

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

Minutes
November 21, 2024

**Draft Minutes. Minutes are not approved until the next Board meeting on
January 10, 2025.**

Thursday, November 21, 2024

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:32 a.m. on Thursday, November 21, 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 Amy Holzworth. Members Jeff Kanger and Donald Neal were absent. Also present were Executive Director Dan Sweetwood and staff members Heather Myers and Kristen VanWinkle. 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, Kent Absec, NASBA VP of State Board Relations, Ken Brauer, Martin Gunderson, CPA, Kelly Legler, CPA.
- B. Approval of Meeting Agenda for November 21, 2024.** Moved by Olsen, seconded by Manning, approve the agenda for the November 21, 2024 meeting. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. Motion #1 carried.
- C. Approval of Minutes from September 20 and October 17, 2024.** Moved by Blossom, seconded by Holzworth, to approve the September 20 and October 17, 2024 Board minutes. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal 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 – No update. In attendance today to testify at Policy-making Hearing.
- B. 8:50 a.m.** – Mr. Martin Gunderson, CPA – Mr. Gunderson shared his thoughts regarding the Peer Review Program and the difficulty of finding Peer Reviewers.
- C. 9:00 a.m.** – Policy-making Hearing

Hearing Officer Melissa Ruff opened the rules hearing at 9:01 a.m. The rules hearing closed at 9:27 a.m. This hearing was recorded.

- D. 11:30 a.m.** – Mr. Kent Absec, VP – State Board Relations, NASBA – Mr. Absec introduced himself in his new position with NASBA. He was the former executive

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director of the Idaho Board before assuming his new duties. Discussion on Alternate Pathway Proposal – Mr. Absec overviewed history and concepts within the two exposure drafts released by NASBA and the AICPA. He answered Board member questions and reiterated the need for feedback on the proposals.

3. Consent Agenda

- A. Published Notice of Meeting and Policy-making Hearing.** Moved by Borchers, seconded by Holzworth, to approve the consent agenda. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. Motion #3 carried.
- B. Approval of Disbursements for September and October 2024.** ED Sweetwood overviewed the disbursements for the Board reporting no unusual activity for the period.
- C. Review of Board Budget Status Report.** ED Sweetwood and Staff Myers reported on several items. ED Sweetwood noted expenses were trending higher than last year that would require monitoring and could impact future Board decisions including travel.
- D. Ratification of Staff Program Qualification Evaluations.** 74 courses from September - October 2024 and additional course list from Lutz & Company PC.
- E. Ratification of CPE Sponsor.** ACCPE (American Center for Continuing Education)
- F. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.**

Reinstatements:

- Ryan Boen – Sioux Falls, SD
- Lee VanHorn III – Blair, NE
- Teresa Workentine – Lincoln, NE

Inactive - Retired affidavits:

- Michael Clymer – Aurora, NE
- Rosemae Schafer – Columbus, NE
- Wendell Wessels – Kearney, NE
- Eugene DeBoer – Omaha, NE
- Rajagopalan Margabandhu – Centennial, CO
- Kathleen Carroll – Lincoln, NE
- Robert Drozda – Boise, ID
- Cheryl Yocum – Dana Point, CA
- Ronald Wagner, Hawthorn Woods, IL
- Charles Stevens – Omaha, NE
- Matthew Howard – Kalamazoo, MI
- Duane Smith – Boerne, TX
- Sandra Urwin – Omaha, NE

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- Thomas O'Brien – Omaha, NE
- Douglas Baker – Omaha, NE
- Clera Grant – Lancaster, SC
- Irving Dana – Omaha, NE
- Randy Moore – Kimberling City, MO

Surrenders:

- Colleen Scarff – Kalamazoo, MI
- Wayne Young – Austin, TX

4. Report of the Chair

- A. Recognize Member Sarah Borchers, CPA as Recipient of NE Society of CPAs' Outstanding Educator Award for 2024.** Moved by Olsen, seconded by Blossom, to recognize and commend member Borchers for her high achievement in the education field and for being awarded as 2024's Outstanding Educator by the NESCPA at their annual meeting. On a roll call vote, Members Ruff, Olsen, Manning, Blossom, and Holzworth voted aye. Member Borchers abstained. Members Kanger and Neal were absent. Motion #4 carried.
- B. Report of the Chair.** Chair Ruff gave the report.
- C. Report from NASBA Annual Meeting, October 27-30, 2024, Orlando, FL.** ED Sweetwood provided the report to the Board. The meeting and discussions seemed to focus a lot on the two Exposure Drafts released by NASBA/UAA and AICPA. Chair Ruff was acknowledged for being installed as the new Central Region Director and will be a member of the NASBA Board of Directors for 2024/2025.
- D. Review and Discussion on Drafted Response to NASBA/AICPA Exposure Draft.** Staff provided information and a draft to the Board for review and discussion. The Board also discussed the information learned during Mr. Absec's presentation. After a thorough discussion, feedback was given to staff to update the draft. Moved by Borchers, seconded by Olsen, to authorized Board Chair Ruff and Board staff to finalize the written response and submit the response to NASBA and AICPA on behalf of the Board. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. Motion #10 carried.
- E. Review Board Calendar.** Noted the January meeting could possibly be in-person.

Closed Session

Closed Session. Moved by Blossom, seconded by Olsen, that the Board go into closed session at 10:48 a.m., on Thursday, November 21, 2024, for the purpose of discussing 14 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 Holzworth voted aye. Members Kanger and Neal were absent. Motion #5 carried.

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Prior to going into closed session, Chair Ruff restated the limitation of the closed session, which was to discuss 14 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.”

Return to Open Session. Moved by Blossom, seconded by Borchers, that the Board return to open session at 11:12 a.m., on Thursday, November 21, 2024. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. Motion #6 carried.

5. Report of Enforcement of Professional Conduct Committee

A. Open Case/LMCO Update.

24-12 - After discussion, motion out of committee to recommend that the Board Attorney prepare and send a Petition in the matter to the CPA selected for an audit of their Continuing Professional Education (CPE) being unable to provide evidence of satisfactory completion with possible deceitful reporting and non-communication with the Board office. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. Motion #9 carried.

B. Ratification of LMCOs, if any – none

C. Recommended Cases to Close –

20-06 - *The Board Chair received a letter from the Nebraska Auditor of Public Accounts outlining several concerns with a Nebraska CPA firm and their handling of an engagement with a Nebraska municipality, including non-cooperation with their office per a request for records and non-disclosing the engagement properly among other potential violations of auditing standards.*

The Board discussed case #20-06. After monitoring for several years including no further attest work being conducted and identifying no further issues, it is recommended to close this case. Motion out of committee to close case #20-06. On a

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roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. Motion #7 carried.

24-04 - *The case involved a community member concerned with the overhaul handling of a youth sports program by a permit holder including not providing financials of the program after being requested on several occasions.*

The Board discussed case #24-04. Due to no further action or communication by the complainant, it is recommended to close this case. Motion out of committee to close case #24-04. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. Motion #8 carried.

6. Report of the Licensing Committee

- A. Report of the Committee.** Committee Chair Holzworth gave the report. The committee discussed two Business, Governmental & Academia (BGA) experience applications. Motion out of committee to recommend approval of Emma Areman's application. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. Motion #11 carried.

After additional information received, moved by Holzworth, seconded by Borchers to approve Julianne Fleming's application. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. Motion #12 carried.

The committee discussed on firm name request. Motion out of committee to recommend approval of the firm name Emergent Tax & Analytics, LLC. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. 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 20 – November 20, 2024. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal 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 reviewed a couple requests regarding earning CPE credit for being a mentor and reading blogs and articles. While the committee feels these are valuable actions, they concluded those activities did not meet the criteria for CPE credit. The Committee was also updated on an enforcement matter involving CPE reporting and discussed the CPE audit process including the percentage number. No change was recommended at this time.

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

- A. **Report of the Committee.** Committee Chair Borchers gave the report. Due to the possibility that the proposed amendments may not be approved by the date of the law change (1/1/25), motion out of committee to recommend operating under the proposed rules beginning 1/1/25 and if a candidate falls outside of the proposed rules, they would be reviewed by the Board on a case-by-case basis. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. Motion #16 carried.

9. Report of the Legislative Committee

- A. **Report on Legislation:** ED Sweetwood gave the report.
- B. **Compliance with LB867 (Index Updates/Policy Changes).**
- C. **2024 Rule Project Status.**
1. **Discussion and Vote on Proposed Amendments to Chapter 9.** The discussion highlighted two key components of the proposed amendments. First, allowing candidates to sit for the exam after completing 120 credit hours will provide more opportunities to pass. Second, reducing the number of required hours in upper-level accounting and general business courses will streamline the process. It was emphasized that the Board is setting the minimum required hours while continuing to rely on and allow Nebraska schools to design their programs as needed. Additionally, it is important to clarify that the 24 hours of upper-level accounting do not include introductory accounting courses. Moved by Blossom, seconded by Manning, to adopt the proposed regulations within Chapter 9 and send the amendments to the Attorney Generals' Office and the Governor's Policy Research Office for approval. On a roll call vote, Members Ruff, Manning, Borchers, Blossom, and Holzworth voted aye. Member Olsen voted nay. Members Kanger and Neal were absent. Motion #15 carried.

10. Report of the Peer Review Committee

- A. **Report of the Committee –** Committee Chair Manning gave the report. Due to a couple of recent enforcement issues related to Peer Review, staff will evaluate how to better monitor firm statuses and report back to the committee after consulting with other states on their processes. Annual Peer Review meeting is typically in February with presentations from the AICPA and Nevada Society of CPAs Peer Review Program.

11. Report of the Executive Director

- A. **Budget Status.** ED Sweetwood updated the Board on the status of the Budget under 3.C.

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- B. Database Update**– ED Sweetwood and Staff Myers updated the Board on the status of the database project. All things appear to be moving in a positive direction.
- C. Staffing & General Office Issues** ED Sweetwood reported staff has been busy with several items over the last few months including wrapping up permit renewals, working on the rule package, assisting with the exposure draft responses, and responding to several enforcement matters.

12. New Business

- A. NASBA Items:** Secretary Olsen was placed on the NASBA's Examination Review Board while Member Blossom was placed on the NASBA Regulatory Response Committee for 2024/2025. Chair Ruff will also chair NASBA's Enforcement Committee that includes ED Sweetwood as a member.
- B. Other Miscellaneous Items: FYI articles**

13. Adjournment

Moved by Olsen, seconded by Holzworth, to adjourn the meeting at 2:00 p.m. on November 21, 2024. On a roll call vote, Members Ruff, Olsen, Manning, Borchers, Blossom, and Holzworth voted aye. Members Kanger and Neal were absent. Motion #17 carried.

Respectfully submitted by,

Board Secretary
Christi Olsen