

STATE OF NEBRASKA

BOARD OF PUBLIC ACCOUNTANCY

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Dave Heineman
Governor

To: CPA FIRMS REGISTERED IN NEBRASKA

In recent years discussion has been ongoing within the Nebraska State Board of Accountancy (Board) regarding the future of the Quality Enhancement Program (QEP).

Since you and your firm might have participated in the QEP we are contacting you regarding recent QEP developments.

The Board formed a Task Force in 2010 to review the program and make recommendations to the Board. Longtime members and reviewers of the QEP recommended the program be phased out over the next few years and replaced with a Peer Review requirement for Nebraska licensed firms performing attest work and the Board agreed.

The QEP Task Force, made up of QEP Committee and Nebraska Society members along with practitioners like you, concluded that the current program does not sufficiently review the attest work of Nebraska licensed firms who perform attest work. Based largely on changing requirements and the complex nature of the attest environment, they concluded a more complete review of a firm's attest work is needed.

Currently, legislation is being prepared to give the Board authority to phase out the QEP Program and require all Nebraska licensed CPA firms performing the attest function to participate in Peer Review. Many Nebraska licensed CPA firms (that includes sole practitioners) will need to prepare to complete a Peer Review in the future. The proposed legislation would not immediately change requirements as the Board needs to promulgate new rules and regulations to compliment the proposed law. The goal would be to make the process as fair and transparent as possible and, again, the change would be phased in over the next few years.

Any proposed legislation changes are heard before a committee of the 2015 Legislature. A public hearing would be held before the Banking, Commerce, and Insurance Committee to discuss the proposed changes within the Nebraska Public Accountancy Act followed by approval by the Legislature and Governor. Any future changes to the Board's Rules and Regulations would require a public hearing before the Board for further comment and suggestions. Additionally, any proposed regulations require approval of the Nebraska Attorney General's Office and the Governor's Policy Research Office.

Obviously, the proposed change would affect firms in Nebraska and the Board's goal is to give you the opportunity to comment on this change. Do not hesitate to contact the State Board Office.

We welcome your thoughts and comments on the proposed change.

Handwritten signature of Bernie Gutschewski in cursive.

Mr. Bernie Gutschewski
Chair of the Board

Handwritten signature of Dan Sweetwood in cursive.

Mr. Dan Sweetwood
Executive Director