

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes
July 15, 2011

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

Friday, July 15, 2011

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:33 a.m. on Friday, July 15, 2011 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, Staff members Kelly Ebert and Jo Lowe. The meeting was held at the Board Office, 140 N. 8th 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. Visitor Dan Vodvarka was also present.
- B. Approval of Meeting Agenda for July 15, 2011.** Moved by Fuhrman, seconded by Rieker to approve the agenda for the July 15, 2011 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 May 19, 2011.** Moved by Zacharia, seconded by Wassinger, to approve the Board minutes from the May 19, 2011 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.
- D. Approval of Minutes from June 8, 2011.** Moved by Zacharia, seconded by Wassinger, to approve the Board minutes from the June 8, 2011 meeting. 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.

2. Public Comment Period (15 minute period)

Dan Vodvarka, President Nebraska Society of CPAs was present to update the Board on several items. Mr. Vodvarka acknowledged Board staff for their assistance in the review of Society CPE courses. The Society leadership participated in the Experience Work Group (EWG) first meeting. He also commented on the Society Board's identification of a possible successor to Member Fuhrman for recommendation to the Governor's office.

9:00 am: Public Hearing for Mr. Gary Riggs at his request under NAC/ Title 288/Chapter 8 009 CPE Non-Compliance. Hearing officer Chair Skiles opened the requested public hearing at 9:05 a.m., Friday, July 15, 2011. Gary Riggs was present and was not represented by counsel. Member Obrist recused himself. The public hearing was closed at 9:15 a.m., Friday, July 15, 2011. Moved by Rieker, seconded by Fuhrman, to confirm the current process for late CPE reporting requiring the submission of the Stipulation & Consent Order and a \$100 administrative fee, with an addendum in this case added by staff indicating the Board's Stipulation & Consent Order is not published, the Order is not considered a disciplinary action, and the reason for the Non-Compliance is for late reporting. On a roll call vote, Members

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Skiles, Wassinger, Fuhrman, Rieker, and Zacharia voted aye. Member Obrist abstained. Members King Wu and Gutschewski were absent. Motion #8 carried.

3. Consent Agenda

- A. **Published Notice of Meeting.** Moved by Zacharia, seconded by Rieker, 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 #4 carried.
- B. **Approval of Disbursements for May and June, 2011.** Disbursements were reviewed by Member Fuhrman who provided explanations for atypical expenses. Board members suggested raising fees to cover the online renewal application credit card expense. Current credit card (2.5%) and Neb.gov (2%) online expenses are being absorbed within the current budget. Staff will discuss the possibility during their 2011 online review meeting with Neb.gov.
- C. **Review of Board Budget Status Report.** The current budget status report was provided for review. See item 11.B for further comments.
- D. **Office Licensing Report.** The Office Licensing Report was provided.

4. Report of the Chair

- A. **Report of the Chair.** Board Chair Skiles gave the report.
- B. **NASBA Western Regional Meeting Report.** Chair Skiles reported that feedback from others attending the meeting was very favorable and he thanked the Hospitality Committee for excellent planning and execution. Issues from the meeting for discussion included PEEC/AICPA Activity, Blue Ribbon Panel, CPA Examination, and the Breakout Sessions. The Board discussed various national issues from the meeting. It was noted NASBA requested Boards provide direct feedback on national issues; however, the Board was not inclined to provide a direct response at this time.
- C. **Election of 2011-2012 Board Officers.** Election of Board officers for 2011-2012 was held: for Chair Douglas Skiles, CPA, for Vice Chair Michael Wassinger, CPA, and for Secretary Jim Rieker.
- D. **Review of Performance Card Survey.** Chair Skiles noted that office performance survey cards sent with renewal reminders were sent to his office with mostly favorable responses.
- E. **Review Board Calendar.** No revisions were made to the Board calendar.
- F. **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 10:56 a.m., on Friday, July 15, 2011 for the purpose of discussing enforcement matters. 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.

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Chair Skiles restated that the purpose for the closed session was to discuss enforcement matters.

Return to Open Session. Moved by Fuhrman, seconded by Rieker, that the Board return to open session at 11:25 a.m., on Friday, July 15, 2011. 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.

5. Report of Enforcement of Professional Conduct Committee

- A. Open Case/LMCO Update.** Committee Chair Zacharia reviewed the open cases.
- B. Public Hearing for Enforcement Case #11-08: NBPA vs. Mark Kiroff, 10:30 a.m.** Chair Skiles acted as the hearing officer. The Board was represented by Board Attorney Robert Gritmit. Mr. Kiroff was not present or represented by counsel at the hearing. Moved by Fuhrman, Seconded by Reiker to revoke the certificate and permit of Mark Kiroff. 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.

Moved by Zacharia, seconded by Fuhrman, to accept the Decision and Order.

BEFORE THE STATE BOARD OF
PUBLIC ACCOUNTANCY OF THE STATE OF NEBRASKA

STATE OF NEBRASKA, ex. Rel.,)	
STATE BOARD OF PUBLIC ACCOUNTANCY OF THE)	
STATE OF NEBRASKA,)	
)	DECISION AND ORDER
Petitioner,)	
vs.)	
)	
MARK A. KIROFF,)	
)	
Respondent.)	

The Board of Public Accountancy met on July 15, 2011 and a formal hearing was held on the petition of the Nebraska State Board of Public Accountancy (Board) against Mark A. Kiroff, Respondent. Robert T. Gritmit appeared on behalf of the Petitioner. The Respondent did not appear. The Hearing Officer conducting the hearing was Board chair Doug Skiles.

FINDINGS OF FACT AND
CONCLUSIONS OF LAW

The Findings of Fact and Conclusions of Law of the Board are attached to this Decision and Order and are made a part hereof. All members participating in this decision and voting in favor of this Decision and Order are Tom Obrist, Michael Wassinger, Jim Rieker, Richard Zacharia, Doug Skiles and Anne K. Fuhrman. The Findings of Fact and Conclusions of Law attached hereto are expressly adopted by the Board and the same are deemed to be the Findings of Fact and Conclusions of Law of the Board.

DECISION AND ORDER

The Board finds that the Respondent did violate the provisions of the Public Accountancy Act, and further violated the Board's Rules and Regulations as set forth in the Findings of Fact and Conclusions of Law attached hereto.

The Board further finds that that Respondent's certificate number 004577 and Respondent's permit to practice number 29474 should be revoked.

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WHEREFORE, IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Respondent's certificate number 004577 and Respondent's permit to practice number 29474 are revoked.

IT IS SO ORDERED.

DATED this 15th day of July, 2011.

STATE BOARD OF PUBLIC ACCOUNTANCY OF THE STATE OF NEBRASKA

On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia voted aye. Members King Wu and Gutschewski were absent. Motion #19 carried.

- C. **Recommended Closure of Enforcement Cases.** Motion out of Committee to close case #11-04 based on the cooperation of the CPA in the matter to comply with the complaint and the committees concerns. 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.

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 76 courses from May 20, 2011 to July 11, 2011 with 76 approved with partial credit for two of the courses. The Committee forwarded 1 reinstatement to the Licensing Committee for approval. The 2011 CPE audit and CPE Extension were discussed with approval letters to be mailed in July. Twenty three individuals remain on the CPE deficiency list and were referred to the Licensing Committee for publication of failure to renew active permit. The Committee is concerned that the CPE Ethics requirement be met with courses that are current and engaging. The Society is working with one provider to make sure new material is presented. One application for program sponsor was reviewed.
- B. **Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 76 courses with partial credit for two of the courses May 20, 2011 to July 11, 2011. 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.
- C. **Ratification of CPE Sponsor.** Motion out of Committee to recommend Board approval for HRD Initiatives, LLC. 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.
- 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.** Committee Member Wassinger gave the report. The Committee reviewed the text table of contents to meet the Quantitative Applications in Business subject area. The subject area has had a history of difficulty in determining courses that qualify in comparison with UNL and UNO course descriptions. Following Board discussion the Committee will review the course approval process and options, such as the 25% letter, usually related to courses from non-Nebraska institutions. Motion out of Committee that the course proposed from DeVry University does not

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qualify for Quantitative Applications in Business. 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. The Committee reviewed a variety of Exam reports provided by AICPA Board of Examiners Committee, NASBA Exam Review Board, and CPA Examination Services (CPAES). The Education Advisory Committee will meet October 21, 2011, Mammel Hall, UNO campus with Dr. Craig Mills, AICPA Vice President for Exams and Continuing Professional Education, as a speaker. NASBA/CPAES and Prometric will also be invited to present.

- B. Approval of CPA Exam Scores.** Motion out of Committee to recommend Board approval of April and May 2011 CPA exam scores. 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.
- C. Report on To Do List.** There was no report at this time.

8. Report of the Legislative Committee

- A. Report on Legislation.** Chair Skiles reported the Experience Work Group (EWG) met June 21, 2011 with a good start and an informative discussion including the current Board experience requirement. Minutes of the meeting were provided to the Board. The next meeting is scheduled for August 17, 2011 where ConAgra will present their proposals to the experience requirement.
- 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 the QEP Committee met and confirmed agreement with the reviewers type 3 (21) and 4 (19) reports out of 89 reports reviewed. The most frequent mistake was not using the SSARS 19 language. The Committee will meet in September to review the responses from the firms. QEP Committee members felt the process was very educational for them.
- 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 reviewed a proposed fictitious firm name application and suggested the full Board discuss the name. The name consisted of "Ventures" and dba name which could be misleading to the public and the individual would have to limit practice to the terms used in the name per the Firm Guidelines. Staff was directed to have a further conversation with individual. The online renewal process was successful with an overall adoption rate of close to 80% overall. Staff will begin the process of revoking non-renewed inactive registrants. Board members were provided with listing of 40 non-renewed active permit holders. Certified letters explaining the default were sent to all. The list of those not renewing by July 30 will be sent to all interested agencies, State Boards, AICPA, IRS, other interested parties, and posted on our website.

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- B. Ratification of initial permits to practice issued.** Motion out of Committee to recommend Board approval of initial permits to practice issued between May 18, 2011 and July 14, 2011. 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.
- Ratification of certificates issued.** Motion out of Committee to recommend Board approval of certificates issued between May 18, 2011 and July 14, 2011. 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.
- Ratification of initial firm permits.** Motion out of Committee to recommend Board approval of initial firm permits issued between May 18, 2011 and July 14, 2011. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia voted aye. Members King Wu and Gutschewski were absent. Motion # 17 carried.
- C. Reinstatements to Active Permits, Inactive Retired Affidavits, Surrendered Certificates.** Motion out of Committee to approve the Reinstatements, Inactive Retired Affidavits, and Surrendered Certificates received between May 18, 2011 and July 14, 2011.
- | | | |
|--------------------------------|----------------------|------------------|
| Reinstatements: | Michael Berry | Omaha NE |
| Inactive - Retired affidavits: | Jill Engert | Rogers AR |
| | Curtis Griess | Grand Island NE |
| | Oliver Pierce | LaVista NE |
| | James Pomrenke | Fremont NE |
| | Thomas Shamburg | Lincoln NE |
| | Durrel Kelley | Derby KS |
| | Vernon Henjes | Sioux City IA |
| Surrendered Certificates: | Mark Adair | Fort Wayne ID |
| | Christopher Anderson | Lake Forest IL |
| | Sarah Bohnsack | Davenport IA |
| | Jeremy Brockman | Wasilla AK |
| | Marvin Debner | W. Des Moines IA |
| | Mia Frommelt | Overland Park KS |
| | Kurt Gabouer | Lemont IL |
| | Robert Hartwig | Erie CO |
| | Donald Klynsma | Sioux City IA |
| | Melissa Willer | Sioux City IA |
| | Chad Schechlinger | Persia IA |
| | Stephen Penn | Overland Park KS |
- On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia voted aye. Members King Wu and Gutschewski were absent. Motion #18 carried.
- D. Report on To Do List.** There was no report at this time.

11. Report of Executive Director

- A. NASBA Western Regional Conference Report.** The report was given under 4.A

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- B. Board Budget/Fiscal Year 2011 Summary.** Fiscal Year 2011 ended with Board expenditures of \$381,320 and revenues of \$382,683. It was the goal of the Board budget process to stabilize the Board's cash fund this year. ED Sweetwood acknowledged the Executive Committee for their planning in meeting this goal. He did note legal/enforcement related fees increased expenditures toward the end of the year. He also noted the Legislature's Appropriations Committee allowed the Board to carry over unspent funds from FY11 into the current year that will assist the Board's budget process.
- C. Nebraska.gov Report.** A meeting will be held soon with Neb. Gov representatives to discuss the 2011 online reporting period. Board staff maintains a list of issues developed during the reporting period for discussion. No major issues were reported during the period.
- D. Staffing & General Office Issues** ED Sweetwood acknowledged the work of staff members Lowe, Ebert, and intern Nicole Enstrom for their work over the last several months. The Board's licensing processes require the documentation of several hundred licenses, registrations, and permits issued. Additionally, thousands of dollars are documented for deposit to the State Treasurer. The Board's QEP program is also underway bringing reviewers to the Board offices and administration of the program.
- E. Report on To Do List.** There was no report at this time.

12. New Business

- A. NASBA Items:**
 - 1.) NASBA Regional Meeting/Discussion of Conference.** See also agenda Item 4B.
 - 2.) Attendance at NASBA Annual Meeting, Nashville, TN, Oct. 23-26, 2011**

Due to the various important national issues as indicated in Item 4.B, it was determined it is very important for Board members to attend the 2011 NASBA Annual Meeting. Chair Skiles noted the importance for Board members to attend NASBA Meetings to attend the sessions and arrive at their own opinion on national issues versus being updated and influenced by other Board members or staff. It was also noted this will be the last annual meeting for Mr. David Costello, CPA, NASBA President & CEO. Moved by Rieker, seconded by Zacharia to approve attendance for all current Board members and ED Sweetwood at the NASBA Annual meeting, Nashville TN, Oct 23-26, 2011. On a roll call vote, Members Skiles, Wassinger, Obrist, Rieker, and Zacharia voted aye. Member Fuhrman abstained. Members King Wu and Gutschewski were absent. Motion #5 carried.
- B. FYI articles.** Articles of interest were provided to the Board.

13. Adjournment

Moved by Rieker, seconded by Zacharia, to adjourn the meeting at 1:17 pm on Friday, July 15, 2011. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, and Zacharia voted aye. Members King Wu and Gutschewski were absent. Motion #20 carried.

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Respectfully submitted by,

Anne K. Fuhrman
Board Secretary