

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

1526 K Street, Suite 4D, Lincoln, Nebraska

Minutes

January 10, 2020

Draft Minutes. Minutes are not approved until the next Board meeting on 03-13-2020.

Friday, January 10, 2020

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:30 a.m. on Friday, January 10, 2020 with Chair Michele Stromp presiding. The roll was called with the following members present: Michele Stromp, Tom Purcell, Marcy Luth, Mike McClure, Glen Waltemath, Ken Brauer, Jeff Kanger and Melissa Ruff. Also present were Executive Director Dan Sweetwood and staff members Heather Myers and Kristen VanWinkle. Board Intern Riley Birdzell was not available. The meeting was held at the Board Office, 1526 K Street, in Suite 4D, Lincoln, Nebraska. Chair Stromp noted the location of the notebook containing the Public Open Meeting Act, and asked if anyone present needed an agenda or had any questions regarding the law. Also present was Joni Sundquist, Nebraska Society of CPAs President, and Board Attorney Jim Titus.
- B. Approval of Meeting Agenda for Friday, January 10, 2020.** Agenda was amended to update the times of the 3 hearings to return certificates. Times of the hearings should reflect 11:00, 11:15, and 11:30. Moved by Luth, seconded by Waltemath, to approve the amended agenda for the Friday, January 10, 2020 meeting. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #1 carried.
- C. Approval of Minutes from November 8, 2019.** Moved by Purcell, seconded by McClure, to approve the November 8, 2019 Board minutes. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, and Ruff voted aye. Member Kanger abstained. Motion #2 carried.

2. Public Comment Period (15-minute period)

Joni Sundquist, President of Nebraska Society of CPAs – Society staff has moved into their new office. Senator Stinner will introduce LB 782 this session to extend the provisional window for the exam from 60/90 days to 120/150 days. This was recommended by the State Board's EAC committee and is viewed as a compromise to allow students to sit earlier in their final semester rather than sitting in another state. Hopeful the bill will go through the process quickly. Around 70 people attended the Senators Reception. Chair Stromp and member Brauer attended the reception and reported discussions including LB 782 provisions with Senators. Planning CPE calendar for next year. The Society Annual conference will be October 29-30, 2020. The member benefits program has been expanded to include Zelle HR. The Business and Industry conference will be on April 24, 2020 at Hillcrest Country Club in Lincoln. The 2nd session of the Society's Leadership Academy is completed. There were 11 participants. ED Sweetwood and President Sundquist addressed the attendees to overview current issues and the duties of the Board and the Society.

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Public Hearing for Returning of Rebecca McFarland's Certificate - Hearing Officer Michele Stromp opened the hearing at 11:17 am. The hearing ended at 11:21 am.

Public Hearing for Returning of Carol Dusel-Cerny's Certificate – Hearing Officer Michele Stromp opened the hearing at 11:22 am. The hearing ended at 11:25 am.

Public Hearing for Returning of Julie Schluter's Certificate - Hearing Officer Michele Stromp opened the hearing at 11:26am. The hearing ended at 11:28 am.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by McClure, seconded by Purcell, to approve the consent agenda. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #3 carried.
- B. Review of Disbursements for September and October 2019.** Board Secretary Luth overviewed the disbursements for the Board.
- C. Review of Board Budget Status Report.** The current budget status report was provided and reviewed by Board Secretary Luth. She reported this appears to be a normal year for expenditures at the middle of the budget year.

4. Report of the Chair

- A. Report of the Chair.** Chair Stromp gave the report. New Board Member, Melissa Ruff, was sworn in.
- B. Executive Committee Meeting** – The committee discussed the need to set Board fees for 2020. Chair Stromp indicated the committee had met in December and been provided a packet of information from staff including historical trends and other financial information for review and after extensive discussion were comfortable recommending keeping the current fee schedule. The committee discussed the need to replace the ED's and backup laptop as the OCIO's office would no longer support computers with Microsoft 7. The committee concluded that three laptops should be purchased to support individual staff members in their duties and allow the ability for all staff members to work from off-site locations, when necessary. They moved to purchase three new laptops and monitors for staff. ED Sweetwood notified the committee that he was placed on NASBA's Executive Director Committee again. He thanked them for the flexibility in allowing him to serve on this committee.
 - 1. Set 2020 Licensing Fees** – Motion out of committee to approve keeping Licensing fees the same for 2020. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #4 carried.
 - 2. Set 2020 Administrative Fees** – Motion out of committee to approve keeping Administrative fees the same for 2020. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #5 carried.

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- C. **Attendance at NASBA ED and Staff Conference, March 16-18, 2020, Clearwater Beach, FL** – Discussed allowing a staff member to attend if a scholarship could be obtained. Moved by Luth, seconded by Purcell to approve ED Sweetwood, Board Attorney Titus and one staff member if a scholarship can be awarded to attend the NASBA ED and Staff/Legal Conference as the Board deems attendance to this conference to be essential travel. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #6 carried.
- D. **Attendance at NASBA Western Regional Meeting, June 2-4, 2020, Colorado Springs, CO** – Chair Stromp polled the Board to see who was interested in attending. Chair Stromp will attend as a member of the Nominating Committee. Members Purcell (scholarship), Luth, Ruff (scholarship), Kanger and Brauer stated they were interested in attending. Members Waltemath and McClure needed to think more about it.
- E. **Review Board Calendar 2020** – It was discussed to have the May 20th meeting at the Society's new office and have a strategic session with Society leadership. Staff will work with Society to see if possible.

Closed Session

Closed Session. Moved by McClure, seconded by Luth, that the Board go into closed session at 9:45 a.m., on Friday, January 10, 2020, for the purpose of discussing 20 enforcement cases to protect the public interest and/or prevention of needless injury to individuals. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #7 carried.

Return to Open Session. Moved by McClure, seconded by Purcell, that the Board return to open session at 10:56 a.m., on Friday, January 10, 2020. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #8 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. **Open Case/LMCO Update.** Committee Chair Stromp gave the report.
- B. **Returning of Rebecca McFarland's Certificate.** Staff overviewed the process of returning a certificate to good standing. Moved by Purcell, seconded by Luth to return Rebecca McFarland's certificate to good standing upon receipt of the signed consent order and \$250 administrative fee. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #9 carried.
- C. **Returning of Carol Dusel-Cerny's Certificate.** Moved by McClure, seconded by Waltemath to return Carol Dusel-Cerny's certificate to good standing upon receipt of the signed consent order and \$250 administrative fee. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #10 carried.
- D. **Returning of Julie Schluter's Certificate.** Moved by Luth, seconded by McClure to return Julie Schluter's certificate to good standing upon receipt of the signed consent order and \$250 administrative fee. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #11 carried.

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- E. Case #12-06/ Stipulation & Consent Order Offer.** The Board discussed case #12-06 regarding two CPAs and a corresponding SEC administrative order. The case dated to 2012 including many administrative orders along with federal court rulings. Many hours of review and discussion were held between the committee, the Board Attorney, the CPAs attorneys, and staff. A consent order was drafted and offered for consideration with the recommendation the Board enter into the Order that details several SEC concerns in the matter along with several mitigating factors for consideration. The Order includes no disciplinary action. Motion out of committee to authorize the Board Vice Chair to sign the Consent Order. On a roll call vote, Members Purcell, Luth, Waltemath, Brauer, and Kanger voted aye. Members Stromp, McClure, and Ruff abstained. Motion #12 carried.
- F. Ratification of LMCs, if any –** There were none.
- G. Recommended Cases to Close –**
- #18-01-** *Upon review of the AICPA public disciplinary report, the CPA was the subject of a settled disciplinary matter with the Ethics Charging Authority of the AICPA and NESCPAs.*
- The Board discussed case #18-01. The CPA has resolved the matter with the AICPA and NESCPAs, therefore no other action is warranted. Motion out of committee to close case #18-01. On a roll call vote, Members Stromp, Purcell, Luth, Waltemath, Brauer, and Kanger voted aye. Members McClure and Ruff abstained. Motion #13 carried.
- #19-03-** *Staff determined license applicant possibly falsified his application for a Permit to Practice regarding his past criminal record.*
- The Board discussed case #19-03. The issue with the applicant's record has been resolved. Staff will wait to receive a new permit application if applicant wishes to move forward. Motion out of committee to close case #19-03. On a roll call vote, Members Purcell, Luth, Waltemath, Brauer, and Kanger voted aye. Members Stromp, McClure, and Ruff abstained. Motion #14 carried.

6. Report of Continuing Professional Education (CPE) Committee

- A. Report of the Committee.** Committee Chair Purcell gave the report. The committee reviewed 5 reinstatements and determined they be forwarded to the Licensing Committee. The committee discussed what percentage of individuals will be audited for 2018-2019 CPE. Moved by McClure, seconded by Kanger to audit 2% of active permit holders' 2018-2019 CPE. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #18 carried. They discussed one request to waive 78 hours of CPE due to medical issues. Motion out of committee to approve waiving 78 hours of CPE for #W001 due to medical issues. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #17 carried.
- B. Ratification of Staff Program Qualification Evaluations.** The committee reviewed a total of 151 courses from October 26 – December 31, 2019 with 151 courses recommended for Board approval and none denied. Motion out of committee to ratify

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Board approval of 151 courses. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #15 carried.

- C. **Ratification of CPE Sponsor.** The committee reviewed 2 CPE Sponsorships. Motion out of committee to approve CPE Sponsorships to Lutz & Company and Accounting Education Associates, LLC. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #16 carried.

7. Report of Education & Exam (E&E) Committee

- A. **Report of the Committee.** Committee Chair Luth gave the report. There was not a candidate survey available at this time.
- B. **Approval of Exam Scores from October – December 10, 2019, if available –** Exam scores were not available for the committee meeting, however were provided to Chair Luth prior to the Board meeting. She noted that pass rates were strong on all four sections. Moved by Luth, seconded by Purcell to accept the October – December 10, 2019 exam scores. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #19 carried.
- C. **Practice Analysis Discussion –** Committee members were sent the invitation to comment regarding the upcoming Practice Analysis and the invitation to comment. The Practice Analysis process was overviewed. The committee will review individually and continue to discuss at the March committee meeting. It is anticipated NASBA will provide a response and it will be determined if the Board should comment additionally from that response. The invitation to comment deadline is April 30, 2020. In the longer term, the Evolution Project of the examination will be overviewed at the Western Regional Meetings.

8. Report of the Legislative Committee

- A. **Report on Legislation:** No Report at this time.
1. **LB867 – Index Updates/Policy Changes:** There were no updates or new policies.
- B. **Update of Proposed Legislation to Increase the Provisional Window to sit for the CPA Exam.** See Joni Sundquist's comments during the Public Comment Period. Vice Chair Purcell was asked if he would be willing to testify at the hearing and he agreed.

9. Report of the Peer Review Committee

- A. **Report of the Committee.** Committee Chair McClure gave the report. The committee will meet next in February. Jim Brackens from the AICPA and Kari Arnold from the Nevada Society will participate and update the committee on peer review.

10. Report of the Licensing Committee

- A. **Report of the Committee.** Committee Chair Brauer gave the report.

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The committee discussed three Business, Governmental & Academia (BGA) experience applications, and one Nebraska Dept. of Revenue experience application.

Motion out of committee to recommend approval of Anthony Cattano's application. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #20 carried.

Motion out of committee to recommend approval of Hannah Tjaden's application. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #21 carried.

Motion out of committee to recommend approval of Brandi Hayes application. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #22 carried.

Motion out of committee to recommend approval of Liwei He's application. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #23 carried.

The committee discussed Firm Mobility. ED Sweetwood overviewed his thoughts and indicated the concept of Firm Mobility is close the same place that individual mobility was in 2010 with about half of the State Boards adopting the provision. It was recommended to continue the discussion during the Central Region break-out session at the NASBA Western Regional meeting. Staff will keep committee informed of any developments.

B. Ratification of initial permits to practice issued, certificates issued, firm permits.

Moved by Luth, seconded by Purcell to approve initial permits to practice issued, certificates issued, firm permits issued from November 8, 2019 – January 8, 2020. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, and Kanger voted aye. Member Ruff abstained. Motion #24 carried.

C. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.

Moved by Luth, seconded by Waltemath to approve Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates from November 8, 2019 – January 8, 2020. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #25 carried.

Reinstatements:

- Mikaela Davis – Lincoln, NE
- Shelby Kolling – North Platte, NE
- Niki Muller – Lincoln, NE
- Karen Peppmuller – Lincoln, NE
- Lindsay Tworek – Bennington, NE

Inactive - Retired affidavits:

- David Emry – Omaha, NE
- Gerald Hansen - Omaha, NE
- Lisa Jaskey – Arkadelphia, AR
- Christine Offutt – Annandale, VA

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- Richard Petersen – Downers Grove, IL
- Dehn Renter – Grand Island, NE
- Larry Tennison – Bennington, NE

Surrendered Certificates:

- John Snowden III – Neptune, NJ

11. Report of the Executive Director

- A. Board Budget Status.** – The budget was discussed under item #3-C. No further comment.
- B. Staffing & General Office Issues.**

12. New Business

- A. NASBA Items:**
- B. Other Miscellaneous Items: FYI articles**

13. Adjournment

Moved by Kanger, seconded by Purcell to adjourn the meeting at 12:58 p.m. on January 10, 2020. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #26 carried.

Respectfully submitted by,

Board Secretary
Marcy Luth