

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

Minutes
November 17, 2023

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

Friday, November 17, 2023

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:31 a.m. on Friday, November 17, 2023 with Chair Melissa Ruff presiding. The roll was called with the following members present: Melissa Ruff, Jeff Kanger, Christi Olsen, Ken Brauer, Mark Manning, Sarah Borchers, Drew Blossom (arrived at 9:18 a.m.), and Amy Holzworth. Also present were Executive Director Dan Sweetwood, and staff members Kristen VanWinkle and Heather Myers. The meeting was conducted virtually as allowed per Neb. Rev. Stat. § 84-1411(2). Staff was available at the Board Office, 1526 K Street, Ste. 410, Lincoln, Nebraska for anyone who wanted to participate in person. 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 and Board Attorney Jim Titus.
- B. Approval of Meeting Agenda for November 17, 2023.** Moved by Kanger, seconded by Manning, approve the agenda for the November 17, 2023 meeting. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, and Holzworth voted aye. Member Blossom was absent. Motion #1 carried.
- C. Approval of Minutes from September 8 and October 20, 2023.** Moved by Kanger, seconded by Manning, to approve the September 8 and October 20, 2023 Board minutes. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, and Holzworth voted aye. Member Blossom was 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** overviewed responses to a survey the Society sent out to members regarding the CPA Pipeline. ED Sweetwood noted the increased conversation nationally regarding alternate pathways to licensure, specifically the bill introduced in Minnesota, NASBA creating a Task Force to explore, and PAA 1-136.04 not currently being utilized in Nebraska. Ms. Sundquist recognized members Kanger, Holzworth, and Manning for their attendance at their Annual Meeting.

****Member Blossom arrived at 9:15 a.m.**

3. Consent Agenda

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- A. **Published Notice of Meeting.** Moved by Kanger, seconded by Holzworth, to approve the consent agenda. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #3 carried.
- B. **Approval of Disbursements for September and October 2023.** 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. It is early in the fiscal year so no significant items were noted. ED Sweetwood noted the Executive Committee will meet next month to overview Board financials and prepare recommendations for Board fees in 2024 for consideration at the January meeting by the Board.
- D. **Ratification of Staff Program Qualification Evaluations.** 90 courses from September – October 2023 and additional course list from Lutz & Company PC.
- E. **Ratification of CPE Sponsor.** None
- F. **Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.**

Reinstatements:

- Jaclyn White – Portland, OR

Inactive - Retired affidavits: none

Surrenders:

- Bridgette Johnson – Kentworthy, UT

Closed Session

Closed Session. Moved by Blossom, seconded by Olsen, that the Board go into closed session with the Board Attorney at 9:34 a.m., on Friday, November 17, 2023, for the purpose of discussing 10 enforcement cases to protect the public interest and/or prevention of needless injury to individuals. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #4 carried.

Prior to going into closed session, Chair Ruff restated the limitation of the closed session, which was to discuss 10 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

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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 Brauer, that the Board return to open session at 10:20 a.m., on Friday, November 17, 2023. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #5 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. 9:30 a.m. – Board Attorney Review of Case #22-08** – Board Attorney Titus overviewed case #22-08 for the Board. The Board discussed the severity of the allegations and how the justice system handled the case with a reduction of charges. They considered if there was basis to act under Chapter 5.007.01 – Acts Discreditable and determined there was no basis at this time. It is recommended to close this case. **22-08** - *Board staff discovered a Nebraska licensed CPA was the subject of a news article whereas the CPA was arrested for a felony.* Motion out of committee to close case #22-08. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #6 carried.
- B. Open Case/LMCO Update.**
- C. Ratification of LMCOs, if any** – No update.
- D. Recommended Cases to Close –**
- 23-06** - *The Board was notified by the PCAOB the firm was disciplined for violation of rules relating to Independence in connection with audits completed.* The Board discussed case #23-06. Due to the CPA firm confirming no Nebraska clients were involved, it is recommended to close this case. Motion out of committee to close case #23-06. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #7 carried.
- 23-08** - *Upon notification, the CPA firm has two consecutive Peer Review failures, the PRC referred the firm to the Enforcement Committee as recommended within the NASBA CAC Guidelines.* The Board discussed case #23-08. Due to the CPA firm confirming they are no longer performing attest services, it is recommended to close this case. Motion out of committee to close case #23-08. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #8 carried.

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4. Report of the Chair

A. Recognition of Assistant Attorney General Ms. Lynn Melson's service to Board.

ED Sweetwood provided an overview of the service provided by Ms. Lynn Melson over the many years to the Board. He emphasized any significant decisions made by the Board over the years usually included input from Lynn. He also appreciated the good working relationship developed over the years with the AGO Office.

Moved by Kanger, seconded by Brauer, to recognize Assistant Attorney General Lynn Melson for her service to the Board and adopt the following resolution. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #9 carried.

RESOLUTION

WHEREAS, Lynn A. Melson, Esq., served as Assistant Attorney General with the Nebraska Attorney General's Office for over 35 years, which includes collaborating with the State Board of Public Accountancy for over 30 of those years; and

WHEREAS, Lynn A. Melson, a true public servant, spent much of her time advising and assisting State Boards & Commissions carry out their important duties by providing her input and legal opinion when requested. She was an expert in determining the best legal course of action regarding due process, state administrative rules, state statute and regulations, to name a few. Over the last three decades, the Board has enacted countless policy changes with the one common denominator being Ms. Melson. She has been instrumental in all decisions rendered by this Board.

THEREFORE, THE MEMBERS OF THE NEBRASKA STATE BOARD OF PUBLIC ACCOUNTANCY gratefully record their recognition of service for Lynn A. Melson by adopting the following Resolution:

BE IT RESOLVED, that the Members of the Nebraska State Board of Public Accountancy extend their sincere appreciation to Lynn A. Melson for her service as Assistant Attorney General to 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.

Adopted this 17th day of November 2023

by the Nebraska State Board of Public Accountancy

*Melissa Ruff, CPA, Chair
Nebraska State Board of Public Accountancy*

B. Report of the Chair. Chair Ruff gave the report.

C. Recognition of 2023 Exam Task Force. Moved by Olsen, seconded by Brauer, to recognize and thank the 2023 CPA Exam Task Force for their important work in providing recommendations to the State Board on how many hours should be required to qualify for the CPA Exam in Nebraska and how many months a candidate should have to pass the 4 sections of the CPA Exam. Their recommendations have helped Nebraska become more uniform with the other State Boards of Accountancy. The Task Force members consisted of: Chair Melissa Ruff, CPA, Vice Chair Lorraine Egger, CPA, Jeff Kanger, Kelly Martinson, CPA, Sarah Borchers, CPA, and Dr. Thomas Purcell, CPA. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #10 carried.

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- D. **Report from NASBA Annual Meeting, Oct. 29 – Nov. 1, 2023 – New York, NY.** Members Ruff, Olsen, Blossom, ED Sweetwood and Staff VanWinkle attended the conference in-person. Each member noted their thoughts and takeaways. Items of discussion were: CPA Evolution and pipeline, Credit Relief Initiative, CPA firms and ESOPs, ELE program. All indicated the conference was very informative and allowed for a better understanding of the issues indicated. ED Sweetwood provided an example while attending the conference and being able to poll his colleagues on an important issue that assisted greatly with moving forward on an education matter.
- E. **Review Board Calendar.** At this time, the January 2024 Board meeting will be virtual. Staff is working with member Borchers to have the May 2024 Board meeting on campus at UNK.

6. Report of the Licensing Committee

- A. **Report of the Committee.** Committee Chair Holzworth gave the report. 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 Cailey Anderson's application. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #11 carried. Motion out of committee to recommend approval of Ismael Pascual's application. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #12 carried. Motion out of committee to recommend approval of Kathryn Opitz's application. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #13 carried.
- B. **Ratification of initial permits to practice issued, certificates issued, firm permits.** Moved by Holzworth, seconded by Borchers, to approve initial permits to practice issued, certificates issued, firm permits issued from September 8 – November 16, 2023. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #14 carried.

7. Report of Continuing Professional Education (CPE) Committee

- A. **Report of the Committee.** Committee Chair Olsen gave the report. The committee reviewed the revised CPE Guidelines. Staff Myers updated the committee regarding her attendance at the NASBA National Registry Summit.

**Member Kanger left at 11:51 a.m.

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

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- A. **Report of the Committee.** Committee Chair Borchers gave the report.
- B. **Credit Relief Initiative Discussion.** The Board was provided a summary document of what the Board has done to help candidates throughout the pandemic and CPA evolution, as well as statistics on how many candidates could be impacted if the Board chose to participate in CRI. Staff explained the current process of requesting a credit extension, which is allowed per Chapter 6. Staff stated CPAES will notify the impacted candidates and currently have an online form for candidates to request relief; however the Board office still could get questions. Moved by Holzworth, seconded by Borchers, per Title 288-Chapter 6.005.03C, to adopt the Credit Relief Initiative on a case-by-case basis initiated by individual candidate requests to extend exam credit to 06/30/25 for exam credit expired from 01/30/20 – 05/11/23 which have not subsequently been replaced by new credit(s) for the same section(s) and to authorize NASBA to notify impacted candidates of the initiative. On a roll call vote, Members Ruff, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Member Kanger was absent. Motion #15 carried.

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.** The Society will move forward in carrying the bill before the Legislature in 2024.
- B. **Compliance with LB867 (Index Updates/Policy Changes).**
 - 1. **Review of updated CPE Guidelines.** The Board reviewed the updated guidelines. Moved by Olson, seconded by Manning, to adopt the revised CPE Guidelines. On a roll call vote, Members Ruff, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Member Kanger was absent. Motion #16 carried.
- C. **2022-2023 Rule Project Status.** ED Sweetwood stated the rule package has been delivered to the Attorney General's Office for review. Pending their comments.

10. Report of the Peer Review Committee

- A. **Report of the Committee –** Chair Manning gave the report. The committee will meet next to discuss the proposed changes to the Uniform Accountancy Act regarding Peer Review.

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. There continues to be some turnover within the company.

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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

13. Adjournment

Moved by Olson, seconded by Brauer, to adjourn the meeting at 12:48 p.m. on November 17, 2023. On a roll call vote, Members Ruff, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Member Kanger was absent. Motion #17 carried.

Respectfully submitted by,

Board Secretary
Christi Olsen