacharia reviewed the open cases.
- B. Recommended Closure of Enforcement Cases.**
 - #06-12.** The case involved a civil matter arising from a clients allegations regarding the filing of inaccurate and incomplete IRS 941 reports and providing inappropriate information to government officials. The Enforcement Committee recommended the matter be closed after a detailed review of various court and settlement documents. Motion out of committee to close case #06-12. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #8 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 66 courses from April 30, 2010 to July 7, 2010 with 129 approved. The Committee discussed the 15 individuals who remain CPE deficient and referred them to the Licensing Committee. Committee Chair Zacharia reviewed the CPE audit and will work with staff to improve the audit process. The Committee conducted their annual off site meeting at Mahoney State Park to discuss and revise the CPE Guidelines, effective January 1, 2011, based on revisions to the Board rules. They reviewed 7 reinstatement applications and referred them to the Licensing Committee for approval.
- B. **Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 129 courses from April 30, 2010 to July 7, 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #9 carried.
- C. **Ratification of CPE Sponsor.** There were no sponsor applications at this time.
- 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 King Wu gave the report. The Committee reviewed four education issues and received an update from a medical extension candidate. The Committee suggested Friday, Oct. 1, 2010 for the EAC annual meeting with an invitation to Craig Mills, Director of AICPA Exams, to discuss the CBT-e. Committee members were provided the CBT Steering Group Quarterly Report, AICPA BOE meeting highlights, Candidate Care Report, CPA Exam fee decrease letter, The Summary Exam Candidate Report, and a useful handout regarding the CBT-e exam changes for Jan.1, 2010.
- B. **Approval of CPA Exam Scores.** Moved by King Wu, seconded by Wassinger, to recommend Board approval of scores for the April- May 2010 exam window. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #10 carried.
- C. **Report on To Do List.** There was no report at this time.

8. Report of the Legislative Committee

- A. **Report on Legislation: Report on Title 288 Rule Change Process.**
 - 1.) **Mobility Update – Review and recommendation for public hearing Title 288 Rules Chapter 3 and 4 with revisions.** Committee Chair Titus gave the report. All of the proposed Rule Chapter changes except Chapters 3 and 4 were approved by the Attorney Generals' office. The Board reviewed the AG's recommendations for Chapters 3 and 4. Moved by Titus, seconded by King Wu, to approve the recommended changes and set a public hearing for Chapter 3 revised Rules at the

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September 2010 Board meeting. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #11 carried. Moved by Titus, seconded by King Wu, to approve the recommended changes and set a public hearing for Chapter 4 revised Rules at the September 2010 Board meeting. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #12 carried.

- 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 that the Task Force to revamp QEP met for a second time to review the QEP/Peer Review processes in Nebraska and make recommendations to the QEP Committee regarding the future of the QEP program. Nebraska Society representatives, Dan Vodvarka and Tracy Black, participated in the Task Force meeting along with representatives from the Nevada Society of CPAs who administer the Nebraska AICPA Peer Review Program. The QEP Committee will meet August 9, 2010 to review 2009 reports and receive an update on Task Force recommendations. .
- 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. The Committee discussed whether staff needed to require exam scores for reciprocal certificate applicants. Motion out of Committee to no longer require evidence of CPA exam scores for reciprocal certificate applicants. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #16 carried. Staff has prepared a letter to go out to other state agencies to assist in “mobility awareness” to help them become aware of the new law. Staff will be available for presentations to assist in answering questions regarding the new mobility law to any organization and/or anyone who inquires
- B. 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 May 7, 2010 and July 14, 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #13 carried.
- C. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.** Motion out of Committee to approve the reinstatements received between May 7, 2010 and July 14, 2010.

Reinstatements:	Shawn Duncan	Omaha NE
	Scott Gall	Alexandria VA
	Roger Jones	West Des Moines IA
	Lynette Matza	Omaha NE

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Elizabeth Mayer	Omaha NE
Paul Mueller	Grand Island NE
Kymm Stark	Omaha NE

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

Motion out of Committee to approve inactive - retired affidavits, and surrendered certificates.

Inactive - Retired affidavits:	Pat Haller	Omaha NE
	Glen Feagins	Asotin WA
	Larry H. Johnson	Evergreen CO
	Joseph Buschelman	Bennington NE
	Allen Marsh	Omaha NE
	John Magnuson	Renner SD
	Gerald Peterson	Boone IA
	Ronald Kastner	Yutan NE
	Francis Cuba	Omaha NE
	Everett Sather	Ankeny IA
	Lonnie TeSelle	Austin TX
	William Reitan	Katy TX
	Robert Kappel	Banning CA
	John Leifert	LaVista NE
	Marvin Shields	Lincoln NE
	Frank Zaveral, Jr.	Denver CO
	Katherine Becker	Brighton CO
	Richard Stouffer	Fort Meyers FL
Surrendered Certificates:	Barbara Prowant	Seattle WA
	Leon Shatek	Ft. Atkinson IA
	Paul Nockels	Chicago IL
	William R. Morton, Jr.	Overland Park KS
	Julie Ellis	North Oaks MN
	John Scheid	Milwaukee WI
	Robert Dowling	Leawood KS
	Ron Hennen	South St. Paul MN
	Lori Casbon	Colorado Springs CO
	William Bauer	West Des Moines IA
	Gary Basom	Topeka KS

On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #15 carried.

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- D. **Review of 2010 Licensing Renewal Process.** The process went overall well with the majority completing their renewals online. Online surveys were overall very positive with several suggestions that will be reviewed by staff and Nebraska.gov to determine future enhancements.
- E. **Potential Public Hearing Request regarding Stipulation and Consent Order for Missed deadlines.** Person did not request a hearing.
- F. **Report on To Do List.** There was no report at this time.

11. Report of Executive Director

- A. **NASBA Western Regional Conference Report** ED Sweetwood reported positive feedback from the Conference by members. Areas addressed included updates on the CPA Examination contract, the Blue Ribbon Committee on GAAP, changes to the Examination Review Board (ERB), Regional Breakout sessions including discussions involving the hiring process for the new President of NASBA and budget issues being experienced by some state boards.
- B. **NASBA Executive Director's Committee/ALD Task Force.** ED Sweetwood indicated the ED Committee had met during the Regional Conference in Seattle and addressed several areas as reported to the NASBA Board of Directors. Preparations were also being made for the 2011 ED Conference. He indicated he would complete his Chairmanship of the committee at the NASBA Annual meeting in October. The ALD Task Force also met in Seattle and will have their annual face to face meeting August 1-3, 2010 in Nashville to focus on the public release of the ALD.
- C. **Board Budget/Fiscal Year 2010 Summary.** See agenda item #3C. The 2012-2013 Budget process has begun with the draft narrative of the budget due August 1, 2010. Staff will continue to prepare the budget with overviews being sent to the Board's Executive Committee for review and comment. The final budget will be submitted on September 15, 2010. .
- D. **Report of Online Renewal Applications.** See agenda item #10 D.
- E. **Staffing & General Office Issues.** ED Sweetwood acknowledged Board staff Lowe, Ebert and Intern Jeff Paesl for their hard work the last several months including the 2010 license renewal process, the CPE Audit, QEP program reviews, and budget preparation. He reported staff conducted their Staff Retreat at Mahoney State Park on Monday, July 12, 2010 to discuss various issues including the budget, internal accounting and other licensing processes, identify problems, and discuss staff responsibilities over the next several months
- F. **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 Regional Meeting/Discussion of Conference.** Board members who attended felt the meetings were very beneficial related to mobility, change of

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leadership, communication options for Boards, forms of organizational structure, among other topics. See also agenda item #4A and #11A.

2. Attendance at NASBA Annual Meeting, San Antonio, TX, Oct. 24-27, 2010.

NASBA meetings are very beneficial for Board members to learn from other states and to share solutions to issues facing the CPA profession with “mobility” as a prime example. It was noted the Omaha Regional Conference in June of 2011 will keep travel costs down in FY2011. Moved by Zacharia, seconded by Fuhrman, to approve attendance for all Board members and the ED at the NASBA Annual Meeting, San Antonio, TX, Oct. 24-27, 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #5 carried.

3. Various articles were noted related to NASBA as provided by staff.

- B. Other Miscellaneous Items: FYI articles.** 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 1:10 pm on Thursday, July 15, 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Rieker, Obrist, Zacharia, and Titus voted aye. Motion #17 carried.

Respectfully submitted by,

Anne K. Fuhrman

Board Secretary