

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska

Minutes

**November 18, 2010**

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

**Thursday, November 18, 2010**

**1. General**

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:35 a.m. on Thursday, November 18, 2010 with Chair Doug Skiles, presiding. The roll was called with the following members present: Doug Skiles, Michael Wassinger, Anne Fuhrman, Jim Rieker, Tom Obrist, and Richard Zacharia. Members Kate King Wu and Bernie Gutschewski were absent. Also present were Executive Director Dan Sweetwood and Staff members Kelly Ebert and Jo Lowe. The meeting was held at the Board Office, 140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska. Chair Skiles noted the location of the notebook containing the Public Open Meeting Act, that the statutes were posted on the wall, and asked if anyone present needed an agenda or had any questions regarding the law. Also present: Dan Vodvarka, President, Nebraska Society, and Ken Brauer, Nebraska Society of Independent Accountants.
- B. Approval of Meeting Agenda for November 18, 2010.** Moved by Obrist, seconded by Rieker to approve the agenda for the November 18, 2010 meeting. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #1 carried.
- C. Approval of Minutes from September 16, 2010.** Moved by Obrist, seconded by Wassinger, to approve the Board minutes provided by Board members from the September 16, 2010 meeting. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #2 carried.

**2. Public Comment Period (15 minute period)**

Dan Vodvarka, President of the Nebraska Society of CPAs, was present and reported the Society Senators reception will be held 6:00 pm, Jan. 4, 2011, Nebraska Club and invited any Board members that could attend. He also offered assistance if any initiatives are taken regarding the upcoming presentation on the experience requirement.

Ken Brauer, Nebraska Society of Independent Accountants, reported on NSIA website which will soon be updated.

**9:00 Agenda Item 10 D. Presentation by Industry Representatives regarding proposal to revise the Public Accounting Experience Requirement.** Members of the ConAgra financial management team Mr. Randy Harvey, Mr. Allen Cooper, Mr. Mark Warner, and Mr. Scott Schneider were present with a request for the Board to consider private industry experience as eligible to meet the experience requirement for a permit to

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practice public accountancy per PAA 1-136.02 1(a). The Team provided background material, benefits to the proposal, and support from others for the Board to consider. At the conclusion of the presentation, Chair Skiles thanked them for their work on the presentation and for coming to the Board for guidance on the experience requirement. *(See Agenda Item 10.D for further details)*

### **3. Consent Agenda**

- A. Published Notice of Meeting.** Moved by Obrist, seconded by Zacharia, to approve the consent agenda. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #3 carried.
- B. Approval of Disbursements.** The disbursements for September and October 2010 were provided. Member Fuhrman reviewed the disbursements and noted items of interest. She noted that with the NASBA Western Regional Meeting in Omaha, the Board should be able to conserve travel expenses.
- C. Review of Board Budget Status Report.** The current budget status report was provided for review. ED Sweetwood commented the Board is within Fiscal Year 2011 as of July 1, 2010. Expenses are being closely monitored along with the Board's current cash fund. It was noted the cash fund currently is at its lowest point over the last decade and the Executive Committee will meet in December for a final review to determine recommendations for the Board as fees are considered for next year. Member Obrist requested information on the historical trends of the cash fund. Staff will follow up to determine if they are providing the information requested.
- D. Office Licensing Report.** The Office Licensing Report was not provided. The report is being revised to more accurately reflect licensing numbers. Staff is working on a more accurate reporting tool.

### **4. Report of the Chair**

- A. Report of the Chair.** Chair Skiles gave the report. A Hospitality Working Group(HWG), Chaired by Member Zacharia, has been working with NASBA staff and Omaha Convention & Visitors Bureau on area activities for June 2011 NASBA Western Regional Meeting attendees. ED Sweetwood suggested spouses may enjoy the Durham Museum. Fuhrman recommended changing the Gala night to Thursday instead of Friday. Chair Skiles commented he is working with the Nebraska Diplomats to assist in a possible video presentation on Nebraska. ED Sweetwood commented that a HWG meeting will be set soon with NASBA Travel coordinator Lori Curd.
- B. NASBA Annual Meeting Report, San Antonio, TX, October 24-26, 2010.** Board members felt the Annual Meeting was the best yet with much useful information. It was officially announced Omaha will be the site of the NASBA Western Regional Conference to be held June 8-10, 2011 at the Downtown Hilton Hotel.
- C. Review Board Calendar.** The July meeting dates were corrected.

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

**Closed Session**

**Closed Session.** Moved by Fuhrman, seconded by Wassinger, that the Board go into closed session at 10:20 a.m., on Thursday, November 18, 2010 for the purpose of updating the Board about current open enforcement cases and to discuss disciplinary matters. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #4 carried. Chair Skiles restated that the purpose for the closed session was to update the Board about current open enforcement cases and to discuss disciplinary matters.

**Return to Open Session.** Moved by Obrist, seconded by Fuhrman, that the Board return to open session at 10:40 a.m., on Thursday, November 18, 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #5 carried.

**5. Report of Enforcement of Professional Conduct Committee**

- A. Open Case/LMCO Update.** Committee Chair Zacharia reviewed the open cases. Motion out of Committee that the Board finds probable cause to proceed and to direct the Board attorney to file a petition for case #10-03 with the hearing set for 9:00 am, Thursday, January 6, 2011. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #6 carried.
- B. Recommended Closure of Enforcement Cases.**  
**#10-07** The case involved the advertising of a term that could be considered confusing with the CPA designation. The Board agreed the matter should be closed after presentation of the Enforcement Committee. Motion out of Committee to recommend closing case #10-07. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #7 carried.

**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 169 courses from September 4, 2010 to November 16, 2010 with 169 approved. The CPE Guidelines have been revised and are available on the Board's website. An email reminder to report CPE will be sent to active permit holders, followed by a mailed postcard reminder. Staff Ebert reviewed the newly approved incremental hours and online reporting which became effective 9-1-2010. The Firm Administrators button is being tested and will be ready for CPE reporting by December 1, 2010. In 2009, 80% of CPAs reported CPE online.

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- B. **Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 169 courses from September 4, 2010 to November 16, 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #8 carried.
- D. **Ratification of CPE Sponsor.** Motion out of Committee to recommend Board approval of HRD Initiatives, LLC and CPA Magazine as CPE program sponsors. ED Sweetwood attended HRD Ethics CPE presented by Jeremy Wortman, commenting on the very good quality of the program. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #9 carried.
- E. **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.** Committee Member Wassinger gave the report. The Education Advisory Committee (EAC) met on Oct. 15, 2010 to discuss the CBT-e. AICPA and NASBA/CPAES representatives made presentations. The meeting was held at newly dedicated Mammel Hall, UN-Omaha campus. Approximately 50 educators and students also attended. Minutes of the EAC meeting were provided to the Board. Business ethics course descriptions to help CPAES in determining acceptability for the subject area requirements were discussed and will be provided to CPEAS by staff. One line in the successful candidate letter currently sent by CPAES was changed to help candidates connect better with the Board. ED Sweetwood reported on the joint effort by AICPA and AAA to promote the accounting profession by attracting students, reducing the projected shortage of Accounting PhD professors, and creating a supply chain for the profession. The three target levels are K-12, Post Secondary education, and adult learners. Jack Krogstad, Creighton University, is a participant on the Commission. He will be invited to report on the Pathway's Commission at the May 2011 Board meeting.
- B. **Approval of CPA Exam Scores.** Motion out of Committee to recommend Board approval of the CPA Exam scores for July – August 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #10 carried.
- C. **Report on To Do List.** There was no report at this time.

**8. Report of the Legislative Committee**

- A. **Report on Legislation:** Proposed amended regulations within NAC Title 288 Chapters 3 and 4 revisions are complete and were approved by the Nebraska Attorney Generals Office and the Governor's Office. The new regulations are available on the Board's website at [www.nbpa.ne.gov](http://www.nbpa.ne.gov).
- B. **Report on To Do List.** There was no report at this time.

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**9. Report of Quality Enhancement Program (QEP) Committee**

- A. Report of the Committee.** Committee Chair Fuhrman reported that the QEP Committee met October 20, 2010 to review firm responses to the type 3 & 4 2010 reports. She reported a significant increase in type 3 (16) and 4 (17) in 2009 reports. Motion out of Committee to ratify the QEP Committees recommendations for the 2010 Type 3 & 4 reports. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #11 carried. The Task Force to revise the QEP program has met on two occasions and reported back to the Committee. Chair Fuhrman reported the Task Force will recommend major changes to the program with strong consideration Peer Reviews be required. Board members strongly suggested the Task Force work with the Nebraska Society of CPAs to develop the proposed changes to the program and the necessary changes to the rules for future recommendation to the Board for consideration. The next meeting for the Task Force has not been set.
- B. Report on To Do List.** There was no report at this time.

**10. Report of the Licensing Committee**

- A. Report of the Committee.** Chair Obrist gave the report. The Committee discussed a proposal by a business group represented by ConAgra to revise the public accounting experience requirements to allow industry or academia experience. The group, after further research, proposed a presentation to the Board to begin the dialogue at the November meeting. The Committee discussed the recency of the public accounting experience and the topic remains open for further discussion. The Committee reviewed the list of 567 inactive registrants who have not renewed between 2000 and 2007. Board staff will work with the Society to attempt to contact as many as possible. Board staff will send a letter in November 2010 to those listed with options such as return to inactive status, surrender, inactive-retired status or their certificates would be subject to revocation. The Committee reviewed a request by the Nebraska Department of Revenue to review their policy and checklist used to meet the state governmental experience requirement. The committee recommended the Board review the policy and form. Motion out of Committee to recommend Board approval of the Nebraska Department of Revenue policy and checklist used to meet the public accounting experience requirements (PAA 1-136.02 1(b)). On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #15 carried.

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- B. Ratification of initial permits to practice issued, certificates issued, firm permits.** Motion out of Committee to approve the initial permits to practice, certificates, and firm permits, issued between September 16, 2010 and November 15, 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #12 carried.
- C. Reinstatements to Active Permits, Inactive Retired Affidavits, Surrendered Certificates.** Motion out of Committee to approve the Reinstatements, Inactive Retired Affidavits, Surrendered Certificates received between September 16, 2010 and November 15, 2010.  
Reinstatements:  
Inactive - Retired affidavits: Ronald Tvrdik Kearney NE  
Surrendered Certificates:  
On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #13 carried.
- D. Presentation by Industry Representatives regarding proposal to revise the Public Accounting Experience Requirement.** After discussion of the presentation by the ConAgra representatives, moved by Obrist, seconded by Rieker, to allow Chair Skiles to appoint a Volunteer Work Group to collaborate on a review and discussion of the experience requirement per PAA 1-136.02 1(a), and make recommendations to the Board. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #14 carried.
- E. Report on To Do List.** There was no report at this time.

**11. Report of Executive Director**

- A. Report from NASBA Annual Meeting.** ED Sweetwood provided a written report and discussed the annual meeting highlights.
- B. Budget Update.** No further word on the status of the FY12-13 Board proposed budget that was submitted to the Budget Office.
- C. Staffing and Office Issues: DAS Building Division Update.** Jeff Paesl, the Board intern, will graduate in December and has accepted a job at Lutz & Co., P.C., Omaha, beginning in January 2011. A new intern has been hired. The Board congratulated and thanked Jeff for his service.
- D. 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.** There were no NASBA items.
- B. Other Miscellaneous Items: FYI articles.** Various articles were noted related to the CPA profession as provided by staff.

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**13. Adjournment**

Moved by Obrist, seconded by Zacharia, to adjourn the meeting at 1:28 pm on Thursday, November 18, 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia, voted aye. Members King Wu and Gutschewski were absent. Motion #16 carried.

Respectfully submitted by,

Anne K. Fuhrman  
Board Secretary