

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

Minutes  
**March 20, 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 Thursday, March 20, 2008 with Chair Jim Titus, presiding. The roll was called with the following members present: Jim Titus, Anne Fuhrman, Doug Skiles, Kate King Wu, Michael Wassinger, Richard Zacharia, and Jim Rieker. Member Tom Obrist was absent. Also present were Executive Director Dan Sweetwood, Staff members Kelly Ebert and Jo Lowe. 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 March 20, 2008.** Moved by Skiles seconded by Zacharia to approve the agenda for the March 20, 2008 meeting. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #1 carried.
- C. Approval of Minutes from January 11, 2008.** Moved by King Wu, seconded by Zacharia, to approve the Board minutes from the January 11, 2008 meeting. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #2 carried.

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

- 10. B Hearing for Robert Brown, Deborah Moeker, and Corrine Scarpello per Requests to Return Certificate to Good Standing at 9:00 a.m.** Hearing Officer Jim Titus opened the hearing at 9:02 am. Mr. Brown was present representing himself. Exhibits 1-3 were entered into the record by Executive Director Sweetwood on behalf of the Board. Brown accepted the exhibits and took responsibility for his failure to inform the Board of his address change. Deborah Moeker and Corrine Scarpello were not present or represented by counsel; however, did provide letters of explanation to the Board. Exhibits 1-3 for Deborah Moeker and Corrine Scarpello were entered into the record by Executive Director Sweetwood on behalf of the Board. The public hearing was closed at 9:23 a.m., Thursday, March 20, 2008.

Moved by Zacharia, seconded by King Wu, to reinstate the certificate of Robert Brown with a \$250 administrative fee. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, and Zacharia voted aye. Member Wassinger abstained. Member Tom Obrist was absent. Motion #4 carried.

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Moved by Zacharia, seconded by Skiles, to reinstate the certificate of Deborah Moeker with a \$250 administrative fee. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #5 carried.

Moved by Zacharia, seconded by King Wu, to reinstate the certificate of Corrine Scarpello with a \$250 administrative fee. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #6 carried.

Dan Vodvarka, Nebraska Society of CPAs' (NSCPA) President, was present to report that the Society appreciated that Board staff reviewed and made suggested changes to the Society CPE courses, thought the Board's annual letter was well done, and offered the continued space available in the Society's newsletter when needed. The Society Board will be monitoring mobility legislation in other states and looks forward to working with the Board on the issue.

### **3. Consent Agenda**

- A. Published Notice of Meeting.** Moved by Zacharia, seconded by Wassinger, to approve the consent agenda. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #3 carried.
- B. Approval of Disbursements.** Board Secretary Fuhrman reviewed the disbursements. Disbursements for January and February 2008 were approved with some follow-up by staff. ED Sweetwood thanked Secretary Fuhrman for her review during this busy time.
- C. Review of Board Budget Status Report.** The Budget Status Report was provided. Executive Director Sweetwood reported on the 2007-2008 fiscal year budget. He commented that future areas of the budget will reflect the costs associated with the 2007 Annual Letter.
- D. Office Management Report.** The Office Management Report was provided.

### **4. Report of the Chair**

- A. Report of the Chair.** Chair Titus gave the report. Upon the request from the Board for new Board room chairs, Staff researched options and provided sample chairs. The Haworth Zoby Task Chair was generally favored. Chair Titus commented that the Board and staff received numerous positive messages about the annual letter.
- B. Board Travel.** Chair Titus indicated that the State Auditor was invited to attend the meeting to discuss Board travel, but chose not to attend. Based on previous review by the State Auditor of specific travel policies and plans, and balanced

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with the need to stay abreast of the issues and responsibilities faced by Board members, the State Auditor gave an overall positive response to spending restraints concerning Board travel to the NASBA Annual Meeting. The Board reviewed comments received regarding Board travel as requested in the 2007 Annual Letter.

- C. Spending Restraint FY '08-09 Budget Report.** The Board reviewed the letter to State Boards & Commissions (non-code agencies) sent by Governor Dave Heineman on February 22, 2008 regarding spending restraint. After review the following resolution was offered:

*“Resolved that Governor Heineman directive on spending restraint, being well advised, the Board directs staff to continue its scrutiny of expenses and restraint when expenses may be deferred without compromising the Board’s mission and services, including case by case decisions on travel to conferences as determined necessary to educate the Board or staff and to gain input of our CPAs into national decisions affecting the profession.”*

Moved by Fuhrman, seconded by Rieker, to adopt the resolution. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #7 carried.

- D. Nomination for NASBA Vice Chair.** The Board supported the nomination of Robert Pearson, former Missouri State Board member, for NASBA Vice Chair due to his outstanding job of participating with the Nebraska Board and representing Nebraska as its NASBA Regional Director. ED Sweetwood indicated Mr. Pearson had contacted the Board office and offered his gratitude to the Board for its support.
- E. Review Board Calendar.** Changes were noted to the Board calendar. The May Board meeting will be only one day, Friday, May 2, 2008.
- F. Report on To Do List.** There was no report at this time.

**Closed Session**

**Closed Session.** Moved by King Wu, seconded by Fuhrman, that the Board go into closed session at 9:38 a.m., for the purpose of updating the Board about current open enforcement cases, to discuss disciplinary matters, and NASBA’s request for the ED to serve on a national task force. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #8 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 NASBA’s request for the ED to serve on a national task force.

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**Return to Open Session.** Moved by King Wu, seconded by Zacharia, that the Board return to open session at 10:10 a.m. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #9 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.** Motion out of Committee to recommend that the Board close cases:

# **0102021**- CPA firm accused of destroying firm's financial records while upgrading computer software and CPA firm accused of failure to follow accepted accounting standards by separating various bank/tax accounts. Received update from CPA Firm including the Final Order of the District Court as issued January 23, 2008. The Order indicated the Plaintiff failed to prove by the weight of the evidence that the CPA firm was negligent in the matter.

#**06-03** - The ED received telephone call from Wyoming ED who indicated a local Sheriff's office in Wyoming had contacted her office and indicated an individual was under investigation for fraud and was holding out as a CPA in Wyoming and Nebraska. The individual is not licensed as a CPA in Nebraska or Wyoming. Received email from Wyoming ED indicating the person was convicted and sentenced for felony fraud and forgery including use of the CPA designation.

#**07-05** - Complainant alleges the CPA provided confidential (his) client information to another accountant neither of which were engaged by the client at the time. The complainant indicates he had fired both accountants and the information should not have been provided. The EC reviewed the letter sent by the complainant. It is recommended the matter be closed before the Board based on lack of any further evidence as requested from the complainant.

On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #10 carried.

**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 Zacharia gave the report. The Committee reviewed a total of 49 courses from December 29, 2007 to March 10, 2008, with 49 approved and 0 denied. The Committee reviewed the CPE sponsor applications for the Nebraska Society of CPAs. The Committee reviewed the staff evaluation of reinstatement applications and referred the list to the Licensing Committee. The Committee reviewed, approved, and recommended to the Board, a waiver of CPE for George Jonaitis. Motion out of Committee to approve waiver

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- of CPE for George Jonaitis. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #13 carried. Individuals with insufficient CPE hours for permit renewal were provided to the Committee. The Committee is also reviewing a possible limitation on the number of hours allowed for non-technical courses and is looking at the 23 fields of study approved by NASBA. Staff updated the Committee on the 2008 CPE Audit process. The CPE Guidelines will be reviewed on June 25, 2008 with staff recommended revisions provided to the Committee. Ms. Yordanos Dumez, NASBA CPE Director, has been invited to attend the May Board meeting to discuss NASBA's CPE approach.
- B. Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to approve 49 courses from December 29, 2007 to March 10, 2008. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #11 carried.
- C. Ratification of CPE Sponsor.** Motion out of Committee to approve Nebraska Society of CPAs as a CPE sponsor. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #12 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 Skiles gave the report. Staff provided a survey to be sent to recent successful candidates about their exam experience. Motion out of Committee to send the survey to successful exam candidates related to their exam process experience, and research a process to get all candidates addresses to send surveys to all candidates. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #14 carried. The Board requested a comparison of unsuccessful candidate's responses with successful candidate responses to determine if there are issues or not with Prometric and CPAES. Exam fee increases were noted. 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. Member King Wu was recognized for her response letter to the AICPA on proposed UAA Rules 5-1 & 5-2.
- B. Approval of CPA Exam Scores for Jan. – Feb. 2008.** No CPA exam scores were available at this time.
- C. Report on To Do List.** There was no report at this time.

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**8. Report of the Legislative Committee**

- A. Report on Legislation.** Chair Titus reported that the Committee met at 7:00 am March 20, 2008 to initially review a long and short draft of mobility revisions for the PAA provided by NASBA. Approximately 20 states are currently working on legislation to incorporate mobility into law while 41 plan on adopting forms of Mobility at this time. A letter was submitted to the attorney general's office requesting the counsel of Board attorney Gritmit in drafting legislation. Revisions will impact the PAA substantially. The Legislative Committee expects to meet with NSCPA leadership in May 2008 to discuss possible mobility legislation in Nebraska. Chair Titus welcomed interested Board members to contact the Board office to receive the draft language and an initial report with comments created by ED Sweetwood. The Committee would welcome any comments or suggestions by members as the potential legislative process begins.
- 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. The Board office received several applications as a result of the QEP reviewer application tear out page in the annual letter.
- 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 Member Fuhrman gave the report in the absence of Committee Chair Obrist. The Committee discussed several licensing issues, accepted Nancy Line's experience verification, and clarified that when the remaining CPA in the firm is the only CPA in the business, the firm name would have to change to prevent misleading the public about the size of the firm. The random audit process for review of the use of firm disclosure statements was discussed. Prior to any audits an educational packet will be sent to firms. The goal of the Board at this time is to educate CPA firms on disclosure requirements. Board staff will add a question to the firm renewal applications regarding use of disclosure forms so that a packet of information could be mailed to the firm. It was stressed the goal of the process would be educational at this point. For the 2008 renewal, paper applications will be sent with the reminder to renew and notice of the ability to renew online.

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- B. Hearing for Robert Brown, Deborah Moeker, and Corrine Scarpello per Requests to Return Certificate to Good Standing at 9:00 a.m.** See Public Comment Period above.
- C. 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 January 11, 2008 and March 19, 2008. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #15 carried.
- D. 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 January 11, 2008 and March 19, 2008:
- Reinstatements: Igor Aksyonov, Highlands Ranch, CO  
Catherine Brockhaus, Lincoln, NE  
Kerri Kramer Robinson, Springfield, PA  
Carol Lowndes, Shawnee, KS  
Julie Rogers, Potter, NE  
Becky Ruehle, Indianola, IA  
Susan Wilkinson, Lincoln, NE
- Inactive - Retired affidavits: Richard Harding, Terry, MT  
Benjamin Simmons, Mequon, WI  
Dorothy Gettman, Lincoln NE  
Carol Lockwood, Scottsbluff, NE
- Surrendered Certificates: Casey Peterson, Rapid City, SD
- On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #16 carried.
- E. Report on To Do List.** There was no report at this time.

### 11. Report of Executive Director

- A. Report on NASBA Executive Directors Meeting, Austin TX, March 1-5, 2008.** ED Sweetwood and Staff Ebert provided reports about important topics discussed including mobility, background checks, and investigative techniques for enforcement cases, creating a paperless office, and online renewal applications. Both expressed appreciation to the Board for allowing attendance at the conference. ED Sweetwood indicated he was proud and appreciative of Ms. Ebert's active participation at the conference.
- B. Annual Letter.** The annual letter, a glossy, professional communication that includes statistical information and yearly summaries of the Board's committees, was mailed to all active permit holders and inactive registrants. The initial

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development cost including mailing by the DAS/Print Shop was about \$4,000. Very favorable comments have been received.

- C. **Board Policy Changes for 2007.** ED Sweetwood provided a summary of Board policy changes that were adopted in 2007 from the Board minutes.
- D. **Report on Nebraska.gov Online Processes.** ED Sweetwood reported that the online license renewals should be ready for the 2008-2010 period. Staff is testing the process of getting information from JOKEL renewal applications into FoxPro database. A meeting will be scheduled with Board Member Skiles to discuss the overall project and discuss future plans for the Board online functions. The Board was invited to showcase online services at a Partner Event Wed., March 26, 2008, in the capitol rotunda by Nebrasaka.gov. This will be an opportunity for staff to meet with State Senators and review online capabilities of the Board.
- E. **Staffing and General Office Issues.** ED Sweetwood reviewed the budget and funding for 2007-2008.
- 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 Western Regional Meeting, June 18-21, 2008, Newport Beach, CA.** Chair Titus expressed the value of NASBA's Western Regional Conference to Board member's work in Nebraska, the involvement of past and present NBPA Board members serving on national NASBA committees, and the contacts created via attendance at NASBA meetings. Other Board members discussed the importance of this year's conference agenda covering topics of importance to Nebraska including: mobility legislation, global CPA exam and regulation, public protection and international standards, SOX issues, mandating meaningful firm compliance assurance programs related to mobility, optimizing the Uniform CPA Exam, and ethics in conflict. After careful review of the conference agenda covering items critical to the CPA profession in Nebraska including mobility, international and national CPA exam issues, and the value of sharing and discussions on these important items, moved by King Wu, seconded by Fuhrman, to approve Board attendance and the executive director at the NASBA Western Regional Meeting, June 18-21, 2008, Newport Beach, CA. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #17 carried.
  - 2.) **NASBA FYIs.** The Board discussed and answered Focus Questions as proposed by NASBA. Various articles relating to NASBA were noted.
- B. **Other Miscellaneous Items.** Various articles were noted related to the CPA profession as provided by staff.

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**13. Adjournment**

Moved by Fuhrman, seconded by Rieker, to adjourn the meeting at 12:20 p.m. on Thursday, March 20, 2008. On a roll call vote, Members Titus, Fuhrman, Skiles, King Wu, Rieker, Wassinger, and Zacharia voted aye. Member Tom Obrist was absent. Motion #18 carried.

Respectfully submitted by,

Anne K. Fuhrman  
Board Secretary