

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes

January 6, 2011

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

Thursday, January 6, 2011

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:36 a.m. on Thursday, January 6, 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, Bernie Gutschewski, and Richard Zacharia. Member Kate King Wu was absent. Chair Skiles welcomed new Board member Gutschewski. 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. 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. Also present: Dan Vodvarka, President, Nebraska Society.
- B. Approval of Meeting Agenda for January 6, 2011.** Moved by Obrist, seconded by Zacharia to approve the agenda for the January 6, 2011 meeting. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Member Kate King Wu was absent. Motion #1 carried.
- C. Approval of Minutes from November 18, 2010.** Moved by Fuhrman, seconded by Wassinger, to approve the Board minutes from the November 18, 2010 meeting. On a roll call vote, Members Skiles, Wassinger, Fuhrman, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Member Kate King Wu was absent. Motion #2 carried.

2. Public Comment Period (15 minute period)

Dan Vodvarka, President of the Nebraska Society of CPAs (Nebraska Society) was present and reported the Society Senators reception was held 6:00 pm, Jan. 4, 2011, Nebraska Club. He also offered assistance if any initiatives are taken regarding the upcoming presentation on the experience requirement. The Nebraska Society Board recommended the appointment of Julie Bauman, Don Kluthe, and Rand Hansen to the Experience Work Group. A total of 87 Continuing Professional Education courses concluded Dec. 21, 2010.

Member Kate King Wu arrived at 8:41 am.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by King Wu, seconded by Wassinger, to approve the consent agenda except for item 3B. Disbursements were not reviewed. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #3 carried.
- B. Approval of Disbursements.** Disbursements were not reviewed.

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes
January 6, 2011

- C. **Review of Board Budget Status Report.** The current budget status report was provided for review. ED Sweetwood commented 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. The Executive Committee met in December for a final review to determine recommendations for the Board as fees are considered for next year.
- D. **Office Licensing Report.** The Office Licensing Report was provided. The report was revised to more accurately reflect licensing numbers with trend graphs.

4. Report of the Chair

- A. **Report of the Chair.** Chair Skiles gave the report. The Executive Committee (EC) met to review fees for 2011 and other matters. Motion out of Committee to allow ED Sweetwood to attend the NASBA Executive Director's Conference, San Diego CA, March 6-8, 2011. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #5 carried. Member Gutschewski asked how the Board communicated with licensees. A discussion ensued regarding Board communications. It was suggested that the ED continue to work with the Society to include information in the Society's monthly newsletter regarding Board news. A suggestion was made to study moving the burden of enforcement case cost to CPA's insurance or to seek reimbursement for expenses due to concern for budget constraints. The Hospitality Work Group (HWG), Chaired by Member Zacharia, continues to work with NASBA staff and Omaha Convention & Visitors Bureau on area activities for June 2011 NASBA Western Regional Meeting attendees. He indicated it was decided not to recommend a formal speaker to open the Omaha conference and that Chair Skiles will represent the Board and open the conference.
- B. **Executive Committee Report: Set 2011 Fees.** Chair Skiles indicated the Executive Committee met on December 17, 2010 and reviewed information provided by staff. ED Sweetwood commented that the Board Cash Fund had been significantly reduced in 2010 due to the transfer of \$100,000 to the General Fund as required by LB 1 (2009 Special Legislative Session) and expenses related to a complicated enforcement case. Chair Skiles commented that the goal is to stabilize the Cash Fund at this time by returning some fees to 2007 levels. ED Sweetwood offered additional information for Board member review as provided to the Committee. Motion out of Committee to recommend Board approval of the following 2011 fees:

NBPA licensing fees for 2011:

Active Permit to Practice	\$200
Inactive Permit to Practice	\$ 80
Reciprocal Certificate	\$400*
Firm Permit: P.C.s, LLCs, LLP's, Partnerships	\$100*
Certificate of Registration P.C.s & LLCs	\$ 25
Office Fee: All firms and Sole Proprietorships	\$ 50*
CBT Examination/ Initial Admin. Fee	\$ 15

* returned to 2007 fee levels

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes

January 6, 2011

On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #4 carried.

- C. **Review Board Calendar.** The January meeting 2012 may be moved to Tuesday to accommodate the Nebraska Society Senators Reception.
- D. **Report on To Do List.** There was no report at this time.

Closed Session

Closed Session. Moved by King Wu, seconded by Rieker, that the Board go into closed session at 10:08 a.m., on Thursday, January 6, 2011 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, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #6 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 10:22 a.m., on Thursday, January 6, 2011. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #7 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. **Open Case/LMCO Update.** Committee Chair Zacharia reviewed the open cases. The hearing for case #10-03 set for 9:00 am, Thursday, January 6, 2011 was continued as ordered by Hearing Officer Jim Titus.
- B. **Recommended Closure of Enforcement Cases.** There were no cases to close 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 101 courses from November 17, 2010 to December 29, 2010 with 101 approved. The Committee forwarded 14 reinstatements to the Licensing Committee for approval. Three requests for medical CPE waivers were approved. The 2010 CPE Audit was set at 2.5%.
- B. **Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 104 courses from November 17, 2010 to December 29, 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #8 carried.
- D. **Ratification of CPE Sponsor.** There were no CPE sponsor applications at this time.
- E. **Report on To Do list.** The To Dos are listed in the Committee Report.

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

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes

January 6, 2011

- A. **Report of the Committee.** Committee Chair King Wu gave the report. The CBT-e was successfully launched January 1, 2011. Educators have been kept informed of the exam changes. The U.S. Uniform CPA exam will be offered at five international locations. Licensure must come through the states.
- B. **Approval of CPA Exam Scores.** Moved by Obrist, seconded by King Wu, to recommend Board approval of the CPA Exam scores for October- November 2010. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #9 carried.
- C. **Report on To Do List.** There was no report at this time.

8. Report of the Legislative Committee

- A. **Report on Legislation.** Committee Chair Skiles gave the report. The Experience Work Group (EWG) to review public accounting experience to potentially allow for industry and academia experience has been formed. The EWG will begin working following tax season.
- 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 QEP Committee had not met since the previous Board meeting. Chair Fuhrman reported the QEP Task Force will recommend major changes to the program with strong consideration Peer Reviews be required for firms doing attest engagements. She noted that the Nebraska Society has been kept fully informed of the process, has attended previous Task Force meetings, and has been invited to the next meeting. The next meeting for the Task Force has been set for February 4, 2011. It is anticipated the QEP Task Force will begin the review with potential changes to Board regulations.
- 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 the membership of the Experience Working Group. Staff will draft language to include the term “network” for the Firm Guidelines. Staff will continue to work toward IRS understanding of the two tiered status in Nebraska for the PTIN applicants. A letter was sent to the Office of Professional Responsibility by ED Sweetwood to clarify Nebraska’s two tiered licensure in obtaining a PTIN. The Committee is considering an audit process for disclosure forms required of firms that accept contingent fees, referral fees, and commissions. Staff is creating an audit process for discussion at the next Committee meeting and the March Board meeting. Petition and Notice of Hearing certified letters have been sent to 2007 Permit non-renewals. Letters to inactive

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes

January 6, 2011

registrants regarding options after three years of non-renewal will be sent following a review of addresses by the Society.

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 November 16, 2010 and January 4, 2011. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #10 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 November 16, 2010 and January 4, 2011.

Reinstatements:

Kevin Wagoner	West Des Moines, IA
Marc Bowman	Omaha NE
Catherine McClung	Denver CO
Tina Garland	Beatrice NE
Thomas Larsen	Lincoln NE
Trisha Gade-Jones	Lincoln NE
Dennis Edstrom	Omaha NE
Diane Holtorf	Seward NE
Trudy Meyer	Eagle NE
Brian Dreith	Omaha NE
Donald Kluthe	Omaha NE
Nanne Olds	Lincoln NE
Aaron Purkeypile	East Syracuse NY
Wendy Cooley	Omaha NE

Inactive - Retired affidavits:

Barbara Oliver	Greeley, CO
Robert Helm	Lincoln NE
Linda Knox	Lincoln NE

Surrendered Certificates:

Val Bitton	Naperville, IL
Dawn Murphy	Grimes IA
Mark Hornung	Edina MN
Robert Slezak	Omaha NE
Jane Slezak	Omaha NE
Stephen Van Arsdell	Naperville IL
Charles Hubbard	Liberty MO
David Allison	Overland Park KS

On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #11 carried.

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

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes

January 6, 2011

11. Report of Executive Director

- A. **Budget Update.** The FY12-13 Board proposed budget was submitted to the Budget Office. The Governor will release his recommended budget proposals on Jan. 13, 2011. ED Sweetwood will notify the Executive Committee regarding the recommendations for possible response and preparation to appear before the Appropriations Committee in the spring.
- B. **Staffing and Office Issues: DAS Building Division Update.** Nicole Enstrom, UN-L junior accounting major, has been hired as the new Board intern. The DAS Building Division entered into a one year lease for the Board in the current office space. It is anticipated the Board offices will move to the Assurity Building some time in late 2012 or 2013.
- C. **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 has been no announcement regarding the new CEO of NASBA, replacing David Costello.
- B. **Other Miscellaneous Items: FYI articles.** Various articles were noted related to the CPA profession as provided by staff.

13. Adjournment

Moved by King Wu, seconded by Obrist, to adjourn the meeting at 11:32 am on Thursday, January 6, 2011. On a roll call vote, Members Skiles, Wassinger, Fuhrman, King Wu, Obrist, Rieker, Gutschewski, and Zacharia, voted aye. Motion #12 carried.

Respectfully submitted by,

Anne K. Fuhrman

Board Secretary