

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY  
Hawks Hall, 730 N 14<sup>th</sup> St., University of Nebraska-Lincoln, Lincoln, Nebraska

Minutes  
May 22, 2019

**Draft Minutes. Minutes are not approved until the next Board meeting on 07-12-19.**

**Wednesday, May 22, 2019**

**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 Wednesday, May 22, 2019 with Chair Lori Druse presiding. The roll was called with the following members present: Lori Druse, Tom Purcell, Marcy Luth, Michele Stromp, Mike McClure, Glen Waltemath, Ken Brauer, and Jeff Kanger. Also present were Executive Director Dan Sweetwood, staff members Heather Myers and Kristen VanWinkle, and Board intern Riley Birdzell. The meeting was held at Hawks Hall, 730 N 14<sup>th</sup> St, at the University of Nebraska-Lincoln, Lincoln, Nebraska. Chair Druse 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, Kelly Ebert, Nebraska Society of CPAs Vice President, Dan Dustin, NASBA Vice President of State Board Relations, and Dr. Aaron Crabtree, UNL School of Accountancy Director
- B. Approval of Meeting Agenda for Wednesday, May 22, 2019.** Moved by Luth, seconded by McClure, to approve the agenda for the Wednesday, May 22, 2019 meeting. On a roll call vote, Members Druse, Purcell, Luth, Stromp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #1 carried.
- C. Approval of Minutes from March 15, 2019.** Moved by Waltemath, seconded by Stromp, to approve the March 15, 2019 Board minutes. On a roll call vote, Members Druse, Purcell, Luth, Stromp, Waltemath, and Brauer voted aye. Members McClure and Kanger abstained. Motion #2 carried.

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

**Joni Sundquist, President of Nebraska Society of CPAs** – Joni overviewed her trip in Washington, DC. She said a lot of good work is being done there. Kelly is busy with CPE.

**Dan Dustin, NASBA Vice President of State Board Relations** – Dan overviewed some topics currently being worked on, such as: updating the UAA on the experience requirement, revising CPE, roll-out of the CPE audit tool, anti-regulatory coalition, evolution of CPA, and crypto-currency.

**3. Consent Agenda**

- A. Published Notice of Meeting.** A copy of the published meeting notice was provided to the Board.
- B. Review of Disbursements for March and April 2019.** The Disbursement report for March and April 2019 will be deferred to the July Board meeting.

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- C. **Review of Board Budget Status Report.** The Budget Status report will be deferred to the July Board meeting.

**4. Report of the Chair**

- A. **Report of the Chair.** Chair Druse gave the report. New Board Member, Jeff Kanger, was sworn in.
1. **Executive Committee Meeting Report** – Chair Druse indicated the committee met by telephone on April 30<sup>th</sup> and overviewed several items as noted in the minutes of the meeting passed out to members. ED Sweetwood noted that the budget bill was passed this week and has been sent to the Governor for his review. Chair Druse mentioned that we are looking for nominations to fill her seat as this is her last year on the Board. New leadership for the Board was discussed and will be determined at the July Board meeting to be in effect in September. Chair Druse mentioned that she approved ED Sweetwood to travel to Reno, NV for an important Peer Review meeting. Motion out of committee to approve ED Sweetwood's travel to Reno, NV for a meeting regarding the status of Peer Review as this was deemed essential travel. On a roll call vote, Members Druse, Purcell, Luth, Stomp, McClure, Waltemath, and Brauer voted aye. Member Kanger abstained. Motion #3 carried. Other updates were provided to the committee including the IT/Database project and several national issues. ED Sweetwood additionally overviewed his goals and accomplishments over the last year.
  2. **Review of Executive Director Performance and Salary** – Moved by Stomp, seconded by McClure, to approve a 3% salary increase for ED Sweetwood's commencing on July 1, 2019 based on performance with ESOP legislation, being active in national issues and work with submitting the new budget. On a roll call vote, Members Druse, Purcell, Luth, Stomp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #7 carried.
- B. **Review Board Calendar.** No changes made.

**Closed Session**

**Closed Session.** Moved by Stomp, seconded by Luth, that the Board go into closed session at 9:02 a.m., on Wednesday, May 22, 2019, for the purpose of discussing 14 enforcement cases and reviewing the Executive Director's performance to protect the public interest and/or prevention of needless injury to an individual. On a roll call vote, Members Druse, Purcell, Luth, Stomp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #4 carried.

**Return to Open Session.** Moved by Purcell, seconded by Brauer, that the Board return to open session at 9:42 a.m., on Wednesday, May 22, 2019. On a roll call vote, Members Druse, Purcell, Luth, Stomp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #5 carried.

**5. Report of Enforcement of Professional Conduct Committee**

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- A. **Open Case/LMCO Update.** Committee Chair Stromp gave the report.
- B. **Ratification of LMCOs, if any** - There were no LMCO's.
- C. **Recommended Cases to Close –**  
**#18-08** - Law Firm filed a letter of complaint against the CPA firm regarding their billing practices and not communicating properly with his client. The complaint focuses on the decision to end the relationship with the firm and the continued billing of the firm.  
Chair Stromp overviewed the case. Board staff has been in contact with the complainant's lawyer but have not received a response from the complainants themselves. Motion out of committee to close case #18-08. On a roll call vote, Members Druse, Purcell, Luth, Stromp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #6 carried.

**6. Report of Continuing Professional Education (CPE) Committee**

- A. **Report of the Committee.** Committee Chair Purcell stated the Committee did not meet.
- B. **Ratification of Staff Program Qualification Evaluations.** There were none to discuss.
- C. **Ratification of CPE Sponsor.** There were none to discuss.

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

- A. **Report of the Committee.** Committee Chair Luth gave the report.  
EAC member, Courtney Baillie, visited the Lincoln exam site as a secret shopper and attended the call to overview her experience. Staff will visit the other exam sites in the Fall. The UNK issue regarding a Business Law course be counted within the 30 hours of upper-level accounting courses has been resolved. This course should only count toward the 36 hours of general business. NASBA has been contacted and has updated their procedures. Rule changes for chapters 6 and 9 are ready for the hearing in July.
- B. **Approval of Exam Scores from January 1 – March 10, 2019, if available –** Chair Luth noted that the exam scores for Q1-2019 were a little lower than usual. Moved by Luth, seconded by Purcell, to accept the January 1 – March 10, 2019 exam scores. On a roll call vote, Members Druse, Purcell, Luth, Stromp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #8 carried.

**8. Report of the Legislative Committee**

- A. **Report on Legislation:** ED Sweetwood gave the report.
  - 1. **LB867 – Index Updates/Policy Changes:** There were no updates or new policies.
  - 2. **2019 Rule Package Discussion:** ED Sweetwood stated regulations and governor statements have been drafted for Chapter 9 – Education and Chapter 6 – Continuous Testing. Working on completing the draft for Chapter 11 – ESOP Ownership. Looking to the July meeting to have public hearings on the proposed changes.

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**9. Report of the Peer Review Committee**

- A. **Report of the Committee.** Chair McClure gave the report. He overviewed recent events of the NASBA Compliance Assurance Committee (CAC) and current discussions of the AICPA Peer Review Program including proposed changes to the program. One area of concern is the continued proposal to not allow State Board members or their staff to act as a Peer Review Oversight Committee (PROC) as some Boards utilize these members in this role.
- B. **ED Sweetwood's Visit to Nevada Society** ED Sweetwood overviewed his visit to the Nevada Society of CPAs in Reno, NV on May 8<sup>th</sup>. Boards that utilize the NV Society as their administering entity for Peer Review also attended including Utah, Idaho, Nevada, and Wyoming along with members of the AICPA Peer Review Program and NASBA attended the meeting. He reported excellent discussion at the meeting including a summary of the administrative data of the program and the number of firms registered by each State Board were provided. Other issues including the reporting of status of firms within the program were covered with additional research that could lead to additional administrative data provided to State Boards. All agreed the meeting was beneficial and should be held on an annual basis.

**10. Report of the Licensing Committee**

- A. **Report of the Committee.** Committee Chair Druse gave the report.  
The committee discussed two Business, Governmental & Academia (BGA) experience applications.  
Motion out of committee to recommend approval of Megan McClaren's application. On a roll call vote, Members Druse, Purcell, Luth, Stomp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #9 carried.  
Motion out of committee to recommend approval of Kristina Oria's application. On a roll call vote, Members Druse, Purcell, Luth, Stomp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #10 carried.  
The committee discussed one initial permit application in which the applicant answered one of the disclosure statements incorrectly. The applicant checked "no" to ever being in violation of a court order. Through staff investigation/review, it was determined that they are currently in violation of a court order. The committee advised not to issue the permit as the applicant is in direct violation of Chapter 6. The committee advised staff to direct the applicant to take care of the court order and write a letter to the committee addressing why the disclosure question was answered incorrectly.  
The committee discussed a firm application for "Just Numbers, LLC". The committee discussed that this name is similar to some declined in the past that seem to say that accounting is easy. Motion out of committee to initially decline the firm name as it misleads that accounting is simple. On a roll call vote, Members Druse, Purcell, Luth, Stomp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #11 carried.
- 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 March 15 – May 20, 2019. On a roll call

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vote, Members Druse, Purcell, Luth, Stomp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #12 carried.

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

Moved by Luth, seconded by McClure, to approve Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates from March 15 – May 20, 2019. On a roll call vote, Members Druse, Purcell, Luth, Stomp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #13 carried.

Reinstatements:

- Kevin Harford – Lincoln, NE

Inactive - Retired affidavits:

- Larry Austin – Ames, IA
- Ted Batchelder – Greensboro, NC
- Kathleen Daniel – Winston-Salem, NC
- Philip Dawson – Fremont, NE
- Ronald Ecklund – Henderson, NV
- John Fruhwirth – Fort Collins, CO
- Chriss Gigliotti – Covington, WA
- Leonard Kewin – Omaha, NE
- Russell Loewenstein – Waterloo, NE
- Naomi Morrison – Lincoln, NE
- Laurie Tietjen – Lawrence, KS
- Sinda White – Omaha, NE
- Richard Anderl – Omaha, NE
- Susan Chadwick – Fort Calhoun, NE
- Kim Kujath – Lincoln, NE
- Rita Scott – Kansas City, MO
- Bill Windhorst – Omaha, NE

Surrendered Certificates:

- Joseph Martello – Hauppauge, NY
- Bridget Miller – Knoxville, TN
- Jeanette Smith – Rapid City, SD
- Wei Zeng – Yankton, SD

**11. Report of the Executive Director**

- A. Budget Status.** ED Sweetwood noted that the budget bill was passed this week and has been sent to the Governor.
- B. Staffing & General Office Issues.** Online renewals are open and working well. Staff stated around 40% of renewals have been received thus far.

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**12. New Business**

**A. NASBA Items:**

**1. CPA Exam Practice Analysis – Request for Access to Licensee Info – ED**

Sweetwood indicated the Board approved Accountancy Licensing Database (ALD) information be used in 2016 to assist the practice analyst. Moved by Purcell, seconded by Stromp, to give permission to sign the authorization form for practice analysis. On a roll call vote, Members Druse, Purcell, Luth, Stromp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #14 carried.

**B. Other Miscellaneous Items: FYI articles**

**10:30 a.m. – Panel Discussion: What is the Future of the CPA Profession?**

The Nebraska Board of Public Accountancy, the UNL School of Accountancy, and the Nebraska Society of CPAs hosted a panel discussion regarding the future of the CPA profession. The panel was moderated by Aaron Crabtree, Ph.D., from the UNL School of Accountancy. Panel members included: Tom Purcell, CPA, Ph.D. from Creighton University, Marcy Luth, CPA from AMGL, Michele Stromp, CPA from KPMG, Dave Swan, CPA from SP Group, and Dan Dustin, CPA from NASBA. Those in attendance were offered 2 hours of CPE. Over 30 people were in attendance.

Some questions that were discussed:

- What will the profession look like in the future?
- How will new technology impact the profession?
- What will and should the CPA Examination test for in the future?
- How can CPA firms react to the anticipated change?

Most agreed the profession is changing rapidly and the need for additional information technology, data analytic skills, and system and organizational controls are just a few examples of the expanding knowledge future CPAs will need. The wide ranging discussion included input from the audience and questions to panel members. It is anticipated an audio recording of the discussion will be available in the future.

**13. Adjournment**

Moved by Purcell, seconded by Stromp, to adjourn the meeting at 12:51 p.m. on May 22, 2019. On a roll call vote, Members Druse, Purcell, Luth, Stromp, McClure, Waltemath, Brauer and Kanger voted aye. Motion #15 carried.

Respectfully submitted by,

Board Secretary  
**Marcy Luth**