

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes

January 6, 2009

Draft Minutes. Minutes are not approved until the next Board meeting.

1. General

- A. **Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:34 a.m. on Tuesday, January 6, 2009 with Board Chair Jim Titus, presiding. The roll was called with the following members present: Jim Titus, Anne Fuhrman, Doug Skiles, Tom Obrist, Michael Wassinger, Richard Zacharia, and Jim Rieker. Member Kate King Wu was absent. Also present were Executive Director Dan Sweetwood, Staff members Kelly Ebert and Jo Lowe, and Board Intern Richard Christensen. The meeting was held at the Board Office at 140 N. 8th Street, Suite 290, Lincoln, Nebraska. Chair Titus noted the location of the notebook containing the Public Open Meeting Act, along with it being posted on the wall, and asked if anyone present needed an agenda or had any questions regarding the law.
- B. **Approval of Meeting Agenda for January 6, 2009.** Moved by Obrist, seconded by Rieker to approve the agenda for the January 6, 2009 meeting. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, Titus, Wassinger, and Zacharia voted aye. Member King Wu was absent. Motion #1 carried.
- C. **Approval of Minutes from November 13, 2008.** Moved by Skiles, seconded by Fuhrman, to approve the Board minutes from the November 13, 2008 meeting. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, Titus, Wassinger, and Zacharia voted aye. Member King Wu was absent. Motion #2 carried.

2. Public Comment Period (15 minute period)

Public Hearing for Revocation of Certificates of Active Permits Not Renewed for Three Years per PAA 1-137, (9) held at 9:00 a.m. See agenda item 5B.

Board Chair Titus, serving as hearing officer, opened the recorded public hearing for complaints filed against twelve 2005 permit non-renewals per PAA 1-136(3) at 9:00 a.m., Tuesday, January 6, 2009. No respondents were present although letters from two respondents were read on their behalf by Administrator Lowe. The public hearing was closed at 9:17 a.m., Tuesday, January 6, 2009. Moved by Obrist, seconded by Zacharia, to revoke the certificates of those in Group #1 per the prepared Orders. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, Titus, Wassinger, and Zacharia voted aye. Member King Wu was absent. Motion # 5 carried. Moved by Obrist, seconded by Zacharia, to revoke the certificates of those in Group #2 per the prepared Orders. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, Titus, Wassinger and Zacharia voted aye. Member King Wu was absent. Motion # 6 carried. Moved by Obrist, seconded by Rieker, to accept the surrender of those in Group #3 per the prepared Orders. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, Titus, Wassinger, and Zacharia voted aye. Member King Wu was absent. Motion # 7 carried. Moved by Obrist, seconded by Fuhrman, to return to good standing the

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certificates of Scott Gall and Craig Frahm per the prepared Orders. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, Titus, Wassinger, and Zacharia voted aye. Member King Wu was absent. Motion # 8 carried.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by Obrist, seconded by Skiles, to approve the consent agenda. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, Titus, Wassinger, and Zacharia voted aye. Member King Wu was absent. Motion #3 carried.
- B. Approval of Disbursements.** Board Secretary Fuhrman reviewed the disbursements. Disbursements for November 2008 were approved.
- C. Review of Board Budget Status Report.** The Budget Status Report was provided. ED Sweetwood reported that a new laptop was purchased due to recommendations provided by DAS including costs associated with repair and the expired warranty. The Governor will release his budget recommendations on January 15, 2009, which may include revisions to the Board's proposed 2009-2011 budget request.
- D. Office Management Report.** The Office Management Report was provided. Staff will determine the number of inactive CPAs who have not renewed for 2008-2010. Suggestion was made to include an article in the NSCPA's newsletter to remind inactive registrants to renew their registration.

4. Report of the Chair

- A. Report of the Chair.** Chair Titus gave the report.
- B. Executive Committee Report.** The Executive Committee met at 7:30 am prior to the Board meeting. After review of Board financial reports as prepared by staff, the Committee recommended no change in Board fees for 2009-2010. On a request by ED Sweetwood to attend a training seminar in 2009, they requested further information before approving his attendance. The employee recognition program is waiting approval from DAS. The Committee approved tuition assistance to staff.
- C. Approval of Board Fees for 2009.** There are no changes at this time.

NBPA licensing fees for 2009:

Active Permit to Practice	\$200
Inactive Permit to Practice	\$ 80
Reciprocal Certificate	\$200
Firm Permit: P.C.s, LLCs, LLP's, Part.	\$ 50
Certificate of Registration P.C.s & LLCs	\$ 25
Office Fee: All firms	\$ 25
CBT Examination/ Initial Admin. Fee	\$ 15

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- D. Review of Board Travel Expense.** Staff member Ebert gave a presentation on completing travel expense reimbursement documents to comply with state law. Staff member Lowe reminded members of her role as agency DAS/Pre-Auditor and her responsibilities. The state auditor's online agency audit reports have included issues regarding expense documents which staff uses as notice for proper agency procedures. The Board retained the policy that receipts are required for expenses over \$25. Board members were reminded to timely complete expense documents and that incorrectly completed forms would be returned for corrections prior to approval.
- E. Future Legal Expense Projection.** As requested at the November Board meeting, Board Attorney Robert Gruit provided a letter with his projections for possible legal expenses in the range of \$120,500 to \$155,500 for Enforcement cases in 2009.
- F. Approval for Staff to Attend NASBA ED Conference, Jacksonville, FL, March 15-18, 2009.** The meeting agenda was provided to the Board. Moved by Fuhrman, seconded by Wassinger, to approve ED Sweetwood and Staff Ebert to attend the NASBA ED Conference, Jacksonville, FL, March 15-18, 2009. It was noted ED Sweetwood would be a speaker/moderator on two subjects at the conference. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, Titus, Wassinger, and Zacharia voted aye. Member King Wu was absent. Motion #4 carried.
- G. Review Board Calendar.** There were no changes to the Board calendar.
- H. Report on To Do List.** There were no items for the To Do list.

Closed Session

Closed Session. Moved by Zacharia, seconded by Wassinger, that the Board go into closed session at 9:44 a.m., for the purpose of updating the Board about current open enforcement cases, litigation, and disciplinary matters. On a roll call vote, Members Fuhrman, Skiles, Obrist, Rieker, Titus, Wassinger, and Zacharia voted aye. Member King Wu was absent. Motion #9 carried. Chair Titus restated that the purpose for the closed session was to update the Board about current open enforcement cases, litigation, and disciplinary matters.

Return to Open Session. Member King Wu arrived at 9:50. Moved by Rieker, seconded by King Wu, that the Board return to open session at 10:05 a.m. On a roll call vote, Members Titus, Fuhrman, Skiles, Obrist, Rieker, Wassinger, King Wu, and Zacharia voted aye. Motion #10 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. Open Case/LMCO Update.** Committee Chair Zacharia reviewed the open cases and presented the report of the Enforcement Committee.

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- B. Public Hearing for Revocation of Certificates of Active Permits Not Renewed for Three Years per PAA 1-137, (9) held at 9:00 a.m.** See agenda item 2. Public Comment Period.
- C. Recommended Closure of Enforcement Case.** There were no cases for closure at this time.
- D. Report on To Do List.** There was no report at this time.

6. Report of Continuing Professional Education (CPE) Committee

- A. Report of the Committee.** Committee Chair Zacharia gave the report. The Committee reviewed a total of 150 courses from November 12, 2008, to January 5, 2009 with 150 approved. The Committee reviewed CPE Program Sponsor applications, and 5 reinstatement applications which were referred to the Licensing Committee for approval. The Committee reviewed and approved the waivers for CPE per Title 288 Rules, Chapter 8, 009.04.
- B. Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to approve 150 courses reviewed from November 12, 2008, to January 5, 2009. On a roll call vote, Members Titus, Fuhrman, Skiles, Obrist, Rieker, Wassinger, King Wu, and Zacharia voted aye. Motion #11 carried
- C. Ratification of CPE Sponsor.** Motion out of Committee to approve the CPE Program Sponsors: 360 Training, Accounting Education Associates, Inc., and Executive Wealth Management. On a roll call vote, Members Titus, Fuhrman, Skiles, Obrist, Rieker, Wassinger, King Wu, and Zacharia voted aye. Motion #12 carried.
- D. Report on To Do list.** The To Dos are listed in the Committee Report.

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

- A. Report of the Committee.** Chair Skiles gave the report. It was noted Member King Wu attended the AICPA Board of Examiners (BOE)/ BEC Exam Content Committee meeting. Due to technical difficulties getting an exam to load and incorrect CPR test site recording, motion out of Committee to recommend the Board approve a retake at no cost to the candidate. On a roll call vote, Members Fuhrman, Obrist, Rieker, Titus, Wassinger, King Wu and Zacharia voted aye. Member Skiles abstained. Motion #14 carried. Surveys of Oct.- Nov. successful candidates have been sent out. CBT Quarterly Reports and Candidate Care Reports were provided to the Committee. The EAC survey results regarding their institution's recommendations to the Board on adoption of the Revised UAA Rules 5-1 & 5-2 will be reviewed at the next Committee meeting.
- B. Ratification of Exam Scores.** Motion out of Committee to recommend Board approval of the October - November 2008 CPA Exam Scores. On a roll call vote, Members Titus, Fuhrman, Skiles, Obrist, Rieker, Wassinger, King Wu, and Zacharia voted aye. Motion #15 carried

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- C. **Report on To Do List.** There was no report at this time.

8. Report of the Legislative Committee

- A. **Report on Legislation. Mobility Legislation Update:** Robert Gritmit, Board Attorney, and Dan Vodvarka, President, Nebraska Society of CPAs (NSCPAs) were present. Vodvarka, President, NSCPAs, reported that legislation was ready for introduction by Senator Rich Pahls, Chair of the Banking, Commerce, and Insurance Committee. Moved by Wassinger, seconded by King Wu, to approve the final draft of the mobility legislation and submit it to the legislature for consideration. On a roll call vote, Members Titus, Fuhrman, Skiles, Obrist, Rieker, Wassinger, King Wu, and Zacharia voted aye. Motion #13 carried. ED Sweetwood thanked the Legislative Committee and the CPA Mobility Working Group for their hard work in accomplishing a challenging task. It was decided the CPA Mobility Work Group would continue to assist in development of the revisions to Title 288 Rules if and when the legislation passes the Legislature.
- B. **Report on To Do List.** There was no report at this time.

9. Report of Quality Enhancement Program (QEP) Committee

- A. **Report of the Committee.** Committee Chair Fuhrman reported that the Committee held a special meeting to discuss the QEP program. Factors including the firm peer review required by most states may necessitate a revamping of the QEP program. Staff will conduct an optional survey of licensed Nebraska CPA firms to help gather information including the number of firms affected by a requirement of a peer review for all firms. Concern was expressed for the small firms cost in meeting peer review requirements. Other states that have changed to required firm peer reviews will share documentation with the Board and QEP Committee. Eventually, the QEP Committee will make recommendations to the Board regarding the program.
- B. **Report on To Do List.** There was no report at this time.

10. Report of the Licensing Committee

- A. **Report of the Committee.** Committee Chair Obrist gave the report. The Committee discussed several licensing issues dealing with residency, a firm name change, and verification of public accounting experience by a sole practitioner. The list of 12 certificate revocations for non-renewal of active permit of three years was provided to the Committee. The Committee reviewed the Attorney General's (AG) opinion regarding the creation of the "hash" of information including the last four digits of the Social Security number for the Accountants Licensing Database (ALD). It was noted the ALD is important as Mobility

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provisions are adopted in the majority of states and would allow for identification of out-of-state CPAs. Motion out of Committee to recommend Board approval to provide Nebraska licensee data to NASBA for the ALD. On a roll call vote, Members Titus, Fuhrman, Skiles, Obrist, Rieker, Wassinger, King Wu, and voted aye. Member Zacharia was absent. Motion #16 carried. A question had been raised whether application forms are public record or investigatory. Following discussion with the A.G.'s office, an informal opinion was provided from the Dept. of Education, that the regulatory agency may by policy determine whether applications are public information or not. A policy will be drafted by staff for Committee review.

- B. Ratification of initial permits to practice issued, certificates issued, firm permits.** Motion out of Committee to approve the permits to practice, certificates, and firm permits, issued between November 12, 2008 and January 5, 2009. On a roll call vote, Members Titus, Fuhrman, Skiles, Obrist, Rieker, Wassinger, King Wu, and Zacharia voted aye. Motion #17 carried

- D. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.** Motion out of Committee to approve the reinstatements, inactive - retired affidavits, and surrendered certificates received between November 12, 2008 and January 5, 2009:

a.) Reinstatements:	Cody Carse	Omaha NE
	Jeffrey Cremers	Omaha NE
	Philip Dawson	Omaha NE
	John Gabel	Omaha NE
	Kimberly King	Omaha NE
b.) Inactive - Retired affidavits:	Philip Howland	Omaha NE
	Lance Munger	Omaha NE
	Richard Ortman	Omaha NE
	Denise Volmer	Ankeny IA
c.) Surrendered Certificates:	Shannon Mastio-Habiger	Kansas City
	Michael Schirmer	Berryton KS

On a roll call vote, Members Titus, Fuhrman, Skiles, Obrist, Rieker, Wassinger, King Wu, and Zacharia voted aye. Motion #18 carried.

- E. Report on To Do List.** There was no report at this time.

11. Report of Executive Director

- A. Annual Letter/2008.** ED Sweetwood reported that staff was working on the annual letter in anticipation of mailing it by early February
- B. Neb.Gov Update.** A meeting has been set up for Monday, January 12, 2009 to work to continue to address issues with the CPE reporting function. ED Sweetwood indicated he is monitoring the status of the online applications and if required will address issues with Neb.Gov management.
- C. Budget Update.** See agenda item 3C.

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- D. Staffing & General Office Issues.** ED Sweetwood reported that five chairs were sent to CSI for reupholstering. Staff will begin the process of advertising for a new intern at both UN-L and Nebraska Wesleyan. Current intern Richard Christensen will be graduating in May from UNL with an accounting degree.
- E. Report on To Do List.** There was no report at this time.

12. New Business

- A. National Association of State Boards of Accountancy (NASBA) Items.**
 - 1.) NASBA Items.** There were no items at this time.
 - 2.) NASBA FYIs.** Various articles relating to NASBA were noted.
- B. Other Miscellaneous Items.** Various articles were noted related to the CPA profession as provided by staff.

13. Adjournment

Moved by King Wu, seconded by Rieker, to adjourn the meeting at 12:30 p.m. on Tuesday, January 6, 2009. On a roll call vote, Members Titus, Fuhrman, Skiles, Obrist, Rieker, Wassinger, King Wu, and Zacharia voted aye. Motion #19 carried.

Respectfully submitted by,

Anne K. Fuhrman
Board Secretary