

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

Minutes  
May 2, 2008

**1. General**

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:37 a.m. on Friday, May 2, 2008 with Chair Jim Titus, presiding. The roll was called with the following members present: Jim Titus, Anne Fuhrman, Doug Skiles, Kate King Wu, Tom Obrist, Michael Wassinger, Richard Zacharia, and Jim Rieker. Also present were Executive Director Dan Sweetwood, Staff members Kelly Ebert and Jo Lowe, Board attorney Robert Gruit, and Yordanos Dumez, NASBA Compliance Director. 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, along with it being 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 May 2, 2008.** Moved by Zacharia seconded by Skiles to approve the agenda for the May 2, 2008 meeting. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #1 carried.
- C. Approval of Minutes from March 20, 2008.** Moved by Skiles, seconded by King Wu, to approve the Board minutes from the March 20, 2008 meeting. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #2 carried.

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

Per his request, Steven Teiper, Texas citizen, commented via telephone regarding a previous complaint.

**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 Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #3 carried.
- B. Approval of Disbursements.** Board Secretary Fuhrman reviewed the disbursements. Disbursements for March 2008 were approved. Expenses for postage and printing of the newsletter, and programming expense for the online applications were noted. ED Sweetwood thanked Secretary Fuhrman for her review.
- C. Review of Board Budget Status Report.** The Budget Status Report was provided.
- D. Office Management Report.** The Office Management Report was provided.

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**4. Report of the Chair**

- A. **Report of the Chair.** Chair Titus gave the report.
- B. **Executive Committee Report: 2007-2008 Executive Directors Performance and Salary Review.** Motion out of Committee to approve a 4% increase in the executive director's salary. On a roll call vote, Members Titus, Fuhrman, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Member Skiles was absent. Motion #7 carried.
- C. **Review Board Calendar.** Changes were noted to the Board calendar. The September Board meeting, if only one day, will be Thursday, September 18, 2008.
- D. **Report on To Do List.** There was no report at this time.

**Closed Session**

**Closed Session.** Moved by Zacharia, seconded by King Wu, that the Board go into closed session at 8:55 a.m., for the purpose of updating the Board about current open enforcement cases, to discuss disciplinary matters, and to review the ED's annual performance and salary. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #4 carried. Chair Titus restated that the purpose for the closed session was to update the Board about current open enforcement cases, to discuss disciplinary matters, and to review the ED's annual performance and salary.

**Return to Open Session.** Moved by King Wu, seconded by Zacharia, that the Board return to open session at 9:08 a.m. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #5 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 Case.** Motion out of Committee to recommend that the Board close case:  
# **06-16** – California CPA was under investigation by the IRS/ Justice Department for alleged illegal tax schemes. An IRS civil complaint was filed. The Board office received the Decision and Order of the California Board of Accountancy whereby the CPA's Board Certificate in California was revoked based on his actions for a Nebraska tax client.  
On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #6 carried.
- C. **Report on To Do List.** There was no report at this time.

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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 49 courses from March 11, 2008, to April 23, 2008, with 48 approved and 1 denied. The Committee reviewed the CPE sponsor applications for Merrill Lynch – Great Plains Complex. The Committee reviewed the staff evaluation of reinstatement applications and referred the list to the Licensing Committee. Staff updated the Committee on the 2008 CPE Audit process. The CPE rules within Chapter 8, Title 288 and the CPE Guidelines will be reviewed on June 25, 2008 with staff at Mahoney State Park to determine recommendations and revisions provided to the Committee.
- B. Presentation by Yordanos Dumez, Director, NASBA Compliance Services, NASBA Review of CPE Sponsors/CPE Tracking, 10:30 a.m., with Iowa Accountancy Examining Board Members in Attendance.** Yordanos Dumez, Director, NASBA Compliance Services, and Carla Blake were present, as were Ted Lodden, Chair, Marianne Mickelson, and Richard Johnson from the Iowa Accountancy Examining Board. Blake presented the NASBA and QAS (Quality Assurance Standards) standards used to review CPE sponsors and courses for NASBA. Dumez demonstrated NASBA's CPE tracking which allows CPAs licensed in multiple states to provide reports according to each states requirements. Both presentations provided information to Board members about the CPE course review and reporting processes since the Board now accepts NASBA approved courses without going through the CPE Committee approval process. The presentations were very helpful in understanding:
- course relevance to the profession;
  - stringent requirements for providers;
  - defining expanded fields of study;
  - specific CPE reporting requirements by state.
- C. Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to approve 48 courses and deny 1 course reviewed from March 11, 2008, to April 23, 2008. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #8 carried.
- D. Ratification of CPE Sponsor.** Motion out of Committee to approve Merrill Lynch – Great Plains Complex as a CPE sponsor. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #9 carried.
- E. Approval of 2008 CPE Audit.** Staff updated the Committee on the 2008 CPE Audit process. Member Fuhrman reported that in her review of about 50 QEP peer review letter of comments, many CPA's were cited for not taking appropriate CPE for engagements. Motion out of Committee to give Committee Chair Zacharia authority to approve the 2008 CPE audit when completed prior to license renewal July 1, 2008. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #10 carried.

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- F. **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. Staff provided a summary of survey question responses sent to recent successful candidates about their exam experience. Biometrics (use of fingerprint scan) at exam sites was an issue for an Alaska candidate. The purpose of the biometrics was to make sure the same person who signed up and reported for the initial exam was the same person taking later exam sections. NASBA Board of Directors approved the revised UAA Rules 5-1 & 5-2, which will be voted upon at regional and annual NASBA meetings. The Board was thanked for providing input to the proposed revisions. The Education Advisory Committee will address the UAA revisions at their next meeting. Committee Chair Skiles and ED Sweetwood will attend the May 19, 2008 NASBA Conference on the State of the Exam, Dallas, TX as reimbursed by NASBA.
- B. **Approval of CPA Exam Scores for Jan. – Feb. 2008.** Motion out of Committee to approve the CPA Exam scores from Jan. – Feb. 2008. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #11 carried.
- C. **Report on To Do List.** There was no report at this time.

**8. Report of the Legislative Committee**

- A. **Report on Legislation.** Chair Titus gave a summary of mobility in Nebraska. The attorney general's office approved the request to allow the counsel of Board attorney Gritmit in drafting and reviewing mobility legislation. Dan Vodvarka, Nebraska Society of CPAs' (NSCPA) President, and Board attorney Gritmit were also present. The Legislative Committee expects to meet with NSCPA leadership on May 28, 2008 to discuss possible mobility legislation in Nebraska. Chair Titus recommended that if any Board members have questions regarding mobility or would like any materials to review, to please contact the Board office.
- Report on Mobility: Mr. Ted Lodden, CPA, Iowa Accountancy Examining Board Chair scheduled for 1:30 pm.** Mr. Lodden gave a summary of their mobility legislation process. He reported that while the Iowa mobility law process had a few bumps, they do have a year to write rules to better define the law before it takes effect. Mr. Lodden offered Iowa's assistance if Nebraska decides to adopt mobility provisions. Iowa felt that the ALD (All Licensees Database) was a critical piece of mobility and had to revise their law to allow participation in the ALD in providing CPA information. Chair Titus thanked the Iowa Board members in attendance for coming to the Nebraska Board meeting and emphasized that future cooperation between Boards will be important especially with mobility law.

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- 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 she had no report. She updated the Board with the dates for the QEP reviews and reminded Board members that we are seeking reviewers.
- B. Report on To Do List. There was no report at this time.**

**10. Report of the Licensing Committee**

- A. Report of the Committee.** Committee Chair Obrist gave the report. The Committee discussed a licensing issue regarding letterhead that could be misleading to the public. The Committee suggested requesting a piece of firm letterhead attached to the renewal application. The Committee is also concerned that CPA firms are using other names not registered with the Board and those names should be provided to the Board for approval.
- 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 March 20, 2008 and May 1, 2008. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #12 carried.
- C. 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 March 20, 2008 and May 1, 2008:
- |                                |   |
|--------------------------------|---|
| Reinstatements:                | Albert J. Bazis, Murphy TX<br>Douglas Ewald, Omaha NE<br>Jeremy Seeman, Pittsburgh PA<br>Michael L. Schultz, Yutan NE |
| Inactive - Retired affidavits: | <b>Effective July 1, 2008</b><br>Dean Graf, Grand Island NE<br>Marilyn McDonald, Aurora NE<br>Dean DeSmet, Omaha NE   |
| Surrendered Certificates:      | None at this time   |
- On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #13 carried.
- D. Report on To Do List.** There was no report at this time.

**11. Report of Executive Director**

- A. 2009-2011 Budget Update.** ED Sweetwood gave the report that staff was being trained on the new budget format online system in time for the 2009-2011

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biennial budget. He reported the budget that will be created and submitted with staff recommendations to the Executive Committee with final approval by the Board. The budget will then be submitted to the DAS/Budget Office on September 15, 2008.

- B. Online Renewal Applications Update.** Online renewal applications were launched and paper renewal applications had been mailed. The process was going well as of the meeting date. This will end the State Records Board grant portion of the project. A future meeting will be held with Member Skiles and representatives from the State Records Board and Nebraska.gov to assess the overall project and plan for future IT needs of the Board.
- C. Staffing and General Office Issues.** ED Sweetwood reported that NASBA ALD Task Forces had been set up to encourage participation by states in the ALD. The ALD requirements and staff updates will be provided to the Licensing Committee to determine the future participation of Nebraska in the ALD.
- 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 Nomination for Kent Smoll, Board of Directors.** Moved by Titus, seconded by Obrist to support Kent Smoll, NASBA, Central Regional Director, Marianne Mickelson, (Iowa Board member) for the NASBA Central Region Nominating Committee, Kathy Smith, for NASBA Director at Large Board member, and Kate King Wu, for open positions she chooses to pursue on the AICPA Board of Examiners (BOE). On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #14 carried.
  - 2.) 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 King Wu, seconded by Obrist, to adjourn the meeting at 3:07 p.m. on Friday, May 2, 2008. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Obrist, Rieker, Wassinger, and Zacharia voted aye. Motion #15 carried.

Respectfully submitted by,

Anne K. Fuhrman

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Board Secretary