

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
1526 K Street, Suite 410, Lincoln, Nebraska

Minutes
January 10, 2014

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

Friday, January 10, 2014

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 9:35 a.m. on Friday, January 10, 2014 with Chair Bernie Gutschewski, presiding. The meeting start time was delayed due to inclement weather. The roll was called with the following members present: Bernie Gutschewski, Lori Druse, Jan Glenn, Michele Stromp, Michael McClure, Marcy Luth and Tom Purcell. Also present were Executive Director Dan Sweetwood, Staff members Jo Lowe and Heather Myers. The meeting was held at the Board Office, 1526 K Street, in Suite 4D, Lincoln, Nebraska. Chair Gutschewski noted the location of the notebook containing the Public Open Meeting Act, the statutes were posted on the wall, and asked if anyone present needed an agenda or had any questions regarding the law. Visitors present included, Dan Vodvarka, Nebraska Society, and soon to be appointed Board member Glen Waltemath.
- B. Approval of Meeting Agenda for Monday, Friday, January 10, 2014.** Moved by McClure, seconded by Glenn, to approve the agenda with revised start time for the Friday, January 10, 2014 meeting. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Motion #1 carried.
- C. Approval of Minutes from November 18, 2013.** Moved by Druse seconded by Glenn, to approve the Board minutes with a correction from the November 18, 2013 meeting. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, and Purcell voted aye. Member Luth abstained. Motion #2 carried.

2. Public Comment Period (15 minute period)

Dan Vodvarka, Nebraska Society President, was present. He reported on the Society's Senator Reception held Jan. 7, 2014 with Board Members Stromp and Glenn in attendance on behalf of the Board. CPE sessions concluded in December. Concern was expressed that no standardized ethic course presentation material exists along with the lack of courtesy in use of cell phones/computers/electronic gadgets during CPE presentations for other than taking notes.

New Board Member, Glen Waltemath, CPA, McChesney Martin Sagehorn, P.C., North Platte, was sworn in by Board Chair Gutschewski.

Former Board member Thomas Obrist, CPA, Dana F. Cole and Company, LLP, Lincoln NE, was recognized for his many years of service to the Board. The following resolution was presented:

RESOLUTION

WHEREAS, Thomas M. Obrist, served as a Member of the Nebraska State Board of Public Accountancy from 2004 to 2012; and

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WHEREAS, Thomas M. Obrist, during his term as Member of the Board, provided tactfully exacting observations, captured succinctly the underlying issues presented to the Board, contributed wit and intelligence in his Board work, guided and directed the activities of the State Board:

<i>2004-2005</i>	<i>Member of the CPE Committee</i>
<i>2005-2006</i>	<i>Member of the Licensing Committee</i>
	<i>Member of the CPE Committee</i>
<i>2006-2007</i>	<i>Chair of the Licensing Committee</i>
	<i>Member of the CPE Committee</i>
<i>2007-2008</i>	<i>Chair of the Licensing Committee</i>
	<i>Member of the CPE Committee</i>
<i>2008-2009</i>	<i>Chair of the Licensing Committee</i>
	<i>Member of the CPE Committee</i>
<i>2009-2010</i>	<i>Chair of the Licensing Committee</i>
	<i>Member of the CPE Committee</i>
<i>2010-2011</i>	<i>Chair of the Licensing Committee</i>
	<i>Member of the CPE Committee</i>
<i>2011-2012</i>	<i>Chair of the Licensing Committee</i>
	<i>Member of the CPE Committee</i>

THEREFORE, THE MEMBERS OF THE NEBRASKA STATE BOARD OF PUBLIC ACCOUNTANCY gratefully record their recognition of service of Thomas M. Obrist by adopting the following Resolution:

BE IT RESOLVED, that the Members of the Nebraska State Board of Public Accountancy extend their sincere appreciation to Thomas M. Obrist for his service as a Member of the Nebraska State Board of Public Accountancy.

BE IT FURTHER RESOLVED, that a copy of this Resolution be incorporated into the minutes of the Board, and further that a copy of this Resolution be presented to him.

Adopted this 21st day of September 2012

by the Nebraska State Board of Public Accountancy

Doug Skiles, Chair
Nebraska State Board of Public Accountancy

3. Consent Agenda

- A. **Published Notice of Meeting.** Moved by Stromp, seconded by Purcell, to approve the consent agenda. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #3 carried.
- B. **Review of Disbursements for November and December 2013.** Disbursements were reviewed prior to the Board meeting by Board Secretary Glenn. Glenn continues to work with Staff Myers in preparation of explanatory information from the state financial system. The two new reports were provided with generally positive feedback from Board members including any large and/or unusual expenses noted and a report comparing previous year and current year monthly expense and revenue categories for Board review.
- C. **Review of Board Budget Status Report.** The current budget status report was provided for review. Board Secretary Glenn reviewed the Budget Status Report and discussed areas of variance in the FY 2013–2014 budget.

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- D. **Office Licensing Report.** The Office Licensing Report was provided to the Board at this time, after review for relevance and revisions by the Licensing Committee.

4. Report of the Chair

- A. **Report of the Chair.** Chair Gutschewski gave the report.
B. **Swear in New Board Member Glen Waltemath, CPA.** See public comment period.
C. **Recognition of Former Board Member Thomas Obrist, CPA.** See public comment period.
D. **Executive Committee Report:** The Executive Committee met on December 11, 2013 and reviewed information related to fees and the Board budget. Staff provided the Committee information regarding past and projected revenue, expenses, and the Board's cash fund. The Information was offered for review by the Board members. It was recommended Board fees commencing on July 1, 2014 be reduced as follows:

Board Fees for Licensing, FY2014/2015

Active Permit to Practice	\$ 175	(\$ 200)*
Inactive Registration	\$ 70	(\$ 80)*
Reciprocal Certificate	\$ 200	(\$ 400)*
Firm Permit: P.C.'s, LLC's, LLP's, Part.	\$ 50	(\$ 100) *
Certificate of Registration: P.C.'s, LLC's	\$ 25	
Office Fee: All firms and S.P.s	\$ 25	(\$ 50)*
CBT Examination Initial Admin. Fee	\$ 15	

* *Current Fees*

Moved by Druse, seconded by Stromp, to approve the reduction in 2014 application fees. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #4 carried.

Staff Parking Update. The Committee was provided information regarding staff parking upon the move to the 1526 Building. It was noted staff members Lowe and Myers were hired with the understanding their parking would be provided. Moved by Glenn, seconded by Stromp, to reimburse staff members Lowe and Myers for parking fees at a private facility. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #11 carried.

- E. **Attendance at NASBA ED and Staff Council Conference, March 3-6, 2014, Savannah, GA.** The Committee believes it is important for the executive director and one staff member to attend the annual NASBA ED and Staff Conference. Motion out of Committee to approve ED Sweetwood and Staff Myers attendance at the NASBA ED and Staff Council Conference, March 3-6, 2014, Savannah, GA. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #5 carried.
- F. **Review Board Calendar.** There were no changes to the Board calendar at this time.
- G. **Report on To Do List.** There was no report at this time.

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Closed Session

Closed Session. Moved by Stromp, seconded by Druse, that the Board go into closed session at 11:08 a.m., on Friday, January 10, 2014, for the purpose of discussing litigation, enforcement matters, and personnel matters. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #6 carried. Chair Gutschewski restated that the purpose for the closed session was to discuss litigation, enforcement matters, and personnel matters.

Return to Open Session. Moved by Glenn, seconded by Luth, that the Board return to open session at 11:39 a.m., on Friday, January 10, 2014. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #7 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. Open Case/LMCO Update.** Committee Member Stromp reviewed the open case file. Motion out of Committee to recommend Case # 13-14 be referred to the Board Attorney to file a petition on behalf of the Board with alleged violations of the Public Accountancy Act 1-137 (4) violation of a rule specifically acts discreditable and 1-137 (7) cancellation, revocation, suspension, or refusal to renew authority to practice as a CPA in any other state, for cause other than failure to pay a registration fee in such other state. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #9 carried. It was determined that the Board Chair will sign LMCO's and in the Chair's absence the Enforcement Committee Chair will sign.
- B. Recommended Closure of Enforcement Cases.** Motion out of Committee to recommend closure of Case #10-02. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #8 carried. #10-02 Involved a CPA firm within civil litigation regarding professional services rendered and after extensive review no further action taken.
- 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 McClure provided the report. The Committee reviewed a total of 171 courses with 171 recommended for Board approval and none denied. Motion out of Committee to forward the reviewed and approved Reinstatements to the Licensing Committee. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #13 carried. Motion out of Committee to recommend approval of 2014 CPE Sponsorship for Joel Christensen's Learning Academy for Ethical Leadership. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #14 carried. McClure indicated the Committee recommended 2% of reporting CPAs be audited. Motion out of Committee to audit 2% of reporting CPAs plus the audit of all extensions requests. On a roll call vote,

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Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #15 carried. The Committee was also advised of a recent new ethics course attended by ED Sweetwood that ended early due to the instructor providing all material with no further questions for discussion.

- B. Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 171 courses from November 1, 2013 to December 31, 2013 with 171 courses approved and none denied. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #12 carried.
- C. Ratification of CPE Sponsor.** Motion out of Committee to recommend approval of 2014 CPE Sponsorship for Joel Christensen's Learning Academy for Ethical Leadership. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #14 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 Glenn reported that the Committee did not meet due to minimal activity since the November Board meeting.
- B. Approval of CPA Exam Scores.** Moved by Glenn, seconded by Purcell, to ratify the 2013 October – November Exam scores. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #16 carried. Chair Glenn indicated she is currently evaluating the score process as utilized by prior Chairs of the Committee.
- 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 reported a small “clean up” of language within the Public Accountancy Act within Section 1-116 regarding definition of an education accreditation body was noted through the Department of Education. The change will be made in conjunction with a Bill for clean up with statutes within the Nebraska Department of Education law.
- 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 McClure gave the report. The Board received the long awaited response from the Attorney General's office regarding the request for opinion concerning the Board's ability to discipline firms without revisions to the current Rules and require Peer Review. A future meeting of the QEP Task Force will be held to review the response and drafted material by staff to consider for recommendation to the Board.
- B. Report on To Do List.** There was no report at this time.

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10. Report of the Licensing Committee

- A. Report of the Committee.** Committee Chair Druse gave the report. The new experience permit application process continued with three applicants.
- B. Review of Permit Applications.** Board members were provided the alternative experience applications which had been reviewed by the Licensing Committee. Motion of out of Committee to approve Jason Carter's application for an initial permit. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #17 carried. Motion of out of Committee to approve Sinda White's application for an initial permit. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #18 carried. Motion of out of Committee to approve Lori Arp's application for an initial permit. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #19 carried.
- C. Ratification of initial permits to practice issued, certificates issued, firm permits.** Motion out of Committee to recommend Board approval of initial permits to practice issued, certificates issued, firm permits received between November 15, 2013 and January 9, 2014. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #20 carried.
- D. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.**

Moved by Druse, seconded by Luth to recommend Board approval of the Reinstatements, Inactive Retired Affidavits, and Surrendered Certificates received between November 15, 2013 and January 9, 2014.

Reinstatements:

Andrew Hiemer	Omaha NE
Neil Williams	Ogallala NE
Jill Edwards	Omaha NE
Jill Miller	Charlotte NC
Kathleen Petersen	Omaha NE
Kathy Rohloff	Bennington NE
James Eddie	Arlington NE
T. Paul Tomoser, Jr.	Omaha NE
Vincent Boulay	Omaha NE

Inactive - Retired affidavits:

Gary Goode	Des Moines IA
Larry Mowrer	Lincoln CA
Dennis Smith	Clancy MT
Sharon Wohlers	Scottsbluff NE
Dale Kinsey	Omaha NE
Nelse Lundeen	Loveland CO
Robert Lehn	Rio Rancho NM
Emmet Tinley III	Council Bluffs IA
Tommie Thompson	Omaha NE

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Surrendered Certificates: Kayleen Howard Lafayette LA
 Jeff Byal Austin TX
 Steven Stensrud Minneapolis MN
 Lyn Nottingham Merkel TX

On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #21 carried.

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

11. Report of Executive Director

- A. **Staff Activity.** ED Sweetwood will be attending a BOE/State Board Committee meeting at the end of the month in Las Vegas. Work continues with Nebraska.gov representatives on the Board's online systems. Meetings will be held soon to discuss the progress of the CPE reporting system and overview the 2014 licensing process.
- B. **Budget Update.** The Board will begin the 2016/2017 Budget process next year.
- C. **Staffing & General Office Issues.** The Board office move to the 1526 Building is complete. Utilizing 1526 Conference rooms along with the possibility of holding a Board meeting at Creighton University was discussed.
- D. **Report on To Do List.** There was no report at this time.

12. New Business

- A. **NASBA Items:**
- 1.) **NASBA:** Member Druse was appointed to the Uniform Accountancy Act (UAA) Committee and will be attending meetings in Miami FL in February. Member McClure is a member of the Compliance Assurance Committee (CAC) and attended his first meeting via conference call. ED Sweetwood reported he was appointed to the NASBA ALD Committee again for next year.
 - 2.) **NASBA FYI articles.** Articles were provided to the Board.
- B. **Other Miscellaneous Items:** Articles were provided to the Board.

13. Adjournment

Moved by Gutschewski, seconded by Druse, to adjourn the meeting at 2:04 p.m. on January 10, 2014. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Motion #22 carried.

Respectfully submitted by,

Board Secretary
Jan Glenn

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