

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes
May 18, 2012

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

Friday, May 18, 2012

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:45 a.m. on Friday, May 18, 2012 with Chair Doug Skiles, presiding. The roll was called with the following members present: Doug Skiles, Michael Wassinger, Bernie Gutschewski, Kate King Wu, Tom Obrist, and Richard Zacharia. Member Lori Druse was 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, the statutes were posted on the wall, and asked if anyone present needed an agenda or had any questions regarding the law. Visitors present: Mr. Ted Lodden, CPA, NASBA Central Regional Director, Des Moines IA, and Mr. Ken Brauer, Nebraska Society of Independent Accountants.
- B. Approval of Meeting Agenda for May 18, 2012.** Moved by King Wu, seconded by Zacharia to approve the agenda for the May 18, 2012 meeting. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #1 carried.
- C. Approval of Minutes from March 23, 2012.** Member King Wu recommended revisions to the Education & Examination Committee report. Moved by King Wu, seconded by Obrist, to approve the Board minutes from the March 23, 2012 meeting with revisions. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #2 carried.

2. Public Comment Period (15 minute period)

Ted Lodden, NASBA Central Regional Director, Des Moines IA, provided updates from NASBA, including CPE Standards, CPT education grant research projects and the awarding of funds, the Pathways Commission Report, foreign firms not registered with any state while doing business in the US, NASBA Western Regional sessions of interest, and PCAOB effectiveness. He felt that NASBA was focusing on member Board services, providing names of contacts for improving communication.

Ken Brauer, Nebraska Society of Independent Accountants, reported that the NSIA and the Nebraska Society jointly sponsored an IRS Tax Update course, including sessions related to identity theft and the PTIN number registration. He indicated that he and Society President Dan Vodvarka were pleased with the attendance and the conference overall.

Agenda Item 5 B. 9:00 am: Public Hearing for Revocation of Certificates of Non-Renewed 2001-2007 Inactive Registrations. Hearing Officer Doug Skiles, opened the hearing at 9:05 am. The hearing concluded at 9:10 am.

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3. Consent Agenda

- A. **Published Notice of Meeting.** Moved by Zacharia, seconded by King Wu, to approve the consent agenda. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #3 carried.
- B. **Approval of Disbursements for March and April 2012.** Disbursements were reviewed prior to the Board meeting by Member Druse with former Board Secretary Anne Fuhrman.
- C. **Review of Board Budget Status Report.** The current budget status report was provided for review. ED Sweetwood commented that it appeared the budget is tracking well and at this point no large enforcement case expenditures were foreseen. He responded to Board questions in the absence of Member Druse.
- D. **Office Licensing Report.** The Office Licensing Report was provided and members noted the increase in inactive registrations due to the Licensing Committee initiative to take action on the Board listing of expired inactive registrants. The process will be ongoing for the 2012 calendar year.

4. Report of the Chair

- A. **Report of the Chair.** Chair Skiles gave the report.
- B. **Nomination of Board Secretary.** Member Druse was nominated for the position of Board Secretary. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #4 carried.
- C. **Strategic Planning Committee NASBA.** Board Chair Skiles was notified that he was appointed to the NASBA Strategic Planning Committee by NASBA Chair Mark Harris. This Committee will review NASBA's Strategic Plan with key representatives from NASBA leadership. It is the first time outside members, including Board members and executive directors have been involved in this process.
- D. **Mr. Ted Lodden, CPA- NASBA Central Regional Director.** See Public Comment period under 2. Chair Skiles recommended the Board support Mr. Lodden for a Director-at-Large position with the NASBA Board of Directors. Moved by King Wu, seconded by Zacharia, to endorse via letter, Mr. Lodden for Director-at-Large with NASBA Board of Directors. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #5 carried.
- E. **Attestation Results Nebraska State Auditor Exit Meeting.** Chair Skiles and Vice Chair Wassinger were present for the NBPA audit of 2011 exit interview with Mike Foley, State Auditor's office and his staff on April 23, 2012. Dan Sweetwood and Kelly Ebert were also present. Both were pleased to report that there were no comments attached to the audit.
- F. **Executive Committee Report: 2011-2012 Executive Directors Performance and Salary Review.** The Executive Committee previously met with ED Dan Sweetwood to

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review and discuss his submitted goals for the last year. Based on his performance over the last year and not receiving a raise in salary in 2010 Moved by King Wu, seconded by Gutschewski, to recommend Board approval of a 5% salary increase for ED Sweetwood to commence July 1, 2012. The Board indicated they were very pleased with ED Sweetwood's performance. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #9 carried. Chair Skiles was pleased to announce Administrator Jo Lowe had graduated with a Masters in Public Administration degree from UNO. The Executive Committee recommended she receive an award based on the Board's Employee Recognition Program. Moved by Zacharia, seconded by King Wu, to recommend \$500 recognition to Staff Lowe for completion of the MPA program at UNO. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Motion #8 carried. Lowe thanked the Board noting that much of the theory presented through coursework was directly applicable to Board and agency processes. Chair Skiles noted that Ms. Lowe and Ms. Ebert would receive a 2% salary increase as bargained between the State of Nebraska/DAS and the Nebraska Association of Public Employees on July 1, 2012.

- G. **Review Board Calendar.** Due to conflicts the July Board meeting was changed to Thursday, July 26, 2012.
- H. **Report on To Do List.** There was no report on the To Do list at this time.

Closed Session

Closed Session. Moved by King Wu, seconded by Wassinger, that the Board go into closed session at 11:05 a.m., on Friday, May 18, 2012 for the purpose of discussing enforcement and personnel matters. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #6 carried. Chair Skiles restated that the purpose for the closed session was to discuss enforcement and personnel matters.

Return to Open Session. Moved by King Wu, seconded by Wassinger, that the Board return to open session at 11:28 a.m., on Friday, May 18, 2012. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #7 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. **Open Case/LMCO Update.** Committee Chair Zacharia reviewed the open case file.
- B. **Public Hearing for Revocation of Certificates of Non-Renewed 2001-2007 Inactive Registrations.** See public Comment Period. Moved by King Wu, seconded by Zacharia, due to the neglect of the following inactive registrants, the certified public accountant certificate shall be revoked.

DURSO
EDISON

STEVEN
BECKY

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ELSEA-KILGORE	TAMELA
ESKILSEN	GUNNARD
FEAGLER	ROGER
FEHRINGER	RAYMOND
FICKES	MARITA
FORD	KENNETH
FORINASH	JEANNE
FORTSON	STEVEN
FRANZEN	ELIZABETH
FRASIER	GAIL
FREIMUTH	JOSEPH
GAINES	TODD
GALLOWAY-TROGDON	COLLEEN
GIDDINGS	THERESA
GILROY	TODD
GILROY	DENISE
HAACK	CALVIN
HARRIS	JACK
HARRISON	WAYNE
HART	GARY
HASKINS	STEPHEN

On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #11 carried.

- D. Recommended Closure of Enforcement Cases.** Motion out of Committee to close case #11-07 due to the death of the CPA. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, and Zacharia voted aye. Members Druse and Gutschewski were absent. Motion #10 carried.
- E. 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 90 courses from March 20, 2012 to May 7, 2012 with 89 approved and 1 denied. The Committee forwarded three reinstatements to the Licensing Committee for approval. Courses discussed at the Board level related to ethics and information technology. The Board determined that more information was needed to make a decision. Motion out of Committee to allow CPE Committee Chair Zacharia to approve the CPE 2012 audit when completed to allow timely licensure of the individuals, and that Board member Gutschewski will audit the 2012 CPE Audit. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #13 carried. The Committee reviewed the definition and description of personal development courses and possible related Rule changes.
- B. Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 88 courses from March 20, 2012 to May

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7, 2012. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #12 carried. Motion out of Committee to approve course # 248 and deny course #88. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #14 carried.

- C. **Ratification of CPE Sponsor.** There were no CPE sponsor applications at this time.
- 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 Chair King Wu gave the report. The Committee reviewed the UN- Lincoln policy to only allow community college course credit with a grade of B or better to transfer. They are also reviewing the AICPA Ethics exam for potential revisions related to the Nebraska Title 288 Chapter 5 Rules of Professional Conduct.
- B. **Review Board CPA Exam Score Reporting and Certificate Issuance Process.** The revised process is being implemented with the April – May 2012 scoring window.
- C. **Approval of CPA Exam Scores.** No scores were available at this time.
- D. **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 on the “public accounting experience” requirement review. ED Sweetwood and Society President Vodvarka met with Board member Gutschewski for pertinent revisions. The suggested revisions were provided to the bill drafters. The revised draft should be available for the July Board meeting.
- 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 Wassinger gave the report. He indicated the proposed Rule language is progressing. There has been concern raised that the drafted Rules should also be considered for inclusion with the Public Accountancy Act (PAA). Wassinger indicated he will bring the issue to the QEP Task Force for further discussion with a later recommendation brought to the Board. The QEP begins June 11, 2012. At this time, 31 firms have not responded by the May 15 deadline.
- 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 online renewals for firms and sole proprietorships have a flagging system which allows staff to monitor disclosure statements, office and owner changes. A 2% audit of renewals will be

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conducted by staff using PACER, JUSTICE, GOOGLE, and the ALD. Revocation of inactive registrations will continue throughout the year.

- B. Ratification of initial permits to practice, initial firm permits, and certificates issued between March 22, 2012 and May 7, 2012.** Motion out of Committee to recommend Board approval of initial permits to practice, initial firm permits, and certificates issued between March 22, 2012 and May 7, 2012. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #15 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 March 22, 2012 and May 7, 2012.

Reinstatements:	Lisa Karr	Blue Hill NE
	Virginia Powell	Topeka KS
	Darlene Rohlfen	Omaha NE
Inactive - Retired affidavits:	Kent Boettger	Pittsburg MO
	Janet Thrasher	Omaha NE
	George Brady	Omaha NE
	Leonard Murphy	Green Valley AZ
	Robert Wuggazer	Omaha NE
Surrendered Certificates:	Douglas Dent	Charlotte NC
	Michael Schumacher	Fargo ND
	S. Gregory Griffin	Lawrenceville GA
	Phillip Lageschulte	Barrington IL

On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #16 carried.

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

11. Report of Executive Director

- A. Report and Status of Online Renewal Applications/ 2012.** Online renewals are progressing with about one fourth of the total completed at this time. Any online issues were dealt with quickly by the team of N.gov and IMS. The team will be working on an online protocol manual to help facilitate the process from year to year. Paper applications are also being submitted. At least two medium sized firms have changed their paper renewal process and placed the burden of renewal on the CPA.
- B. Staffing & General Office Issues.** ED Sweetwood, again, congratulated Administrator Lowe for completing her Masters Degree and the several projects she has contributed during her pursuit of the degree. The move to the Assurity Building should take place in the summer/fall of 2013.
- C. Report on To Do List.** There was no report at this time.

12. New Business

- A. NASBA Items:**

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- A. **NASBA Items.** There were no items at this time.
NASBA FYI articles. Articles of interest were provided to the Board.
- B. **Other Miscellaneous Items:** Articles of interest were provided to the Board.

13. Adjournment

Moved by Zacharia, seconded by Gutschewski, to adjourn the meeting at 1:05 pm on May 18, 2012. On a roll call vote, Members Skiles, Wassinger, Obrist, King Wu, Gutschewski, and Zacharia voted aye. Member Druse was absent. Motion #17 carried.

Respectfully submitted by,

Board Secretary