

Notice of Rulemaking Comment Period and Policy-Making Hearing

April 6, 2026

Notice is hereby given that the Nebraska State Board of Public Accountancy will hold a policy-making hearing on **Friday, May 15, 2026 at 9:00am** in accordance with the **Nebraska Open Meetings Act/ Neb. Rev. Stat. § 84-1411(2)**. To attend the meeting or join the meeting virtually, you may contact the Board office at 402-471-3595 and staff will provide you detailed instructions on how to attend or join virtually. If you choose to attend in person the meeting will be held at the Board's Office, First Nebraska Administrative Building, 1526 K Street, in the Red Willow Room in Lincoln, Nebraska. The purpose of this hearing is to receive public testimony on amendments to rules promulgated by the Board of Public Accountancy to address changes to Board regulations within NAC Title 288. The subject matter and purpose of the rule making action is:

Proposed changes to the NAC Title 288 include:

Chapter 3 Definition of Terms -

Date driven updates to regulations in reference to national standards.

Chapter 7 Permits, Annual Fees, Inactive list

Updates to experience and practice privilege requirements based on passage of LB 718 and recent changes to the Nebraska Public Accountancy Act (PAA).

Chapter 8- Continuing Education

Proposed elimination of the requirement notice of non-compliance of continuing education requirements be sent by U.S. Certified Mail.

Chapter 9- Education

Updates to requirements and use of educational terms based on passage of LB 718 and recent changes to the PAA.

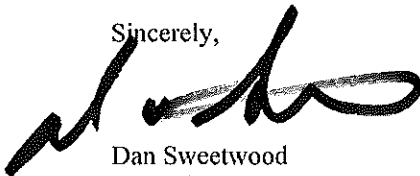
Chapter 13- Peer Review

Date driven updates to regulations in reference to national standards.

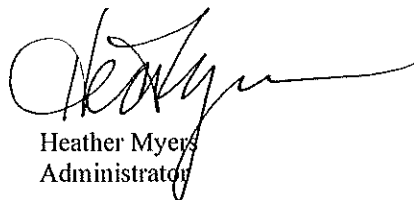
The rule-making hearing is being conducted by virtue of the provisions of Nebraska Revised Statutes, Section 84-907, R.R.S. which provisions require that copies of the proposed rule or rule change are available for public examination at the office of the Board of Public Accountancy, 1526 Building, 1526 K Street, Suite 410, Lincoln, Nebraska 68508, (402) 471-3595, and at the office of the Secretary of State, Capitol Building, Lincoln, Nebraska. A complete statement on the fiscal impact of the proposed rules may be examined at the office of the Board of Public Accountancy at 1526 Building, 1526 K Street, Suite 410 Lincoln, Nebraska.

All interested persons are invited to attend and testify at the hearing. Interested persons may also submit written comments prior to the hearing, which comments will be made a part of the hearing record at the time of the hearing. Anyone needing reasonable accommodations to review the drafts or participate in this process, please contact the Board office at (402) 471-3595 or within Nebraska at 1-800-564-6111 or by emailing to Dan.Sweetwood@Nebraska.gov.

Sincerely,



Dan Sweetwood
Executive Director



Heather Myers
Administrator

CHAPTER 3 – DEFINITION OF TERMS

001 As used herein, unless the context otherwise requires:

001.01 “Act” shall mean the Public Accountancy Act, Chapter 1, Article 1, Reissue Revised Statutes, Nebraska.

001.02 “AICPA” shall mean the American Institute of Certified Public Accountants.

001.03 “Attest” means providing the following services:

001.03A any audit or other engagement to be performed in accordance with the AICPA Statements on Auditing Standards (SAS) in effect on October 15, 20~~25~~¹⁵;

001.03B any review of a financial statement to be performed in accordance with the AICPA Statements on Standards for Accounting and Review Services (SSARS) in effect on October 15, 20~~25~~¹⁵;

001.03C any examination of prospective financial information to be performed in accordance with the AICPA Statements on Standards for Attestation Engagements (SSAE) in effect on October 15, 20~~25~~¹⁵;

001.03D any engagement to be performed in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB) in effect on October 15, 20~~25~~¹⁵; and

001.03E any examination, review, or agreed upon procedures engagement to be performed in accordance with the SSAE, other than an examination described in subsection 001.03(C). The standards specified in this definition shall be adopted by reference by the Board, and shall be those developed for general application by recognized national accountancy organizations, such as the AICPA, and the PCAOB.

001.04 “Board” means the Nebraska Board of Public Accountancy established under Section 1-107 of the Act.

001.05 “Certificate” means the certificate of “certified public accountant” issued pursuant to Section 1-114 of the Act or corresponding provisions of prior law, or a corresponding certificate issued under the law of any other state, which signifies having met the educational requirements, the successful completion of the Uniform CPA Examination, and an examination in professional ethics.

001.06 “Client” shall mean any person or entity who retains a permit holder for the performance of professional services.

001.07 “Compilation” shall mean providing a service to be performed in accordance with Statements on Standards for Accounting and Review Services (SSARS), in effect on October 15, 20~~25~~¹⁵.

001.08 “Financial statements” shall mean presentation of financial data, including accompanying notes, derived from accounting records and intended to communicate an entity’s economic resources or obligations at a point in time or the changes therein for a period of time in accordance with a comprehensive basis of accounting. Financial statements include, but are not limited to, balance sheets, statements of income, statements of retained earnings, statements of cash flows, statements of changes

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in owner's equity, statements of assets and liabilities that do not include owners' equity accounts, statements of revenue and expenses, statements of cash receipts and disbursements, summary of operations and statements of operations by product lines. Financial statements may be prepared on either a historical or prospective basis. For purposes hereof, incidental financial data included in management advisory services reports to support recommendations to a client, and tax returns and supporting schedules do not constitute financial statements. The statement, affidavit, or signature of preparers required on tax returns neither constitutes an opinion on financial statements nor requires a disclaimer of such opinion.

001.09 "Firm" shall mean a partnership, limited liability company, or corporation engaged in the practice of public accountancy in this state entitled to register with the board or a proprietorship engaged in the practice of public accountancy in this state.

001.10 "He," "his," and "him" mean, where applicable, the corresponding feminine and neutral pronouns also.

001.11 "Holding out to the public as a permit holder" As that term is used in these rules and in the definition of the practice of public accountancy, it means any representation that a person holds a permit to practice made in connection with an offer to perform or the performance of services to the public. Any such representation is presumed to invite the public to rely upon the professional skills implied by the permit in connection with services offered to be performed. For purposes of this definition and these rules, a representation shall be deemed to include any oral, electronic, or written communication conveying that a licensee holds a permit, including the use of titles or legends displayed in letterheads, business cards, office doors, advertisements, websites or other electronic means, and all other listings. Holding out to the public does not include:

001.11A the display of the original of a certificate, unless a currently valid permit to practice is also displayed; or

001.11B any representation by a faculty member in an educational institution that such faculty member holds a certificate or permit, when the purposes of such representation reasonably relates to his functioning in the capacity of faculty member; or

001.11C any representation in a book, article, or other publication or in any promotional advertising for such book, article or other publication that the author holds a certificate or permit, provided that such book, article, or other publication does not offer the performance of services or the sale of any products (other than the book, article, or publication itself) of any kind.

001.12 "Home office" is the location specified by the client as the address where the attestation service is directed.

001.13 "In good standing" shall mean that a certificate holder possesses a certificate which is considered by the appropriate licensing agency to be current in payment of fees and unrevoked at the time of application for a license or at the time of renewal.

001.14 "Interpretations of the Rules of Professional Conduct" shall mean pronouncements issued by the Board to provide guidelines as to the scope and application of the Rules of Professional Conduct.

001.15 "Issuer" shall mean individuals, partnerships, professional corporations, Limited Liability Companies, or other such entities.

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001.16 “Licensee” shall mean the holder of a CPA certificate, active permit, or inactive registration issued by the Board.

001.17 “Office” shall mean each place of business of a practice unit which constitutes a separate geographical location where the practice unit engages in the practice of public accountancy.

001.18 “Permit holder” or “holder of a permit” shall mean any person or firm holding a permit to practice public accountancy as a certified public accountant in the State of Nebraska.

001.19 “Permit to practice” means the license issued under the Sections of the Public Accountancy Act, to either a person or a firm.

001.20 “Practice of public accountancy” shall mean the performance or offering to perform by a person holding himself out to the public as a permit holder, for a client or potential client, of one or more kinds of services involving:

001.20A the use of accounting or auditing skills, including the issuance of reports on financial statements which state or imply any level of assurance as to the reliability of any financial statements associated with such assurances;

001.20B management, advisory, financial, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.

001.21 “Practice privilege” shall mean privilege of a certified public accountant licensed in another state to practice public accountancy or hold out as a certified public accountant in Nebraska in accordance with Section 1-125.01 of the Act.

001.22 “Practice unit” shall mean all Certified Public Accountants practicing public accountancy in Nebraska as a partnership, limited liability company, or corporation engaged in the practice of public accountancy in this state entitled to register with the board or a proprietorship engaged in the practice of public accountancy in this state and in whose name financial reports are issued. Certified Public Accountants not in full-time public practice, but who provide accounting services to the public on a part-time basis, are included in this definition.

001.23 “Principal place of business” means the office location designated by the practice privilege CPA licensee as his primary location for the practice of public accountancy.

001.24 “Professional services” means any services performed or offered to be performed by a permit-holder for a client in the course of the practice of public accountancy.

001.25 “Report” when used with reference to any attest or compilation service, means an opinion, report, or other form of language that states or implies assurance as to the reliability of the attested information or compiled financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is an accountant or auditor, or from the language of the report itself. The term “report” includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to and/or special competence on the part of the person or firm issuing such

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language; and it includes any other form of language that is conventionally understood to imply such assurance and/or such special knowledge or competence.

001.26 “State” means any state, territory or insular possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia; except that “this State” means the State of Nebraska.

Applicable Laws Statutory Authority: Section 1-108, R.R.S. 1943; LB 31, 2009; LB 159, 2015.

Statements to the Governor and Explanatory Statement:

The Nebraska State Board of Public Accountancy will hold a public hearing on May 15th, 2026 at 9:00 am in accordance with the Nebraska Open Meetings Act/ Neb. Rev. Stat. § 84-1411(2) to receive public comment relative to proposed rule changes within Board Rules & Regulation Title 288/ Chapter 9- Education

Information on the proposed amendments as required by law:

CHAPTER 3- Definition of Terms

Description of the proposed rule or regulation and the entities it will impact:

Proposed amendments to NAC Title 288, Chapter 3 would update two sets of national accounting standards used by Certified Public Accountants (CPAs). Specifically, the changes would incorporate the most current standards issued by the American Institute of CPAs (AICPA), including the Statements on Standards for Accounting and Review Services (SSARS) and the Statements on Standards for Attestation Engagements (SSAE).

Another amendment updates the national standards of the Public Company Accounting Oversight Board (PCAOB). The PCAOB, a federal government standard setter, sets accounting standards for attestation engagements by CPA firms concerning public traded companies listed on US stock exchanges.

These revisions are date-driven updates to ensure the regulations remain current.

The proposed updates would affect CPAs who rely on these national standards when performing client engagements, ensuring that their work reflects the most up-to-date professional guidance.

The recommended change:

Date-driven changes need to periodically be updated by the Board within this chapter.

An explanation of the necessity of the proposed rule or regulation, including the identification of the authorizing statute or legislative bill:

PAA Section 1-112 gives the Board authority to promulgate regulations to maintain a high standard of integrity and dignity in the profession of public accountancy. Keeping accounting standards current in the regulations helps maintain a high level of integrity within the accounting profession.

A statement that the proposed rule or regulation is consistent with legislative intent:

By keeping accounting standards current within the regulations is consistent with the legislative intent within PAA Section 1-112.

A statement indicating whether the proposed rule or regulation is the result of a state mandate on a local government or on a local government subdivision and if the mandate is funded:

The Board's proposed amendments within Chapter 3/Title 288 are not the result of a state mandate.

A statement indicating whether the proposed rule or regulation is the result of a federal mandate on state government or on a local government subdivision and if the mandate is funded:

The Board's proposed amendments within Chapter 3/Title 288 are not the result of a federal mandate.

A description, including an estimated qualification, of the fiscal impact on state agencies, political subdivisions, and regulated persons.

See attached Fiscal Impact Statement. There is no apparent fiscal impact.

A statement that the agency will solicit public comment on the proposed rule or regulation before the public hearing and a statement indicating whether or not the agency has utilized the negotiated rulemaking process as provided for in the Negotiated Rulemaking Act with respect to the proposed rule or regulation:

See attached copy of proof of Notice of Rulemaking Comment Period and Policy Making Hearing.

The Board discussed the proposed regulation at their March 13th Board meeting and by motion and vote moved the proposed regulations go forward.

Fiscal Impact Statement

Agency: Nebraska Board of Public Accountancy
Prepared By: Dan Sweetwood, Executive Director
Date Prepared: April 6, 2026
Telephone Number: (402) 471-3595

Title: 288 Chapter 3
Subject: Definition of Terms

Type of Fiscal Impact:

	<u>NBPA</u>	<u>Political Sub.</u>	<u>Regulated Public</u>
Fiscal Impact	X	X	X
Increased Costs	X	X	X
Decreased Costs	X	X	X
Increased Revenue	X	X	X
Decreased Revenue	X	X	X
Indeterminable			

~ - Fiscal Impact

X- None

* Estimated/ possible

Provide an Estimated Cost & Description of Impact:

NBPA/State Agency:

There is no fiscal impact if date-sensitive regulations are updated.

CHAPTER 7 – PERMITS, ANNUAL FEES, INACTIVE LIST, PRACTICE PRIVILEGE

001 Permits. Permits to practice public accountancy will be issued for each licensing period and will expire on June 30 of each period. The issuance to an individual of a certificate or initial permit to practice public accountancy may be denied by the Board if the individual does not meet the Character and Fitness Standards as listed in Chapter 6.002 or other requirements within the Public Accountancy Act.

001.01 Issuance of a Permit under PAA Section 1-136.02.

001.01A A certificate holder may apply for issuance of a permit to practice under PAA Section 1-136.02 using forms provided by the Board. The experience form must include a notarized signature of a supervisor who during the time the experience was gained held an active permit to practice as a CPA.

001.01B ~~Experience gained shall relate to the definition of practice of public accountancy as defined within Chapter 3.001.18 in determining if the experience is satisfactory to the Board. A broad range of experience is recommended to be gained by the applicant as defined in Chapter 3.001.18.~~

The experience required to be demonstrated for issuance of an initial permit to practice pursuant to PAA Section 1-136.02 shall meet the requirements of this rule.

- (1) To determine whether the experience is acceptable, the Board may require an applicant to submit an experience form specifying the experience earned.
- (2) The applicant shall have their experience verified to the Board by the supervising active permit holder.
- (3) The Board may look at such factors as the complexity and diversity of the work.
- (4) One year of experience shall consist of full or part-time employment that extends over a period of no less than a year and no more than three years and includes no fewer than 2,000 hours of performance of services as described in PAA Section 1-136.02(1)(c).
- (5) Two years of experience shall consist of full or part-time employment that extends over a period of no less than two years and no more than six years and includes no fewer than 4,000 hours of performance of services described in PAA Section 1-136.02(1)(c).

001.01C The certificate holder must submit evidence of his or her experience upon application for an initial permit to practice.

- (1) The Board may require anyone who has furnished evidence of an applicant's experience to substantiate the information.
- (2) Any applicant may be required to appear before the Board or its representative to supplement or verify evidence of experience.
- (3) The Board may inspect documentation relating to an applicant's claimed experience.

- (4) Any active permit holder who has been requested by an applicant to submit to the Board evidence of the applicant's experience and has refused to do so shall upon request by the Board, explain in writing or in person the basis for such refusal.

001.01DC Experience submitted shall have been gained no more than 10 years prior to the application or the applicant shall file with the Board properly completed affidavits of successful completion of 120 hours of approved courses of continuing education, including 4 hours of ethics courses, within the three calendar years preceding application.

001.02 Practice Privilege under PAA Section 1-125.01

001.02A An individual whose principal place of business is not in this state and who holds a valid license in good standing as an active Certified Public Accountant from any state shall have all the practice privileges as defined in Chapter 3 of licensees of this state without the need to obtain licensure under PAA Section 1-136 provided that at the time of initial licensure, the individual was required to show evidence of having met the following requirements:

- (1) Passed the Uniform CPA Examination, and
- (2) A post-baccalaureate degree with a concentration in accounting or an equivalent and not less than one year of work experience as defined in subsection 001.01B (4) of this Chapter; or
- (3) A baccalaureate degree plus an additional 30 semester credit hours with a concentration in accounting or an equivalent and not less than one year of work experience as defined in subsection 001.01B (4) of this Chapter; or
- (4) A baccalaureate degree including an accounting concentration or an equivalent and not less than two years of work experience as defined in subsection 001.01B (5) of this Chapter.

001.02B An individual whose principal place of business is not in this state, and who holds or held a valid active license as a Certified Public Accountant from any state, as of December 31, 2024, and as of such date, has practice privileges in this state under PAA Section 1-125.01, shall continue to have all the privileges in this state without needing to obtain a license under PAA Section 1-136.

002 Annual Fees. Not later than February 1 of each year, the Board shall by resolution establish the fee schedule for all services for the following licensing year.

003 Inactive List. Any certificate holder who has not lost his or her right to issuance or renewal of a permit and who is not actively engaged in the practice of public accountancy in this state, shall make a written application to the Board to be classified as inactive or inactive-retired, or may surrender his or her certificate to the Board. A person classified as inactive shall not be issued a permit to engage in public accountancy, nor be deemed the holder of a "live permit" as defined in Section 1-151 of the Act, but shall be issued an inactive registration for the current licensing period upon the payment of the applicable fee. Inactive registrations will be issued for each licensing period and will expire on June 30 of each period. Once inactive-retired status is approved by the Board it will remain in effect until the certificate holder makes application for change.

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003.01 Inactive Registrant; Use of Disclaimer. Whenever using “Certified Public Accountant” or “CPA” with his or her name, an inactive registrant shall use the disclaimer “Inactive Registrant” in parentheses immediately after the title or abbreviation; provided, however, that a certified public accountant exercising the practice privilege pursuant to the Act and the rules of the Board shall not be required to use the disclaimer.

~~**004 Display of Permit.** An individual who is practicing public accountancy shall display to the public his current individual permit to practice in a prominent place in the office where he practices public accountancy.~~

Statutory Authority: Sections 1-131, 1-136, R.R.S. 1943

Statements to the Governor and Explanatory Statement:

The Nebraska State Board of Public Accountancy will hold a public hearing on May 15th, 2026 at 9:00 am in accordance with the Nebraska Open Meetings Act/ Neb. Rev. Stat. § 84-1411(2) to receive public comment relative to proposed rule changes within Board Rules & Regulation Title 288/ Chapter 7- Permits, Annual Fees, Inactive list.

Information on the proposed amendments as required by law:

CHAPTER 7- Permits, Annual Fees, Inactive list

Description of the proposed rule or regulation and the entities it will impact:

Experience

Proposed amendments to NAC Title 288, Chapter 7 are intended to complement and clarify the experience requirements for obtaining a permit to practice as a CPA in Nebraska, as established in the Nebraska Public Accountancy Act (PAA) under LB 718, approved by the Legislature and signed into law by Governor Pillen on February 26, 2026.

The proposed regulations specify that the Board may require submission of a written form to verify an applicant's experience, which must be confirmed by a supervising CPA. They also establish that qualifying experience must total 2,000 hours within a one-year period and be completed over no less than one year and no more than three years. Additional clarification is provided regarding the requirements for two years of experience.

Further, the regulations authorize the Board to require individuals who have attested to an applicant's experience to substantiate that information. Applicants may also be required to appear before the Board to verify their experience, and the Board may review supporting documentation related to the claimed experience. In cases where a supervising CPA declines to provide verification, the regulations may require a written explanation to be submitted to the Board.

Practice Privilege

The proposed amendments would also clarify requirements for out of state CPAs practicing under the practice privilege as allowed within the PAA.

Additionally, the term "Practice Privilege" would be incorporated into the chapter title to more clearly reflect its scope and applicability.

Display of Permits

Due to the modernization of work locations within CPA firms and the ability to require compliance, it was determined this requirement should be removed.

The recommended change:

The change enhances and defines Board experience requirements under LB 817 and the PAA.

The change provides clarification for those properly licensed CPAs practicing under practice privilege provisions within the PAA. It defines requirements to practice under the privilege in Nebraska.

An explanation of the necessity of the proposed rule or regulation, including the identification of the authorizing statute or legislative bill:

Section 1-112 of the Nebraska Public Accountancy Act (PAA) grants the Board authority to promulgate regulations necessary to maintain a high standard of integrity and dignity within the public accountancy profession.

Section 1-136.02, as enacted under LB 718, requires that an applicant's experience be satisfactory to the Board and obtained under the supervision of a licensed CPA. The proposed regulations support the Board in evaluating whether such experience meets these standards and provide additional guidance regarding the role and responsibilities of the supervising CPA.

Section 1-125.01 establishes requirements for CPAs whose principal place of business is outside Nebraska and who are authorized to provide professional services within their home jurisdiction and may practice under the practice privilege in Nebraska. The proposed regulations are intended to clarify these requirements and assist such CPAs in understanding and complying with the provisions governing practice under the privilege.

A statement that the proposed rule or regulation is consistent with legislative intent:

The proposed regulations are consistent with the intent of PAA Section 1-112, Section 1-136.02 and Section 1-125.01.

A statement indicating whether the proposed rule or regulation is the result of a state mandate on a local government or on a local government subdivision and if the mandate is funded:

The Board's proposed amendments within Chapter 7/Title 288 are not the result of a state mandate.

A statement indicating whether the proposed rule or regulation is the result of a federal mandate on state government or on a local government subdivision and if the mandate is funded:

The Board's proposed amendments within Chapter 7/Title 288 are not the result of a federal mandate.

A description, including an estimated qualification, of the fiscal impact on state agencies, political subdivisions, and regulated persons.

See attached Fiscal Impact Statement. There is no apparent fiscal impact.

A statement that the agency will solicit public comment on the proposed rule or regulation before the public hearing and a statement indicating whether or not the agency has utilized the negotiated rulemaking process as provided for in the Negotiated Rulemaking Act with respect to the proposed rule or regulation:

The drafted regulation was shared with the Nebraska Society of CPAs.

See attached copy of proof of Notice of Rulemaking Comment Period and Policy Making Hearing.

The Board discussed the proposed regulation at their March 13th Board meeting and by motion and vote moved the proposed regulations go forward.

Fiscal Impact Statement

Agency: Nebraska Board of Public Accountancy
Prepared By: Dan Sweetwood, Executive Director
Date Prepared: April 6, 2026
Telephone Number: (402) 471-3595

Title: 288 Chapter 7
Subject: Permits, Annual Fees, Inactive list

Type of Fiscal Impact:

	<u>NBPA</u>	<u>Political Sub.</u>	<u>Regulated Public</u>
Fiscal Impact	X	X	X
Increased Costs	X	X	X
Decreased Costs	X	X	X
Increased Revenue	X	X	X
Decreased Revenue	X	X	X
Indeterminable			

~ - Fiscal Impact

X- None

* Estimated/ possible

Provide an Estimated Cost & Description of Impact:

NBPA/State Agency:

There is no fiscal impact if date-sensitive regulations are updated.

CHAPTER 8 – CONTINUING EDUCATION

001 Purpose. The purpose of this Chapter is to promulgate rules to assure that minimum continuing education requirements are met by all permit holders and thereby to promote the obligations of the permit holders to provide competent professional services for their clients. Failure to comply with the requirements set forth in this Chapter shall be grounds for non-renewal of a permit for the practice of public accountancy.

002 Definitions. As used in this Chapter:

002.01 "Approved course" means a course approved by the Board.

002.02 "Approved sponsor" means an organization which has been approved and designated by the Board whose programs presented in conformity with this Chapter will constitute approved courses.

002.03 "Participant" shall mean a permit holder attending an approved course.

002.04 "Year" shall mean the twelve-calendar-month period of January through December.

002.05 "Day" shall mean eight hours of attendance by a participant of an approved course during one calendar day.

002.06 "Hour" shall mean fifty minutes of continuing participation in the program of instruction.

002.07 "Permit Holder" or "holder of a permit" shall mean any person holding a permit to practice public accountancy either as a public accountant or as a certified public accountant in the State of Nebraska.

003 Board Duties. Pursuant to Section 1-136.01 of the Act the Board may require each permit holder to furnish evidence of participation in continuing education in accountancy, auditing and related areas as a condition for renewal or reinstatement of the permit issued pursuant to Section 1-136. To assist permit holders to fulfill this requirement, the Board shall:

003.01 Exercise supervisory authority over the administration and reporting of continuing education.

003.02 Approve sponsors and course, programs, seminars and other educational activities which will constitute an approved course in satisfaction of the minimum educational requirements. All approvals shall be subject to continuous review by the Board.

003.03 Maintain records with respect to approved sponsors and courses and participation in approved courses by participants.

003.04 Provide such forms or instructions concerning information to be provided on alternative forms as are necessary to enable the participants, sponsors and the Board to fulfill their responsibilities.

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003.05 Have the authority to request continuing education documentation from any permit holder for five years from their last reporting period.

004 Ethics Requirement

004.01 A permit holder must complete 4 hours of ethics in every reporting period for renewal or reinstatement.

005 Standards for Course Approval. To become an approved course, an educational presentation shall meet the following minimum requirements:

005.01 Quality. The course shall be organized and presented in such manner as to contribute directly to the professional competence of the participant in the practice of public accountancy.

005.02 Subjects. The course shall present a subject matter directly related to the practice of public accountancy or to information or skills reasonably calculated to be utilized by a participant in the practice of public accountancy. The Board recommends that any permit holder performing audits, reviews or compilations obtain a minimum of forty percent (40%) of the required credit hours in Accounting and Auditing coursework.

005.03 Qualifications of Faculty. Each faculty member shall be qualified through academic or practical experience to teach or demonstrate his subject.

005.04 Written Materials. Written manuals, outlines, forms, or other written materials are recommended to be distributed to all participants at or prior to the time the course is commenced.

006 Sponsor Approval

006.01 An organization, agency or individual which has as one of its primary purposes the presentation of education programs relating to the practice of public accountancy and has for a period of not less than two preceding years presented annually, one or more courses meeting the standards for course approval prescribed herein may apply to the Board for accreditation as an approved sponsor. A firm may also apply to the Board for designation as an approved sponsor for its in-firm continuing education programs. Application for approval shall be made to the Board on forms supplied by it or alternative forms which contain the necessary information for Board review.

006.02 The Board may at any time re-evaluate an approved sponsor. If the Board determines that there is basis for revocation of the accreditation of an approved sponsor, the Board shall set the matter for hearing and give the sponsor written notice by Certified Mail thirty (30) days in advance of the hearing. The decision of the Board following the hearing shall be final.

006.03 An approved sponsor may announce: "This course has been approved by the Nebraska State Board of Public Accountancy for ____ hours credit."

006.04 An approved sponsor must maintain a list of all permit holders who attend each course and provide the list to the Board upon request.

007 Credit for Attendance or Participation

007.01 One hour credit shall be given for each hour spent by a participant in actual attendance at the approved course.

007.02 Credit may be given for time spent by a participant in actual attendance at formal, organized in-firm educational programs which satisfy the Standards for Course Approval whether or not the firm has obtained pre-approval by the Board as a sponsor. The amount of credit to be given shall be determined by the Board. No credit shall be given unless the course is at least one hour in length.

007.03 Credit may be given for time spent by a participant in completing formal self-study courses or other individual study programs which require advance registration and provide evidence of satisfactory completion of the course material and which satisfy the Standards for Course Approval. The amount of credit to be given shall be determined by the Board. Not more than 50% of required hours during a licensing or reinstatement period shall be represented by such courses or programs.

007.04 A permit holder serving on the faculty of an approved course shall be entitled to two hours credit for each hour spent as a faculty member of an approved course. Not more than 50% of required hours during a licensing or reinstatement period shall be represented by such faculty credits.

007.05 A permit holder may obtain credit for attending, as an auditor or a regular student, a course offered by a college or university which awards degrees in accounting. The amount of credit to be given shall be determined by the Board. Not more than 50% of required hours during a licensing or reinstatement period shall be given for college credit. Each college semester credit hour shall equal 8 hours CPE credit and each college quarter hour shall equal 4 hours CPE credit.

007.06 A participant may apply to the Board for a determination of the amount of credit that will be given for attendance or participation in any continuing education program which is other than an approved course or offered by other than an approved sponsor.

008 Participant and Faculty Credit

008.01 Each permit holder, who seeks to obtain credit for participation in an approved course either, as a participant or faculty member shall apply to the Board on forms supplied by the Board or alternative forms which contain the necessary information for Board review.

008.02 A permit holder may request that he be granted credit for participation in continuing education programs, which are other than approved courses offered by approved sponsors. In such event, the licensee shall supply information about the programs as requested by the Board, and the decision of the Board concerning the amount of credit to be granted, if any, shall be final.

008.03 Evidence of satisfactory completion of the required continuing education courses shall be received by the Board not less than five months prior to the renewal date of the permit holder's permit.

009 Non-Compliance Review and Hearing

009.01 If a permit holder fails to meet the requirements of Section 1-136.01 of the Act or this Chapter for continuing education, then the Board shall cause a Notice of Non-Compliance to be sent to such ~~permit holder by Certified Mail directed to the~~ permit holder's last-known address or email as indicated on records maintained in the office of the Board not less than three months prior to the renewal date of the permit holder's permit. Such Notice shall advise the permit holder of the existence and nature of such noncompliance and that the licensee may file a request for hearing with the Board within fifteen days of the date of mailing of the Notice. If a hearing is not timely requested, the permit holder shall be deemed to have waived any objection to the finding of noncompliance.

009.02 If a hearing is requested by a permit holder determined to be in noncompliance, the Board shall conduct a hearing at which the permit holder may be represented by counsel and shall make a stenographic or tape recorded record of all proceedings at the hearing. The Board may admit any relevant evidence, including hearsay.

009.03 If, after such hearing, the Board determines that a permit holder is in noncompliance with the requirements for continuing education it shall decline to renew the permit to practice public accountancy held by such permit holder.

009.04 The Board may waive compliance with this Rule for good cause shown in cases involving illness or other hardship or extenuating circumstances beyond the control of the permit holder.

0010 Reinstatement of Inactive Members. Any registrant, who has held a permit to practice and who currently holds an inactive registration, who desires to return to active status shall first notify the Board. Before being readmitted to the status of an active permit holder, such person shall file with the Board a properly completed affidavit of attendance establishing that the permit holder has successfully completed fifteen days (120 hours) of approved courses of continuing education within the three calendar years preceding the date on which readmission to active status is sought. This requirement may be waived for good cause, pursuant to Section 009.04 of this Chapter.

Statutory Authority: Section 1-136.01 R.R.S. 1943.

Statements to the Governor and Explanatory Statement:

The Nebraska State Board of Public Accountancy will hold a public hearing on May 15th, 2026 at 9:00 am in accordance with the Nebraska Open Meetings Act/ Neb. Rev. Stat. § 84-1411(2) to receive public comment relative to proposed rule changes within Board Rules & Regulation Title 288/ Chapter 8- Continuing Education

Information on the proposed amendments as required by law:

CHAPTER 8- Continuing Education

Description of the proposed rule or regulation and the entities it will impact:

Proposed amendments to NAC Title 288, Chapter 8 would eliminate the requirement the Board office send a Notice of Non-Compliance of Continuing Professional Education (CPE) to active permit holders (CPAs) by U.S. Certified Mail. This is a Board efficiency initiative with the goal of eliminating the costs associated with sending Certified Mail that have become expensive and less effective over the last several years. Many of the active permit holders have left their employment, moved, and did not update the Board with their current address. Many of the envelopes are returned back to the office undeliverable. Other continuing attempts to contact those active permit holders will remain including by sending regular U.S. Mail and emails in the attempt to notify of non-compliance. The Board has a process whereas those active permit holders who remain in non-compliance of CPE requirements can return to good standing upon learning of their non-compliance.

The recommended change:

Remove the requirement that active permit holders be notified via U.S. Certified Mail of Non-Compliance of CPE requirements. Notice would still be sent via regular U.S. Mail and emails.

An explanation of the necessity of the proposed rule or regulation, including the identification of the authorizing statute or legislative bill:

PAA Section 1-112 gives the Board authority to promulgate regulations to maintain a high standard of integrity and dignity in the profession of public accountancy. PAA Section 1-136.01 gives the Board authority to promulgate regulations regarding permit holders furnishing evidence of participation in professional development courses.

A statement that the proposed rule or regulation is consistent with legislative intent:

By keeping accounting standards current within the regulations is consistent with the legislative intent within PAA Section 1-112 and 1-136.01.

A statement indicating whether the proposed rule or regulation is the result of a state mandate on a local government or on a local government subdivision and if the mandate is funded:

The Board's proposed amendments within Chapter 8/Title 288 are not the result of a state mandate.

A statement indicating whether the proposed rule or regulation is the result of a federal mandate on state government or on a local government subdivision and if the mandate is funded:

The Board's proposed amendments within Chapter 8/Title 288 are not the result of a federal mandate.

A description, including an estimated qualification, of the fiscal impact on state agencies, political subdivisions, and regulated persons.

See attached Fiscal Impact Statement. There is a fiscal impact.

A statement that the agency will solicit public comment on the proposed rule or regulation before the public hearing and a statement indicating whether or not the agency has utilized the negotiated rulemaking process as provided for in the Negotiated Rulemaking Act with respect to the proposed rule or regulation:

See attached copy of proof of Notice of Rulemaking Comment Period and Policy Making Hearing.

The Board discussed the proposed regulation at their March 13th Board meeting and by motion and vote moved the proposed regulations go forward.

Fiscal Impact Statement

Agency: Nebraska Board of Public Accountancy
Prepared By: Dan Sweetwood, Executive Director
Date Prepared: April 6, 2026
Telephone Number: (402) 471-3595

Title: 288 Chapter 8
Subject: Continuing Education

Type of Fiscal Impact:

	<u>NBPA</u>	<u>Political Sub.</u>	<u>Regulated Public</u>
Fiscal Impact	~	X	X
Increased Costs	X	X	X
Decreased Costs	~	X	X
Increased Revenue	X	X	X
Decreased Revenue	X	X	X
Indeterminable			

~ - Fiscal Impact
X- None
* Estimated/ possible

Provide an Estimated Cost & Description of Impact:

NBPA/State Agency:

There is a direct fiscal impact on the Board as Notice of Non-Compliance to those permit holders who do not properly report their Continuing Education requirement will not need to be sent US Certified Mail. The cost to send US Certified Mail (with return receipt) is \$10.48 to an individual. With an estimated 150 permit holders not properly reporting annually :

150 X 10.48= \$1572.00 (decreased costs by the Board)

CHAPTER 9 - EDUCATION

001 Definitions:

001.01 “Accreditation” means the quality control of the education process provided by generally recognized regional and/or programmatic accreditation organizations. These Rules refer to three levels of accreditation. Level 1 represents the most comprehensive review at the accounting program level and Level 3 is the least comprehensive review at the college or university level. Colleges or universities without accreditation, as defined below, would generally lack any level of accreditation including the college or university, the business school or program (“business school”), and/or the accounting department or program (“accounting program”).

1. Level 1 accreditation – the accounting program. In a Level 1 accreditation, the college or university; business school; and the accounting program are separately accredited. This level applies to an accounting program that is accredited by an organization recognized by the Council of Higher Education Accreditation (CHEA) as a specialized or professional accrediting organization, such as the Association to Advance Collegiate Schools of Business-International (AACSB). Accredited accounting programs have met standards substantially higher and much more specific than those required for Level 2 or Level 3 accreditation.
2. Level 2 accreditation – the business school. In a Level 2 accreditation, the college or university and the business school are separately accredited, but the accounting program is not separately accredited. This level applies to a business school that is accredited by an organization recognized by the Council of Higher Education Accreditation (CHEA) as a specialized or professional accrediting organization, such as the AACSB or the Association of Collegiate Business Schools and Programs (ACBSP).
3. Level 3 accreditation – the college or university. In a Level 3 accreditation, the college or university is accredited, but neither the business school nor the accounting program meet Level 1 or Level 2 requirements. This level applies to a degree granting college or university that is not accredited at Level 1 or Level 2, but is accredited by an organization currently recognized by the Council of Higher Education Accreditation as a regional accrediting organization or a regional accrediting body recognized by the United States Department of Education.

001.02 “College(s) or university(s)” means Board-recognized institution(s) of higher education accredited by regional accrediting organizations.

002 Recognized Standing.

An applicant for certification must demonstrate proof that he has earned a ~~baccalaureate four-year~~ degree from a college or university of recognized standing. An applicant who has earned a ~~baccalaureate four-year~~ degree conferred by a college or university which is accredited by a regional accrediting body recognized by the United States Department of Education is deemed to have met that statutory requirement.

~~Four-year-e~~Colleges or universities not accredited by a regional accrediting body recognized by the United States Department of Education are considered for purposes of these rules to be unaccredited or non-accredited colleges or universities.

003 Non-accredited Degree

A graduate of a ~~baccalaureate four-year~~ degree granting institution not accredited at the time the applicant's degree was received or at the time of filing his or her application for certification will be deemed to have met the statutory education requirement, provided;

003.01 An accredited college or university, as defined above, accepts the applicant's non-accredited degree for admission to a graduate degree program; and

003.02 The applicant presents evidence satisfactory to the Board that the education received from the non-accredited college or university through which the applicant received his or her ~~baccalaureate four-year~~ degree is comparable to an accredited college or university. Evidence satisfactory to the Board may include, but is not limited to:

003.02A letters of recommendation regarding the applicant or the non-accredited institution;

003.02B material from accounting firms regarding the quality of the educational program or the candidates from the non-accredited institution;

003.02C evaluations of the applicant regarding his or her educational background, from faculty members of accredited institutions;

003.02D listings of the non-accredited institution in directories or publications which attest to the quality of the educational programs at that institution;

003.02E membership of the non-accredited institution in organizations which attest to the quality of the non-accredited institution; and any other material acceptable to the Board.

004 Educational Requirements;

Preface: The Nebraska State Board of Public Accountancy is dedicated to ensuring that the educational preparation of CPAs reflects a broad-based educational program which incorporates the latest information and knowledge in the areas of accounting, auditing, and general business as well as an understanding of the world and the relationships between business enterprises, government, and not-for-profit entities.

The Board will not furnish or prescribe specific curriculum which colleges or universities should adopt; rather it urges colleges and universities to adopt innovative approaches and programs designed to best meet the needs of the profession and society.

004.01 CPA Examination Candidates - For the Purpose of Nebraska Revised Statutes, Section 1-106 et. seq., as revised, the education requirements to sit for the Uniform CPA Examination shall be a baccalaureate or higher degree ~~which contains, as a minimum, 120 semester hours or 180 quarter hours~~ from an accredited college or university (as defined and specified in Title 288, Chapter 9-001 and 9-002) and the subject area requirements as outlined within Sections 004.02A & B.

004.02 Eligibility. The candidate will be required, as a condition of acceptance for sitting for the first time for the Uniform CPA Examination, to provide the Board or its designee with an official transcript or transcripts that show his or her postsecondary education program has included, as follows:

TITLE 288- REVISED & SUBSTITUTED RULES OF THE BOARD

004.02A 24 semester or 36 quarter hours in accounting beyond principles of accounting. The subjects to be covered in these hours shall include some or all of the following:

- (1) Financial accounting theory and problems
- (2) Cost and managerial accounting
- (3) Tax preparation and planning
- (4) Auditing
- (5) Accounting information systems
- (6) Governmental and not-for-profit accounting.

004.02B 24 semester or 36 quarter hours in general business. The subjects to be covered in these hours shall include some or all of the following:

- (1) Macro and microeconomics
- (2) Business law
- (3) Marketing
- (4) Management
- (5) Finance
- (6) Business Ethics
- (7) Principles of accounting
- (8) Business communication
- (9) Quantitative applications in business
- (10) Data analytics

004.03 Any person making initial application to take the Uniform CPA examination shall be deemed to have met the educational requirement contained in the law and these rules if the applicant has earned a graduate degree in accounting from an accounting program or department that is accredited in accounting by an accrediting agency recognized by the Board.

004.04 Upon applying for and receiving a certificate, a certificate holder may apply for a permit to practice, as outlined within Section 1-136 et. Seq., as revised, after meeting all other requirements as outlined within the law and these rules.

004.04A Upon application for a permit to practice, a certificate holder shall have completed, at a minimum:

- (1) ~~A baccalaureate degree +50 semester hours or 225 quarter hours~~ from an accredited college or university (as defined and specified in Title 288 Chapter 9-001 and 9-002).
- (2) 24 semester hours or 36 quarter hours in accounting beyond principles of accounting. The subjects to be covered shall include all of the subjects listed under 004.02A (1-6).
- (3) 24 semester hours or 36 quarter hours in general business. The subjects to be covered shall include some or all of the subjects listed under 004.02B (1-10).
- (4) Content covering the subject of Business Ethics.

004.04B If the time elapsed exceeds ~~six five~~ years since the applicant has completed the examination prior to applying for a certificate or permit to practice, the applicant shall file with the Board properly completed affidavits of successful completion of

TITLE 288- REVISED & SUBSTITUTED RULES OF THE BOARD

120 hours of approved courses of continuing education, including 4 hours of ethics courses, within the three years preceding application for a certificate or permit to practice.

004.05 Review of Transcripts; Appropriate level of coursework; transfer hours. For purposes of meeting the educational requirements and for issuance of a certificate or permit to practice, an applicant's official transcript or transcripts shall be reviewed by the Board or its designee to determine if the applicant's educational program complies with the requirements of the law and these rules. In reviewing the transcript or transcripts, hours in courses which have contained the required subjects listed in 9-004.02A and B which have been earned at a non-four-year institution and are transferred to a four-year institution shall be considered as acceptable in meeting the educational requirements.

004.05A A maximum of 12 semester or 18 quarter hours can be earned at a two-year institution after a ~~baccalaureate four-year~~ degree has been granted. Any semester or quarter hours included on the ~~baccalaureate four-year~~ degree transcript are not subject to the 12 semester or 18 quarter hour maximum rule.

004.06 Reciprocal Certificates. An applicant for a reciprocal certificate shall be deemed to have met the requirements of Nebraska Revised Statutes, Section 1- 106, et. seq. if he or she meets the following conditions:

004.06A Holds a current and unrevoked certificate then in full force and effect in any state; and

004.06B Has a postsecondary education which is substantially equivalent to the requirements contained in Nebraska Revised Statutes, Section 1-106, et. seq. The Board or its designee shall determine, based upon information provided by the applicant for a reciprocal certificate, if the applicant has education which is substantially equivalent to the requirements contained in Nebraska Revised Statutes.

004.07 Application procedures. Any person making initial application to take the Uniform CPA Examination and for issuance of a certificate or permit to practice shall be required to submit an official transcript or transcripts showing that the applicant has satisfied the educational requirements as prescribed in these rules. The Board or its designee shall determine whether the applicant is eligible to sit for the Uniform CPA Examination and eligible for issuance of a certificate or permit to practice. If the Board or its designee cannot readily determine that an applicant has satisfied the educational requirements as prescribed in these rules, notification shall be made to the applicant. The burden of showing that the applicant's educational records contain compliance with the educational requirements contained in these rules shall rest solely with the applicant.

Statutory Authority: Section 1-113 R.R.S. 1943

Statements to the Governor and Explanatory Statement:

The Nebraska State Board of Public Accountancy will hold a public hearing on May 15th, 2026 at 9:00 am in accordance with the Nebraska Open Meetings Act/ Neb. Rev. Stat. § 84-1411(2) to receive public comment relative to proposed rule changes within Board Rules & Regulation Title 288/ Chapter 9- Education

Information on the proposed amendments as required by law:

CHAPTER 9- Education

Description of the proposed rule or regulation and the entities it will impact:

Proposed amendments to NAC Title 288, Chapter 9 would complement amended language within the Nebraska Public Accountancy Act (PAA) passed by the Legislature within LB 718 and signed into law by Governor Pillan on February 26, 2026. Language referring to a “four-year degree” is replaced with a “baccalaureate degree” or “College” within the Chapter when referencing education requirements to sit for the Uniform CPA examination.

Additionally, language referring to specific 120 and 150 semester hours is replaced with reference to a baccalaureate degree.

A change would allow six years instead of five before an applicant for a Certificate or Permit to Practice would be required to provide 120 hours of approved continuing education after passage of the examination.

The proposed regulations would impact applicants to sit for the Uniform CPA examination and those applying to become active permit holders (CPAs).

The recommended change:

Due to recent changes to the PAA including references to a “baccalaureate degree” within the new law, it is recommended this language be placed in the chapter where appropriate.

Due to recent changes to the PAA it is recommended language references for 120 and 150 semester hours be removed and replaced with “baccalaureate degree”.

Extending the allowable timeframe from five to six years for applicants seeking a Certificate or Permit to Practice, following successful completion of the examination, to complete 120 hours of continuing education is considered appropriate to ensure they are adequately prepared to deliver professional CPA services.

An explanation of the necessity of the proposed rule or regulation, including the identification of the authorizing statute or legislative bill:

PAA Section 1-112 gives the Board authority to promulgate regulations to maintain a high standard of integrity and dignity in the profession of public accountancy. Keeping accounting standards current in the regulations helps maintain a high level of integrity within the accounting profession. PAA Section 1-136.02 within LB 718 references a baccalaureate degree regarding required education requirements.

A statement that the proposed rule or regulation is consistent with legislative intent:

By keeping accounting standards current within the regulations is consistent with the legislative intent within PAA Section 1-112 and Section 1-136.02.

A statement indicating whether the proposed rule or regulation is the result of a state mandate on a local government or on a local government subdivision and if the mandate is funded:

The Board's proposed amendments within Chapter 9/Title 288 are not the result of a state mandate.

A statement indicating whether the proposed rule or regulation is the result of a federal mandate on state government or on a local government subdivision and if the mandate is funded:

The Board's proposed amendments within Chapter 9/Title 288 are not the result of a federal mandate.

A description, including an estimated qualification, of the fiscal impact on state agencies, political subdivisions, and regulated persons.

See attached Fiscal Impact Statement. There is no apparent fiscal impact.

A statement that the agency will solicit public comment on the proposed rule or regulation before the public hearing and a statement indicating whether or not the agency has utilized the negotiated rulemaking process as provided for in the Negotiated Rulemaking Act with respect to the proposed rule or regulation:

The drafted regulation was shared with the Nebraska Society of CPAs.

See attached copy of proof of Notice of Rulemaking Comment Period and Policy Making Hearing.

The Board discussed the proposed regulation at their March 13th Board meeting and by motion and vote moved the proposed regulations go forward.

Fiscal Impact Statement

Agency: Nebraska Board of Public Accountancy
Prepared By: Dan Sweetwood, Executive Director
Date Prepared: April 6, 2026
Telephone Number: (402) 471-3595

Title: 288 Chapter 9
Subject: Education

Type of Fiscal Impact:

	<u>NBPA</u>	<u>Political Sub.</u>	<u>Regulated Public</u>
Fiscal Impact	X	X	X
Increased Costs	X	X	X
Decreased Costs	X	X	X
Increased Revenue	X	X	X
Decreased Revenue	X	X	X
Indeterminable			

~ - Fiscal Impact

X- None

* Estimated/ possible

Provide an Estimated Cost & Description of Impact:

NBPA/State Agency:

There is no fiscal impact if date-sensitive regulations are updated.

CHAPTER 13 – PEER REVIEW

Table of Contents:

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- 003 – Committees/Duties/Responsibility
- 004 – Practice Unit/Permit Holder Responsibility
- 005 – Standards/Sponsoring Organizations
- 006 - Other

001 Purpose.

001.01 The purpose of peer review is to improve the quality of financial reporting and to assure that the public can rely on the financial information on which licensees issue reports. The program emphasizes education and rehabilitation rather than disciplinary action. Appropriate educational programs or procedures will ordinarily be recommended or required where financial reporting does not comply with applicable professional standards.

002 Definitions. The following definitions shall apply as used throughout Chapter 13 of these rules and regulations.

002.01 Peer Review Committee (PRC). Board established committee of individuals to assist the Board with the administration of peer review in order to provide reasonable assurance that peer reviews are being conducted and reported on in accordance with the applicable standards for performing and reporting on peer reviews.

002.02 Peer Review Oversight Committee (PROC). Committee appointed by the Board to assist in the direct oversight of approved sponsoring organizations.

002.03 Peer Review Program. Includes the sponsoring organization’s entire peer review process, including but not limited to, the standards for administering, performing and reporting on peer reviews, oversight procedures, training, and related guidance materials.

002.04 Peer Review Reports. Reports issued by the peer reviewer in accordance with the Board-approved peer review standards.

002.05 Peer Review Standards. Board-approved professional standards to be used in administering, performing and reporting on peer reviews.

002.06 Professional Work. Professional Work for purposes of peer review means the professional services of a firm/practice unit which is subject to peer review.

002.07 Sponsoring Organization. A Board-approved professional association, or other organization responsible for the facilitation and administration of peer reviews through use of its peer review program and peer review standards.

003 Committees.

003.01 Peer Review Committee. The Board will annually appoint a Peer Review Committee (hereinafter the PRC) to assist the Board with the administration of peer review. The PRC will consist of no fewer than five members who will include at least one member

of the Board who will serve as liaison between the Board and the PRC. The remaining members of the PRC shall be appointed by the Board and must be holders of current valid Nebraska permits to practice public accountancy and shall, to the extent practical, represent a cross-section of the different sized firms in Nebraska.

003.02 Responsibilities of the PRC.

- 003.02A** Recommending to the Board appointments to the Peer Review Oversight Committee (hereinafter PROC) which will assist in the direct oversight of approved sponsoring organizations;
- 003.02B** Recommending to the Board the approval of sponsoring organizations and their peer review programs and peer review standards;
- 003.02C** Monitoring and assessing the effectiveness of the sponsoring organizations, peer review programs and peer review standards;
- 003.02D** Reporting to the Board on the performance of the sponsoring organizations; and
- 003.02E** Assisting the Board with the review of the documents set forth in 004.09.

003.03 Peer Review Oversight Committee (PROC).

- 003.03A** The PROC shall include one to three members appointed when the Board determines the need for a PROC based on the recommendations of the PRC.
- 003.03B** The PROC members shall not be members of the Board or perform any enforcement related work for regulatory or governmental bodies, professional organizations (including, but not limited to, an AICPA ethics committee, AICPA Joint Trial Board or any state professional ethics committee) or similar groups or subgroups, including consultants and other similar arrangements for the Board;
- 003.03C** Each PROC member shall have received a peer review report with a rating of "Pass" on their own practice unit's most recently accepted peer review;
- 003.03D** The PROC members may be compensated as independent contractors for their duties as established by the Board;
- 003.03E** Each PROC member shall sign a letter of confidentiality agreeing not to divulge any information that would identify any firm, licensee, or peer reviewer firm to any non-PROC member, including, but not limited to members of the Board and the PRC. The letter of confidentiality shall not include fraud or misrepresentation by a firm or licensee in obtaining peer review; and

003.03F Responsibilities of the PROC include, but are not limited to: (i) reviewing the sponsoring organizations' administration of their programs; (ii) the direct oversight of the approved sponsoring organizations; and (iii) if deemed necessary by the Board, visiting the sponsoring organization of an approved peer review program for the purposes of review and oversight.

003.04 Authority of the PRC and PROC. The PRC and the PROC are advisory committees to assist the Board. The PRC and the PROC do not have enforcement or disciplinary powers or any quasi-judicial authority.

004 Practice Unit Responsibilities.

004.01 A practice unit which performs attest engagements and/or performs compilations shall enroll in a program that meets Board-approved peer review program standards and shall satisfactorily complete the same.

004.02 A practice unit shall cooperate with the Board-approved peer review program sponsoring organization with which it is enrolled to arrange, schedule, and complete a peer review. A practice unit shall take all educational/remedial actions prescribed by the sponsoring organization. In addition, the practice unit shall cooperate with the Board in all matters related to its peer review and take all actions necessary to timely comply with the peer review requirements.

004.03 Each practice unit is required to provide the following information with each application for a permit:

004.03A Certify whether the practice unit is or is not required to participate in a peer review program; and

004.03B If the practice unit is required to participate in a peer review program, furnish in connection with its renewal application satisfactory evidence of participation in peer review, provide the name of the approved sponsoring organization's peer review program in which the firm is enrolled, and the period covered by the practice unit's most recently accepted peer review.

004.04 Practice units enrolled in a Board-approved peer review program shall schedule, undergo and complete its subsequent peer reviews in compliance with the sponsoring organizations' peer review standards and related guidance. Ordinarily, subsequent peer reviews shall be performed such that the peer review has taken place and all peer review materials are submitted to the sponsoring organization within three years and six months from the peer review year end of the previous peer review.

004.05 The practice unit shall not be required to become a member of any organization administering a board-approved peer review program.

004.06 Practice Units Registered with the Public Company Accounting Oversight Board.

004.06A Practice units receiving inspections under the PCAOB are required to undergo a peer review under a Board-approved peer review program that covers the portion of the practice unit's professional work not subject to the Public Company Accounting Oversight Board (PCAOB) inspection process; and

004.06B However, for practice units required to be registered with and inspected by the PCAOB, the PRC may exempt the practice unit from the Board's peer review program only if all of the practice unit's professional work is subject to the PCAOB inspection process.

004.07 Practice Units Performing Preparation Engagement. A practice unit that only performs preparation engagements as defined under AICPA Statements on Standards for Accounting and Review Services (SSARS), as of ~~September 8~~ **October 15, 2025**, is not subject to peer review.

004.08 Submission of Documents by Practice Units.

004.08A Practice units required to participate in peer review shall submit to the Board the following documents, as applicable:

1. Peer review report which has been accepted by the sponsoring organization;
2. The practice unit's letter of response which has been accepted by the sponsoring organization;
3. The acceptance letter from the sponsoring organization.
4. Letter(s) accepting the documents signed by the practice unit with the understanding that the practice unit agrees to take any actions required by the sponsoring organization.
5. Letter signed by the sponsoring organization notifying the practice unit that required actions have been appropriately completed, if applicable.

004.08B Peer review documents required in section 004.09A(1-5) shall be submitted by the practice unit within 30 days of the issuance of the same, or with submission of the practice unit's renewal application, whichever occurs first. The practice unit shall provide copies of such documents via a website, or regular mail as permitted by the Board.

004.08C Practice units may also satisfy the above document submission requirements by having the sponsoring organization make the documents in section 004.09A accessible to the Board via the AICPA Facilitated State Board Access (FSBA) secure website process.

005 Peer Review Standards/Sponsoring Organizations.

005.01 The Board approves the AICPA *Standards for Performing and Reporting on Peer Reviews* and adopts the same as the professional standards to be used in administering, performing and reporting on peer reviews.

005.02 The PRC in assisting the Board with respect to approval of sponsoring organizations and their programs shall utilize the standards adopted by the Board in 005.01.

005.03 The Board may terminate its approval of a sponsoring organization for cause following notice and opportunity for hearing. For purposes of this paragraph, “cause” includes, but is not limited to, failure to maintain ongoing compliance with the requirements of the Board.

006 Other.

006.01 Extensions.

006.01A The Board may accept extensions for completing peer reviews granted by sponsoring organizations provided that notification by the practice unit is within 14 days from the date of the letter from the sponsoring organization granting the extension. Extensions may be approved for the following reasons:

- (i) health;
- (ii) military service; or
- (iii) other good cause outside of the control of the practice unit.

006.01B Requests for extensions of time to undergo a peer review shall be submitted to the Board in writing by the practice unit no later than the earlier of a practice unit’s renewal date or peer review due date (which is determined by the sponsoring organization) and must include any extensions approved by the sponsoring organization.

006.01C An extension may be renewed upon application received by the Board prior to the expiration of the current extension, if the Board finds that the reasons justifying the extension continue to exist.

006.02 Change in Firm Structure. In the event a practice unit is sold, dissolved, or merged with the practice of one more other practice units, determination of successor or predecessor practice unit(s) peer review year-end(s) and the peer review due date(s), if any, will be made in accordance with the sponsoring organization’s guidance.

Statutory Authority: LB 159, 2016.

Statements to the Governor and Explanatory Statement:

The Nebraska State Board of Public Accountancy will hold a public hearing on May 15th, 2026 at 9:00 am in accordance with the Nebraska Open Meetings Act/ Neb. Rev. Stat. § 84-1411(2) to receive public comment relative to proposed rule changes within Board Rules & Regulation Title 288/ Chapter 13- Peer Review

Information on the proposed amendments as required by law:

CHAPTER 13- Peer Review

Description of the proposed rule or regulation and the entities it will impact:

Proposed amendments to NAC Title 288, Chapter 13 would update national standards utilized by Nebraska CPA firms engaged within the AICPA Peer Review Program. Specifically, the changes would incorporate the most current standards issued by the American Institute of CPAs (AICPA), including the Statements on Standards for Accounting and Review Services (SSARS) and provide guidance to CPA firms.

The proposed regulations would impact CPA firms engaged within the AICPA Peer Review Program.

The recommended change:

Date-driven changes need to periodically be updated by the Board within this chapter.

An explanation of the necessity of the proposed rule or regulation, including the identification of the authorizing statute or legislative bill:

PAA Section 1-112 gives the Board authority to promulgate regulations to maintain a high standard of integrity and dignity in the profession of public accountancy. Keeping accounting standards current in the regulations helps maintain a high level of integrity within the accounting profession. Section 1-153 gives the Board authority to promulgate regulations for an approved program of peer review.

A statement that the proposed rule or regulation is consistent with legislative intent:

By keeping accounting standards current within the regulations is consistent with the legislative intent within PAA Section 1-112 and Section 1-153.

A statement indicating whether the proposed rule or regulation is the result of a state mandate on a local government or on a local government subdivision and if the mandate is funded:

The Board's proposed amendments within Chapter 13/Title 288 are not the result of a state mandate.

A statement indicating whether the proposed rule or regulation is the result of a federal mandate on state government or on a local government subdivision and if the mandate is funded:

The Board's proposed amendments within Chapter 13/Title 288 are not the result of a federal mandate.

A description, including an estimated qualification, of the fiscal impact on state agencies, political subdivisions, and regulated persons.

See attached Fiscal Impact Statement. There is no apparent fiscal impact.

A statement that the agency will solicit public comment on the proposed rule or regulation before the public hearing and a statement indicating whether or not the agency has utilized the negotiated rulemaking process as provided for in the Negotiated Rulemaking Act with respect to the proposed rule or regulation:

The drafted regulation was shared with the Nebraska Society of CPAs.

See attached copy of proof of Notice of Rulemaking Comment Period and Policy Making Hearing.

The Board discussed the proposed regulation at their March 13th Board meeting and by motion and vote moved the proposed regulations go forward.

Fiscal Impact Statement

Agency: Nebraska Board of Public Accountancy
Prepared By: Dan Sweetwood, Executive Director
Date Prepared: April 6, 2026
Telephone Number: (402) 471-3595

Title: 288 Chapter 13
Subject: Peer Review

Type of Fiscal Impact:

	<u>NBPA</u>	<u>Political Sub.</u>	<u>Regulated Public</u>
Fiscal Impact	X	X	X
Increased Costs	X	X	X
Decreased Costs	X	X	X
Increased Revenue	X	X	X
Decreased Revenue	X	X	X
Indeterminable			

~ - Fiscal Impact

X- None

* Estimated/ possible

Provide an Estimated Cost & Description of Impact:

NBPA/State Agency:

There is no fiscal impact if date-sensitive regulations are updated.