

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

Minutes
March 15, 2024

Draft Minutes. Minutes are not approved until the next Board meeting on May 9, 2024.

Friday, March 15, 2024

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:34 a.m. on Friday, March 15, 2024, with Chair Melissa Ruff presiding. The roll was called with the following members present: Melissa Ruff, Christi Olsen, Mark Manning, Sarah Borchers, Drew Blossom, and Donald Neal. Also present were Executive Director Dan Sweetwood and staff member Kristen VanWinkle. Members Jeff Kanger, Amy Holzworth, and staff member Heather Myers were absent. The meeting was held at the Board Office, 1526 K Street, in the Red Willow Room, Lincoln, Nebraska. Chair Ruff 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.
- B. Approval of Meeting Agenda for March 15, 2024.** Moved by Olsen, seconded by Blossom, approve the agenda for the March 15, 2024 meeting with an amendment to the months on item 3B. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, and Blossom voted aye. Member Neal abstained. Members Kanger and Holzworth were absent. Motion #1 carried.
- C. Approval of Minutes from January 12, 2024.** Moved by Borchers, seconded by Olsen, to approve the January 12, 2024 Board minutes with one correction to the time member Olsen arrived to the meeting. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, and Blossom voted aye. Member Neal abstained. Members Kanger and Holzworth were absent. Motion #2 carried.

2. Public Comment Period (15-minute period)

- A. 8:45 a.m. – Ms. Joni Sundquist, NE Society of CPAs President – Ms. Sundquist updated the Board on the following items:**
- Busy planning CPE for this year and finalizing plans and speakers for all conferences. In addition to traditional in-person conferences, they continue to offer thousands of online courses and additional online-only conferences. They have finalized the setup of OnDemand courses, which required a substantial amount of behind-the-scenes work with their website provider and database provider, particularly in light of the fact that OnDemand courses require them to collect taxes on those courses. Those courses are now live and will find 140 individual OnDemand courses as well as an Annual Unlimited Subscription available.
 - Also trying to finalize the members of their 11 committees for the coming year, which begins April 1.

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- LB 854 – Signed by the Governor – allowing CPA candidates to sit for the exam with 120 hours of qualifying college credit and a bachelor’s degree. Thanks to State Board and those who served on the 2023 CPA Exam Task Force to help make this happen – Chair Ruff, Vice Chair Kanger, and Education & Exam Committee Chair Borchers. ED Sweetwood, again, stressed this was another example of the Society and the State Board working together including the creation of the Task Force to address important issues. He acknowledged the Task Force and Chair Ruff for her testimony before the BCI Committee of the Legislature in support of LB 854.
- Still waiting for the Revenue Committee to release its tax package. It appears the taxation of business-to-business accounting services is likely to be a part of that package as the Governor tries to shrink property taxes by 40%.
- The Society is participating in the “No New Taxes Nebraska” coalition, which was formed to fight the Nebraska EPIC Option Consumption Tax Act.
- LB 16 – Occupational Licensing Bill – CPAs are specifically excluded from this legislation. ED Sweetwood provided some history of the work to keep the CPA profession out of some of the provisions within LB 16. Staff will continue to monitor LB 16 provisions going forward.
- LB 43 - Require hearing officers and judges to interpret statutes and regulations to limit agency power and maximize individual liberty – under Enrollment & Review – may affect the State Board. ED Sweetwood indicated he would consult with the Board Attorney and the AGO office on LB 43 going forward.
- The Society wrote a Commentary in response to the State Auditor’s comments in an article in the NE Examiner, entitled “Independence is a cornerstone of the auditing profession,” which was published on March 1.

** New member Donald Neal was sworn in. See agenda item 4B.

3. Consent Agenda

- Published Notice of Meeting for January and March 2024.** Moved by Olsen, seconded by Borchers, to approve the consent agenda excluding the ratification of Program Qualification Evaluations. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #3 carried.
- Approval of Disbursements for January and February 2024.** Secretary Olsen overviewed the disbursements for the Board reporting no unusual activity for the period.
- Review of Board Budget Status Report.** Secretary Olsen reported on several items. It is the middle on the fiscal year with no significant items were noted.
- Ratification of Staff Program Qualification Evaluations.** The CPE Committee reviewed 66 courses from January - February 2024 with 66 courses recommended for

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Board approval and none denied. Motion out of committee to ratify Board approval of 66 courses. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #15 carried. The CPE Committee also recommends approval of a medical waiver request for #W001.

- E. Ratification of CPE Sponsor.** Lutz & Company
- F. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.**

Reinstatements:

- Jeffrey Albrecht – Omaha, NE
- Alisa Krueger – Elkhorn, NE
- Andrea Marshall – Omaha, NE
- Donna Starzec – Columbus, NE
- Clarence “Fred” Weber – South Sioux City, IA

Inactive - Retired affidavits:

- Lisa Braasch – Fremont, NE
- John Curry – Savannah, GA
- Jane Hartman – Columbus, NE
- David Harris – Omaha, NE
- Daniel Hassel – Omaha, NE
- Susan Lepert – Plattsmouth, NE
- Roxanne Pfeifer – Plattsmouth, NE
- Deidre Reed – Port Charlotte, FL
- William Samson – Waterloo, NE

Surrenders:

- Tammy Erickson – Spokane, WA

4. Report of the Chair

- A. Report of the Chair.** Chair Ruff gave the report.
- B. Swear in New Board Member, Donald Neal Jr.** Mr. Neal was sworn in by Chair Ruff and welcomed to the Board after being appointed by Governor Jim Pillen to serve a four-year term. He holds one of the two public member positions.
- C. NASBA Professional Licensure Task Force Update and Discussion.** Another webinar was held on March 8th to update stakeholders on the progress of the task force. The feedback received by the task force indicates the majority of states, including Nebraska, wanted the task force to continue researching the possibility of a new pathway to licensure. They are calling it a Structured Professional Program (SPP)

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that is under initial discussions of the Task Force and would require a CPA firm to oversee a program of learning for a Candidate. More information to come on this initiative.

- D. Attendance at NASBA ED and Staff Conference – March 25-27, 2024 – Nashville, TN.** The Board approved Executive Director and both staff members to attend the NASBA ED and Staff Conference at the January Board meeting due to it being deemed essential travel based on the conference being held in Nashville, the Headquarters for NASBA. It was stressed that since the meetings were being held at NASBA Headquarters with the agenda including the ability for staff to meet and interact with NASBA staff this would be an excellent opportunity for all staff members to attend.
- E. 2024 NASBA Regional Meeting – June 25-27, 2024 – Omaha, NE.**
- F. Review Board Calendar/May Meeting Logistics.** Staff is working with member Borchers to have the May 2024 Board meeting on campus at University Nebraska-Kearney.

Closed Session

Closed Session. Moved by Blossom, seconded by Borchers, that the Board go into closed session at 10:21 a.m., on Friday, March 15, 2024, for the purpose of discussing 9 enforcement cases to protect the public interest and/or prevention of needless injury to individuals. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #4 carried.

Prior to going into closed session, Chair Ruff restated the limitation of the closed session, which was to discuss 9 enforcement cases, read the following statement:

“The Board may go into closed session for the purpose of discussion (no action) on matters involving litigation, personnel, disciplinary matters/enforcement, or matters regarding which the subject matter is otherwise protected under statutory law.

The Board may go into closed session on its own motion; however, it must approve a motion to go into closed session and another one to return to open session. The time in which the Board goes into and comes out of closed session is to be noted in the minutes, and the motion must be passed by a majority vote. The motion to go into closed session must contain the subject matter and reason requiring the closed session.

Prior to closed session, the Board Chair will restate the limitation of the subject matter that may be discussed in closed session and such restatement shall be noted in the minutes. No action items will be voted upon in closed session.”

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Return to Open Session. Moved by Blossom, seconded by Borchers, that the Board return to open session at 10:38 a.m., on Friday, March 15, 2024. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #5 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. Open Case/LMCO Update.** The Board was updated on case #24-01. Due to the required knowledge of certain standards and guidelines, it is recommended an investigating officer be appointed to this matter. This is allowed per Title 288-Chapter 4-006.01. Motion out of committee to appoint an investigating officer to review the information provided in case #24-01 per Title 288-Chapter 4-006.01. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #9 carried.
- B. Ratification of LMCOs, if any** – No update.
- C. Recommended Cases to Close** –
- 12-01** - *The Omaha World Herald reported the CPA was the subject of two felony counts of enticing a minor with a computer.*
The Board discussed case #12-01. Due to the individual satisfying the requirements set within a previously issued Consent Order by the Board to return the individual's certificate to good standing, it is recommended to close this case. Motion out of committee to close case #12-01. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #6 carried.
- 23-03** - *Complainant alleges CPA firm mishandled her tax records that could put her at risk of identity theft and after attempting to assist initially they have not communicated well or offered to secure identity theft protection for her.*
The Board discussed case #23-03. Due to the firm's cooperation in providing responses to the Board and the complainant, it is determined no further action is necessary and it is recommended to close this case. Motion out of committee to close case #23-03. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #7 carried.
- 23-11** - *The national firm was sanctioned by the PCAOB for violating provisions of independence and failed to make certain required communications with the audit committee. The firm was fined, censured, and required to take remedial actions.*
The Board discussed case #23-11. Due to response from the firm that no Nebraska CPAs or clients were involved in the matter, it is recommended to close this case. Motion out of committee to close case #23-11. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #8 carried.

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6. Report of the Licensing Committee

- A. Report of the Committee.** Member Ruff gave the report in Committee Chair Holzworth's absence. The committee discussed four Business, Governmental & Academia (BGA) experience applications, with the committee requesting additional information on one of the applications. Motion out of committee to recommend approval of Tyler Shields' application. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #10 carried. Motion out of committee to recommend approval of Tyler Grubb's application. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #11 carried. Motion out of committee to recommend approval of Cera Mitchell's application. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #12 carried. The committee discussed two firm name requests, with the committee providing feedback to the firm on one of the requests. Motion out of committee to recommend approval of the firm name SVAR LLC. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #13 carried.
- B. Ratification of initial permits to practice issued, certificates issued, firm permits.** Moved by Blossom, seconded by Borchers, to approve initial permits to practice issued, certificates issued, firm permits issued from January 12 – March 14, 2024. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #14 carried.

7. Report of Continuing Professional Education (CPE) Committee

- A. Report of the Committee.** Committee Chair Olsen gave the report. The committee discussed CPE Reciprocity in comparison to other states. Due to Nebraska having high compliance and a high audit pass rate, it is recommended to not make any changes to current rules. This will continue to be monitored.

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

- A. Report of the Committee.** Committee Chair Borchers gave the report. The committee received an update on the status of the Credit Relief Initiative. All candidates who requested relief have been notified by NASBA of their approval and the score expiration dates have been extended in Gateway. They also reviewed a course request from Creighton University. While the course was deemed acceptable, a follow-up conversation with the Education Advisory Committee is recommended regarding the number of internship hours accepted.

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9. Report of the Legislative Committee

- A. **Report on Proposed Legislation:** ED Sweetwood gave the report.
 - 1. **Public Accountancy Act Draft – Amendments regarding hours to sit for the CPA Exam.** LB854 was signed by Governor Pillen on March 12, 2024.
- B. **Compliance with LB867 (Index Updates/Policy Changes).**
- C. **2022-2023 Rule Project Status.** ED Sweetwood updated the Board noting we are pending approval/comments from GPRO. Status continues to be monitored.

10. Report of the Peer Review Committee

- A. **Report of the Committee – Chair Manning gave the report.**

The committee had their annual Peer Review committee meeting and received updates from AICPA, Nevada Society of CPAs, and Board staff on the status of firms participating in Peer Review in Nebraska. Additionally, updates were provided regarding those firms under further review of the Committee and those referred to the Enforcement Committee for follow up. Motion out of committee to recommend the Board adopt the AICPA Peer Review Program as the Sponsoring Organization for 2024. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #16 carried.

11. Report of the Executive Director

- A. **Budget Status.** ED Sweetwood updated the Board on the status of the Budget under 3.C.
- B. **Thentia Database Update –** ED Sweetwood updated the Board on the status of the Thentia project. The project has ended due to previous concerns of deliverables and the contract up for renewal in 2024. Staff is working with Carahsoft (the third-party provider) regarding refunds and another possible solution.
- C. **Staffing & General Office Issues –** New chairs for the office are being considered to replace the current, older ones.
 - 1. **Meeting & Hearing Room Update.**

12. New Business

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

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13. Adjournment

Moved by Olsen, seconded by Blossom, to adjourn the meeting at 11:40 a.m. on March 15, 2024. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Neal voted aye. Members Kanger and Holzworth were absent. Motion #17 carried.

Respectfully submitted by,

Board Secretary
Christi Olsen