

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

Minutes
May 21, 2021

Draft Minutes. Minutes are not approved until the next Board meeting on July 9, 2021.

Friday, May 21, 2021

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:38 a.m. on Friday, May 21, 2021 with Chair Tom Purcell presiding. The roll was called with the following members present: Tom Purcell, Marcy Luth, Melissa Ruff, Glen Waltemath, Ken Brauer, Mark Manning, and Christi Olsen. Member Jeff Kanger was absent. Also, present were Executive Director Dan Sweetwood and staff members Kristen VanWinkle and Heather Myers. The meeting was held at the Board Office, 1526 K Street, in Suite 4D, Lincoln, Nebraska. Chair Purcell 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 were Joni Sundquist, Nebraska Society of CPAs President, Lori Druse, CPA, and Bill Austin, Special Counsel, Blake Austin Law. Robert Gruit, Board Attorney, was present via telephone.
- B. Approval of Meeting Agenda for May 21, 2021.** Chair Purcell recommended the agenda be modified to accommodate the Enforcement Committee and presentations by the Board Attorney and Special Counsel. Moved by Luth, seconded by Waltemath, to approve the agenda for the May 21, 2021 meeting. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #1 carried.
- C. Approval of Minutes from March 12, 2021.** Moved by Ruff, seconded by Waltemath, to approve the March 12, 2021 Board minutes. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #5 carried.

2. Public Comment Period (15-minute period)

Joni Sundquist, President of Nebraska Society of CPAs – Ms. Sundquist overviewed several bills which were approved. She noted LB369 passed allowing the Nebraska Auditor of Public Accounts the authority to access CPA's work papers. Also, she noted Kansas passed a universal licensing bill which included CPAs. ED Sweetwood indicated the Board will continue to monitor this issue as LR 191 was filed in the Legislature to study universal licensing in Nebraska. Their new website has now gone live with several new features. The Annual Fall Conference will be live this year. The CPE Catalog has been sent out to all their members. The 3rd Leadership Academy is approaching. They are going to try a hybrid method where some participate in-person and other virtually. She provided an update on the CPA Ownership Task Force (see update under agenda item 4B).

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

Minutes
May 21, 2021

Closed Session

Closed Session. Moved by Ruff, seconded by Olson, that the Board go into closed session with the Board Attorney and Special Counsel at 9:09 a.m., on Friday, May 21, 2021, for the purpose of discussing enforcement case #s 20-02 A, B, C, D, E, and F to protect the public interest and/or prevention of needless injury to individuals. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger attended via telephone however did not vote. Motion #2 carried. Members Purcell, Luth, and Waltemath recused themselves from the discussion.

Prior to going into closed session, Chair Purcell restated the limitation of the closed session which was to discuss enforcement case #s 20-02 A, B, C, D, E, and F, and 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.”

Return to Open Session. Members Purcell, Luth, and Waltemath returned. Moved by Ruff, seconded by Brauer, that the Board return to open session at 9:56 a.m., on Friday, May 21, 2021. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger and Board Attorney Gruit no longer present via telephone. Motion #3 carried. No further action was taken on the enforcement cases due to the lack of a quorum.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by Luth, seconded by Waltemath, to approve the consent agenda. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #6 carried.
- B. Approval of Disbursements for March and April 2021.** Secretary Ruff overviewed the disbursements for the Board.
- C. Review of Board Budget Status Report.** It was noted that per diems were lower due to the cancellation of the March and November 2020 Board meetings. Conference registration and all travel expenses are down due to no travel in 2020. Other Contractual Services is lower due to letting the intern go due to COVID. Income in the

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

1526 K Street, Suite 410, Lincoln, NE

Minutes
May 21, 2021

prior year is up due to more late active renewals in July. Data processing and equipment is higher than in the prior year due to the purchase of the three laptops and work completed from the OCIO's office.

4. Report of the Chair

- A. Ms. Lori Druse, CPA – Board Awards.** Former Member Druse was honored for her service on the State Board for eight years including two as Board Chair. Chair Purcell presented her with her service award and the below Resolution was presented to her read into the record. Moved by Olson, seconded by Luth, to adopt the resolution. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #4 carried.

WHEREAS, Lori J. Druse, CPA, served as a Member of the Nebraska State Board of Public Accountancy from 2011 to 2019; and

WHEREAS, Lori J. Druse, during her term as Member of the Board, became Chair for two-years after serving as Vice-Chair for four years and Secretary for one year. Also, she quickly became Chair of the Licensing Committee which she capably led for seven consecutive years. A true leader and innovator on many projects and issues that arose during her tenure. She was part of initiatives to change the Public Accountancy Act and Board Regulations, including the experience requirement to become a CPA, the requirements to sit for the Uniform CPA Examination, and forms of ownership of CPA firms. These initiatives required thoughtful, steady leadership with direction to research an issue to determine the best course of action. Although leading a very busy life as a wife, mother, and audit director of a large firm, she always offered assistance to her fellow Board members, staff, and NASBA when asked. She guided and directed the activities of the State Board as:

2011-2012	Member of the Licensing Committee Member of the QEP Committee	2015-2016	Vice Chair of the Board Chair of the Licensing Committee Member of the QEP Committee Member of the Legislative Committee
2012-2013	Secretary of the Board Chair of the Licensing Committee Member of the QEP Committee	2016-2017	Vice Chair of the Board Chair of the Licensing Committee Member of the QEP Committee Member of the Legislative Committee
2013-2014	Vice Chair of the Board Chair of the Licensing Committee Member of the QEP Committee Member of Legislative Committee	2017-2018	Chair of the Board Chair of the Licensing Committee Member of the Peer Review Committee Member of the Legislative Committee
2014-2015	Vice Chair of the Board Chair of the Licensing Committee Member of the QEP Committee Member of Legislative Committee	2018-2019	Chair of the Board Chair of the Licensing Committee Member of the Peer Review Committee Member of the Legislative Committee

THEREFORE, THE MEMBERS OF THE NEBRASKA STATE BOARD OF PUBLIC ACCOUNTANCY gratefully record their recognition of service of **Lori J. Druse, CPA** adopting the following Resolution:

BE IT RESOLVED, that the Members of the Nebraska State Board of Public Accountancy extend their sincere appreciation to **Lori J. Druse** for her service as a Member of the Nebraska State Board of Public Accountancy.

BE IT FURTHER RESOLVED, that a copy of this Resolution be incorporated into the minutes of the Board, and further that a copy of this Resolution be presented to her.

- B. Small Firm Ownership Task Force Update/ Nebraska Society of CPAs – Vice Chair** Luth gave the update as the Vice Chair of the Task Force representing the State Board along with Member Purcell. The Task Force met on May 5, 2021 to discuss the

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

1526 K Street, Suite 410, Lincoln, NE

Minutes
May 21, 2021

results of the NASBA quick poll and possible options/impacts of any changes made to the firm ownership provisions, including concerns regarding rural communities and small firms. One change that was considered is removing the “total number of owners” requirement and just have a simple majority of equity percentage owned by CPAs. It was recommended by the Task Force to introduce this idea to the full State Board for discussion. There was a question regarding voting rights and if that would also be limited to at least 51% CPA held. Another concern was if a non-CPA owner performed bad work and if the State Board could take action against the firm. This feedback will be taken back to the Task Force. Any potential changes will require a change to the Public Accountancy Act (PAA) and will be introduced to the Legislature by the Nebraska Society of CPAs. If a change to the PAA is approved, subsequent changes to Title 288 – Rules and Regulations will need to be submitted by Board staff.

- C. **Ch. 5 Code of Conduct Task Force Update** – Chair Purcell gave the update as the Chair of the Task Force. The Task Force will meet on June 2, 2021 and will discuss the State Board’s current Rules of Professional Conduct in Chapter 5 versus the AICPA’s Code of Conduct. The charge of the Task Force is to determine if any changes need to be made to Chapter 5 to modernize them or if the AICPA’s Code of Conduct should be adopted.
- D. **NASBA/AICPA CPA Evolution Model Curriculum webinar – June 15-16, 2021** – Chair Purcell indicated he has participated on an Education Task Force to address the Evolution Model and the webinar is informational and more directed toward educators. Impacts to the State Board include the need to discuss requirements within Chapter 9 Education Requirements and to the Educational Guidelines document.
- E. **Attendance at NASBA Regional Meeting, June 22-23, 2021 – Virtual Meeting** – Registration information will come out soon. The new Board member orientation will be held on June 8, 2021 and will be virtual, as well. Members Olsen and Manning indicated they plan on attending the orientation.
- F. **Review Board Calendar.** No updates to the Board calendar.

Closed Session

Closed Session. Moved by Ruff, seconded by Luth, that the Board go into closed session with 11:08 a.m., on Friday, May 21, 2021, for the purpose of discussing 8 enforcement cases to protect the public interest and/or prevention of needless injury to individuals. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #7 carried.

Prior to going into closed session, Chair Purcell restated the limitation of the closed session which was to discuss 8 enforcement cases and 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

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

Minutes
May 21, 2021

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.”

Return to Open Session. Moved by Ruff, seconded by Brauer, that the Board return to open session at 11:20 a.m., on Friday, May 21, 2021. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #8 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. Overview of Cases #20-02 A-F/ Special Counsel and Board Attorney.** Discussed in Closed Session. No further action was taken due to the lack of a quorum.
- B. Open Case/LMCO Update.** Committee Chair Ruff gave the report.
- C. Ratification of LMCOs, if any –** There were none.
- D. Recommended Cases to Close –**
#20-05 - Board office received a letter from a CPA concerned a person is holding out as a Nebraska CPA while employed in a financial firm. Records indicated the person is not a CPA in Nebraska.
The Board discussed case #20-05. The out of state CPA was cooperative and the financial firm’s website was updated by removing any reference to the out of state CPA. The EC determined no further action is needed and the matter should be closed. Motion out of committee to close case #20-05. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #9 carried.

6. Report of Continuing Professional Education (CPE) Committee

- A. Report of the Committee.** Committee Chair Purcell gave the report. The committee reviewed 3 reinstatements and determined they be forwarded to the Licensing Committee. Staff Myers updated the committee on the status of the CPE audit due June 1, 2021. Staff Myers received a CPA waiver request after the committee meeting which was brought up for discussion at this time. The CPA was ill with COVID-19 and was unable to attend enough CPE courses to meet the required hours. Moved by Waltemath, and seconded by Ruff, to approve this request to waive the remaining CPE hours due for this CPA due to COVID-19. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #12 carried.
- B. Ratification of Staff Program Qualification Evaluations.** The committee reviewed a total of 41 courses from March 1 – April 30, 2021 with 41 courses recommended for Board approval and none denied. Motion out of committee to ratify Board approval of

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

1526 K Street, Suite 410, Lincoln, NE

Minutes
May 21, 2021

41 courses. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #10 carried.

- C. **Ratification of CPE Sponsor.** The committee reviewed one sponsorship request from CPE247.com. Motion out of committee to approve CPE Sponsorship to CPE247.com. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #11 carried.

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

- A. **Report of the Committee.** Committee Chair Luth gave the report. The committee discussed a follow-up item regarding a financial statement analysis course being used to satisfy hours towards the upper-level accounting requirement. Currently, this course is being approved on a case-by-case basis. The committee discussed if the course should be moved to the pre-approved course list. Additional information will be gathered for the July meeting, but at this time, this course will remain requiring approval on a case-by-case basis. Staff updated the committee on the status of Prometric testing sites. The Omaha site is still looking for a permanent site. NASBA does not allow for the CPA exam to be held at a temporary site. ED Sweetwood updated the Board regarding Prometric reviewing test site locations to determine if some sites could be closed. The committee was provided two letters informing the Board of a small increase to the Prometric fee which will be implemented for Nebraska on August 7, 2021. The committee discussed holding the next Education Advisory Committee (EAC) meeting after the NASBA/AICPA CPA Evolution Model Curriculum webinar on June 15-16, 2021.
- B. **Approval of Exam Scores from January 1 – March 31, 2021, if available –** Chair Luth updated the Board that the exam scores were not available at this time due to a technological issue with NASBA's reporting tool. Staff is monitoring the issue.
- C. **NASBA Evolution Video.** This item was informational if anyone was interested in watching it at a later time. The video covered the *Accounting Program Curriculum Gap Analysis* report. Pat Hartman will be asked to join the next committee call to overview this report.

8. Report of the Legislative Committee

- A. **Report on Proposed Legislation:** ED Sweetwood gave the report.
- B. **LB83 – Public Meetings Law Amended.** The amendment allows for meetings to be held virtually. Still need to review the logistics of the change. It was questioned how much notice the public would need if a meeting was changed from in-person to virtual.
- C. **LR116 – Legislative Committee Review of Public Accountancy Act.** This review is generated from LB299 enacted in 2017 and is to be completed once every 5 years. This is the Board's first review. Could result in a hearing this Summer to explain the Board's licensure requirements and why the Board exists. An initial meeting was held with the counsel for the Banking, Commerce & Insurance Committee of the Legislature who will conduct the review.

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

Minutes
May 21, 2021

- D. **Compliance with LB867 (Index Updates/Policy Changes).** No updates at this time.

9. Report of the Peer Review Committee

- A. **Staff Update** – Staff Myers updated the Board regarding the status of firms notifying us of their status in Peer Review. 200 letters were mailed out with 133 responses already received. None of which informed us of a failed Peer Review. Firms have until May 31, 2021 to send in their response. ED Sweetwood explained the enforcement process in place for firms who fail a Peer Review. He also emailed the committee a copy of this year's annual report from the AICPA Peer Review Board.
- B. **September Meeting for States Utilizing Nevada Society of CPAs Peer Review Program.** ED Sweetwood will attend a meeting in September with the other Executive Directors whose states are supported by the Nevada Peer Review program.

10. Report of the Licensing Committee

- A. **Report of the Committee.** Committee Chair Brauer gave the report.
The committee discussed two Business, Governmental & Academia (BGA) experience applications.
Motion out of committee to recommend approval of Jacob Richardson's application. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #13 carried.
Motion out of committee to recommend approval of Amy Willman's application. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #14 carried.
ED Sweetwood updated the committee on two applications, which incorrectly answered the disclosure question regarding being charged or convicted of a felony. Both applicants answered the question "no". Through staff review, it was found both applicants were charged with a felony for 3rd DUI. However, both charges were reduced to misdemeanors. Both applicants submitted letters to the Board office explaining the situation and correcting the answer to the question. The Board Attorney reviewed this question many times in the past and added "charged" a few years ago. There were a couple suggestions by the committee and Board on how to make the question clearer. Staff will review those suggestions with new Board Attorney Titus. Board Attorney Titus joined the committee call to discuss the Firm Name guidelines. Staff will generate two lists of firm names reviewed by the committee (one for approved names and one for non-approved names) for the July meeting.
The committee was updated on the CPA Ownership Task Force (see update under agenda item 4B).
Staff updated the committee regarding the creation of an online form for those applying for an initial permit to practice. The form was implemented and several have been received so far. Additional online forms for Certificates of Registration have been created. This will reduce the amount of mail and checks received by the Board office. As well as, assist with the goal of being a paperless office. Staff will demo the forms at the July Board meeting.

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

Minutes
May 21, 2021

Staff also updated the committee on the status of 2021 renewals, which are going well.

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

Motion out of committee to recommend approval of the initial permits to practice issued, certificates issued, firm permits issued from March 12 – May 14, 2021. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #15 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, and Surrendered Certificates from March 12 – May 20, 2021. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #16 carried.

Reinstatements:

- Amy Knust – Lincoln, NE
- Derik Light – Holdrege, NE
- Brian Lodes – Papillion, NE

Inactive - Retired affidavits:

- Gil Barajas – Omaha, NE
- Richard Carstens – Omaha, NE
- Edward Fitzpatrick – Elkhorn, NE
- Robert Mitchell – Omaha, NE
- Daniel Pleiss – Omaha, NE
- Steven Seawall – Greenwood, NE
- Linda Cox – Superior, NE
- Pamela Evans – Aurora, CO
- Karen Lenczowski – Papillion, NE
- Duane Thomas – Lincoln, NE
- Joseph Vacanti – Omaha, NE
- Richard Veed – Hinsdale, IL

Surrendered Certificates:

- Kevin Cook – Scottsdale, AZ
- James Heying – Coralville, IA

11. Report of the Executive Director

A. Budget Status – ED Sweetwood stated the interim budget request and PSL were approved. Also, carryover in the regular budget of the PSL increase was approved. The new biennium will commence on July 1, 2021. He thanked Ms. Myers and the Executive Committee for their work on the successful budget request.

B. Staffing & General Office Issues

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

Minutes
May 21, 2021

- 1. Staff Contingency/Return to Office Plan** – ED Sweetwood updated the Board on staff's return to office plan, which could be impacted by any decision made by the Governor and/or Dept. of Administrative Services. A new lease has been signed for the current office space and rent has been reduced. Staff reviews will be conducted in July. Board members extended their appreciation to the staff for their work during the pandemic (Staff did return to the office on June 1, 2021 based on the recommendation of Governor Ricketts)
- 2. 2020 Excellence in Leadership Award** – Board staff was awarded the 2020 Excellence in Leadership Award from the Department of Administrative Services and Governor Ricketts as a team for their planning, preparation and work during the pandemic.

12. New Business

- A. NASBA Items:** ED Sweetwood and other Board members encouraged each other to get involved in NASBA. It has always been important and noticed when Nebraska has been involved at the regional/annual meetings and NASBA committees. Both members Luth and Ruff have applied to serve on NASBA committees this year.
- B. Other Miscellaneous Items: FYI articles**

13. Adjournment

Moved by Brauer, seconded by Olsen to adjourn the meeting at 1:41 p.m. on May 21, 2021. On a roll call vote, Members Purcell, Luth, Ruff, Waltemath, Brauer, Manning, and Olsen voted aye. Member Kanger was absent. Motion #17 carried.

Respectfully submitted by,

Board Secretary
Melissa Ruff