

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

University of Nebraska at Kearney
Ockinga Auditorium, 2505 20th Ave, Kearney, NE

Minutes
May 9, 2024

Draft Minutes. Minutes are not approved until the next Board meeting on July 12, 2024.

Thursday, May 9, 2024

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 9:33 a.m. on Thursday, May 9, 2024, with Chair Melissa Ruff presiding. The roll was called with the following members present: Melissa Ruff, Jeff Kanger, Christi Olsen, Mark Manning, Sarah Borchers, Drew Blossom, Amy Holzworth, and Donald Neal. Also present were Executive Director Dan Sweetwood and staff members Heather Myers and Kristen VanWinkle. The meeting was held at the on the campus of the University of Nebraska at Kearney in the Ockinga Auditorium, 2050 20th Ave, Kearney, NE. 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, Kelly Ebert, Nebraska Society of CPAs Vice President, and Patricia Hartman, NASBA Director of Client Services.
- B. Approval of Meeting Agenda for May 9, 2024.** Moved by Olsen, seconded by Borchers, approve the agenda for the May 9, 2024 meeting. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, Holzworth, and Neal voted aye. Motion #1 carried.
- C. Approval of Minutes from March 15, 2024.** Moved by Blossom, seconded by Borchers, to approve the March 15, 2024 Board minutes. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, Holzworth, and Neal voted aye. Motion #2 carried.

2. Public Comment Period (15-minute period)

- A. 9:45 a.m. – Ms. Joni Sundquist, NE Society of CPAs President – Ms. Sundquist updated the Board on the following items:**
- CPE is off and running for the year – 214 total Society-sponsored courses, with about 16 of those in person, the remainder are live webcasts. PLUS 8,700-plus webcasts available through our website and 141 new OnDemand courses.
 - B&I Conference was held April 24 – Great line-up of speakers at Champions Club in Lincoln. ED Sweetwood attended and commended the society for putting on a great conference.
 - In June is the annual Not-For-Profit and Govt. Accounting & Auditing Conference. Will be at Innovation Campus again in Lincoln. They will also have an ABCs of Business Happy Hour planned after Day 1 of the Conference at the Scarlet Hotel – just across the street from the Conference Center. Attorneys and Bankers will be joining for drinks and networking.

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- Sponsorship opportunities are available for all conferences!
- The CPE Catalog & Member Guides are in the process of being finalized and mailed to all Society members.
- Held their annual All-Committee Organizational Meeting at Round the Bend Ballroom outside of Ashland on May 2 – about 60 participants, a good showing. Each of their 10 committees met and made plans for the coming year.
- Fiscal year started April 1 so all dues notices have been sent and memberships are coming in.
- In regard to the Foundation, scholarships are in the process of being selected. They held our Scholarship Selection Committee meeting this week.
- Foundation Board meeting will be held May 16, where decisions will be made regarding the amount and number of scholarships to be provided to students at 14 colleges and universities in the state.
- Mark Manning has served on the Foundation Board of Trustees for the past 17 years and as president of the Foundation for the past 4 years. A big thank you to Mark for his commitment to the Foundation and also for his generous contributions over the years.
- No news regarding a Special Session of the Legislature at this point, following the failure of LB 388, the Governor’s property tax relief bill. The Governor would need 33 votes in support prior to calling any special session.
- Elections this year will include 25 of the 49 seats in the Legislature. 15 of the 49 are term limited out, and 2 senators are not running for re-election. Just a reminder that the Society does have a PAC and welcomes any contributions so that they can support candidates on both sides of the aisle who are supportive of the profession and business in general. Your dues dollars cannot be allocated to the PAC.
- The AICPA Regional Council Meetings in March provided a good opportunity for CPAs and State Society CEOs to discuss their ideas and thoughts on the future of the profession and the work of the National Pipeline Advisory Group thus far, with more to come at the AICPA Spring Council Meeting in Orlando, May 21-23. Society Chairman Kelly Martinson, Chairman-Elect Brian Klintworth, AICPA Elected Rep Shari Munro, and AICPA At-Large Council Rep Kelly Mann, and Joni Sundquist will be attending.
- During the recent NASBA Executive Directors Conference in March, which she attended along with Board staff, the Professional Licensure Task Force presented information on an additional path to licensure. This additional path—known as the Structured Professional Program (SPP)—would provide an equivalent path—off-transcript

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but within the Uniform Accountancy Act—for candidates to qualify for licensure, without the need of having a fifth year to complete a 150-hour education program.

- Both the AICPA’s National Pipeline Advisory Group and NASBA’s Professional Licensure Task Force have been working hard to address the CPA talent shortage. Both groups have a good mix of representatives from across the U.S. and within the profession, and both are seeking solutions that will maintain substantial equivalency and mobility.

B. 10:00 a.m. – Ms. Pat Hartman, Director of Client Services, NASBA – Ms. Hartman was welcomed from Nashville to provide an update on NASBA/CPAES. She mentioned the ED/Staff conference was well attended and has received great feedback, especially regarding the tour of NASBA headquarters. CPAES recently added two more states, Oregon and Maryland, to their list of states they process exam evaluations for. This brings the number of states to 36. NASBA has hired a data analyst to reboot the annual candidate performance book. The first round of scores for disciplines have been released. NASBA has created a Facebook forum for current exam candidates as a way to support each other through the process. She addressed the issues with exam evaluation processing times. She stated they receive approx. 70 first time applications per day, which is very high and not typical volume. Staff is working hard to get caught up on applications and work through issues caused by new technology. ED Sweetwood commented on the excellent relationship the Board has maintained over the years with CPAES and stressed oversight responsibilities within the third-party contract. He indicated Board staff has received concerns from several candidates over the last 6 months regarding processing of their applications and acknowledged Staff Member VanWinkle for her assistance as a liaison and working directly with CPAES in assisting these candidates. Member Blossom commented that he understood the frustration of candidates but stressed the importance of CPAES “getting it right” instead of pushing candidates through due to processing time concerns. Again, Director Hartman stressed CPAES should be on the back end of the surge of candidates due to the new examination and with operational changes going forward should return to normal processing times.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by Kanger, seconded by Borchers, to approve the consent agenda. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, Holzworth, and Neal voted aye. Motion #3 carried.
- B. Approval of Disbursements for March and April 2024.** Secretary Olsen overviewed the disbursements for the Board reporting no unusual activity for the period.
- C. Review of Board Budget Status Report.** Secretary Olsen reported on several items. She indicated she had met with ED Sweetwood and Staff Myers to overview items including Personal Service Limitations (PSL) projections to ensure the budget was on

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target. Additional expenses including the purchase of staff laptops due to warranties expiring and travel was noted. It was also noted that the payment to Thentia budgeted for this year did not occur that assisted the overall operational budget.

- D. **Ratification of Staff Program Qualification Evaluations.** 47 courses from March – April 2024 and additional course list from Lutz & Company PC.
- E. **Ratification of CPE Sponsor.** Nebraska Society of CPAs
- F. **Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.**

Reinstatements: none

Inactive - Retired affidavits:

- John Elliott – Omaha, NE
- Janeth Glenn – Omaha, NE
- Jay Horn – West Des Moines, IA
- David Lechner – Lincoln, NE
- Dennis Miller – North Platte, NE
- Janice Mumm – Ceresco, NE
- Julie Samuelson – Trumbull, NE
- Loren Swanson – Lincoln, NE
- Melvyn Wittmaack – Gretna, NE
- Mark Miller – Pensacola, FL
- Robert Sondag – Hastings, NE

Surrenders: none

4. Report of the Chair

- A. **Report of the Chair.** Chair Ruff gave the report. She noted the personal importance and goal for her to hold a Board meeting on a college campus while serving as Board Chair. This meeting is special to her as UNK is her alma mater. She noted many students at UNK are 1st generation college students and/or from rural areas in Nebraska.
- B. **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. Chair Ruff and Member Blossom indicated they attended the Webinar and provided some of their thoughts. The feedback received from 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) 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.

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- C. **Report from 2024 NASBA ED/Staff Conference.** ED Sweetwood provided a summary of the meeting. Some of the topics discussed include: Changes in NASBA Leadership, presentations by PCAOB and Dept. of Labor, Principle Place of Business, and an update from the Professional Licensure Task Force. Due to the meeting being held in Nashville, attendees were taken on a tour of NASBA headquarters and met key staff members and learned about processes. This tour reiterated the importance of having all of Board staff attend this meeting.
- D. **2024 NASBA Regional Meeting – June 25-27, 2024 – Omaha, NE.** Chair Ruff polled the Board members to see who was interested in attending the meeting in Omaha. Due to the meeting being hosted in Omaha, members felt it was important to have a large presence at the conference and allow whoever was interested to attend and knowing some cost savings without the need for airfare. It was noted an offer was sent to Governor Pillen’s office to open the conference; however, he cannot attend so Chair Ruff will open the conference. Additionally, the Executive Committee and staff provided input to NASBA travel staff on ideas for the social events and attendees to visit while in Omaha. Moved by Kanger, seconded by Neal, to approve all Board members and staff to attend the 2024 NASBA Regional Meeting in Omaha due to the significance of hosting a regional conference for a national association in our state. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, Holzworth, and Neal voted aye. Motion #4 carried. ED Sweetwood thanked member Kanger for bringing forth the idea of hosting this meeting in Omaha.
- E. **Review of Executive Director Performance and Salary.** The Board has been satisfied with the performance of the Executive Director. Moved by Kanger, seconded by Borchers, to approve a 5% salary increase starting July 1, 2024 for ED Sweetwood. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, Holzworth, and Neal voted aye. Motion #9 carried.
- F. **Review Board Calendar.** No changes.

Closed Session

Closed Session. Moved by Blossom, seconded by Borchers, that the Board go into closed session at 10:50 a.m., on Thursday, May 9, 2024, for the purpose of discussing 7 enforcement cases to protect the public interest and/or prevention of needless injury to individuals and to review the Executive Director’s performance and salary. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, Holzworth, and Neal voted aye. Motion #5 carried.

Prior to going into closed session, Chair Ruff restated the limitation of the closed session, which was to discuss 7 enforcement cases and the Executive Director’s performance and salary, read the following statement:

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“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. Moved by Blossom, seconded by Borchers, that the Board return to open session at 11:38 a.m., on Thursday, May 9, 2024. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, Holzworth, and Neal voted aye. Motion #6 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. Open Case/LMCO Update.**
- B. Ratification of LMCOs, if any –** No update.
- C. Recommended Cases to Close –**

23-12 - *The national firm was censured and sanctioned by the PCAOB for various violations including censuring two auditors, requiring additional CPE be completed, and issuing substantial fines. The PCAOB issued the Order based on the auditors violating standards in connection with an audit.*

The Board discussed case #23-12. 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 #23-12. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, Holzworth, and Neal voted aye. Motion #7 carried.

24-02 - *The firm reported to the Board they were the subject of a PCAOB Order instituting disciplinary proceedings and imposing various sanctions against the firm for failure to uphold PCAOB auditing standards. The firm was fined and accepted several conditions including oversight by an independent consultant.*

The Board discussed case #24-02. 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 #24-02. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, Holzworth, and Neal voted aye. Motion #8 carried.

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6. Report of the Licensing Committee

- A. **Report of the Committee.** Committee Chair Holzworth gave the report. The committee discussed one Business, Governmental & Academia (BGA) experience application. Motion out of committee to recommend approval of Ashley Walker's application. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, Holzworth, and Neal voted aye. Motion #10 carried.
- B. **Ratification of initial permits to practice issued, certificates issued, firm permits.** Moved by Holzworth, seconded by Kanger, to approve initial permits to practice issued, certificates issued, firm permits issued from March 15 – May 8, 2024. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, Holzworth, and Neal voted aye. Motion #11 carried.
- C. **2024 Renewals Update.** Staff VanWinkle updated the Board on the status of renewals and the process going forward. The process appears to be going smoothly so far.

7. Report of Continuing Professional Education (CPE) Committee

- A. **Report of the Committee.** Committee Chair Olsen gave the report. Staff Myers gave an update on the status of the CPE Audit.

**Member Neal left at 11:50 a.m.

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

- A. **Report of the Committee.** Committee Chair Borchers gave the report. The committee reviewed a request from UNL to use extra upper-level accounting courses as electives toward general business requirement. After discussion, there were no concerns with this. The committee felt it made sense, especially given that the requestors are two non-traditional students. The committee discussed tentative dates to hold the next EAC meeting. This meeting will be very important to discuss the law change to sit for the exam at 120 hours and if the Chapter 9 subject area requirements need to be changed. ED Sweetwood worked with NASBA to send out a quick poll to all other jurisdictions requesting information on processes and hurdles when making the change from 150 to 120 to sit for the CPA exam.

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).**

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- C. **2022-2023 Rule Project Status.** ED Sweetwood updated the Board that the rules were approved by Governor Pillen on May 1, 2024 and went into effect on May 5, 2024. Staff will follow up on updating and ensuring the regulations are updated.

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.

11. Report of the Executive Director

- A. **Budget Status.** ED Sweetwood updated the Board on the status of the Budget under 3.C.
- B. **Database Update/ ED Sweetwood & Staff Myers** – ED Sweetwood updated the Board on the status of the Thentia project. The project has ended due to previous concerns of deliverables, turnover of Thentia staff, and the contract up for renewal in 2024. Staff is quickly working with Carahsoft (the third-party provider) regarding refunds and another possible solution that has been identified. It is anticipated the new provider will be engaged soon.
- C. **Staffing & General Office Issues** – ED Sweetwood commented on the decision for staff to remain in a Hy-brid work environment after the decision of the Commission on Industrial Relations relative to Governor Pillen’s Executive Order and without further guidance from DAS for non-code agencies.
1. **Hybrid work environment/Computers/ Chairs.** Staff computers were replaced due to warranties ending and new chairs for the office and Board room are being considered to replace the current ones that are over 20 years old.

12. New Business

- A. **NASBA Items:**
1. **NASBA Names New President and CEO, Mr. Daniel Dustin, CPA**
- B. **Other Miscellaneous Items: FYI articles**

12:30 p.m. – Panel Discussion with students: CPA Career Paths

The Board met with 40-50 accounting/business students in a panel format moderated by ED Sweetwood. Board members introduced themselves and provided an overview of their careers including positive aspects of choosing a career in accounting and completing the requirements to obtain their CPA credentials.

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The students also received an overview of how to prepare to sit for the Uniform CPA Examination and the application process in Nebraska by Ms. Pat Hartman, the Director of Client Services/ NASBA- CPA Exam Services (CPAES).

At the conclusion of discussion, ED Sweetwood acknowledged and thanked Member Borchers for assisting in preparation for the meeting and developing the panel discussion with the students. Several Members and participants indicated the positive aspects of the panel discussion.

Several students stayed after the panel to ask questions and have discussions with Board members.

13. Adjournment

Moved by Kanger, seconded by Manning, to adjourn the meeting at 1:39 p.m. on May 9, 2024. On a roll call vote, Members Ruff, Kanger, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Member Neal was absent. Motion #12 carried.

Respectfully submitted by,

Board Secretary
Christi Olsen