

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

Minutes
March 22, 2013

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

Friday, March 22, 2013

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 Friday, March 22, 2013 with Chair Michael Wassinger, presiding. The roll was called with the following members present: Michael Wassinger, Lori Druse, Bernie Gutschewski, Richard Zacharia, Doug Skiles, Jan Glenn, Michele Stromp, and Michael McClure. Also present were Executive Director Dan Sweetwood, Staff members Jo Lowe and Heather Myers, and Intern Dakota Sombke. The meeting was held at the Board Office, 140 N. 8th Street, Suite 290, Lincoln, Nebraska. Chair Wassinger 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. Dan Vodvarka, President of the Nebraska Society of CPAs (Society), and Ken Brauer, Nebraska Association of Independent Accountants.
- B. Approval of Meeting Agenda for Friday, March 22, 2013.** Moved by Skiles, seconded by Druse, to approve the agenda for the March 22, 2013 meeting. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #1 carried.
- C. Approval of Minutes from January 11, 2013.** Moved by Zacharia, seconded by Skiles, to approve the Board minutes from the January 11, 2013 meeting. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #2 carried.

2. Public Comment Period (15 minute period)

Ms. Lynn Melson, Nebraska Assistant Attorney General, who serves as the Board's legal representative, was present to overview her responsibilities to the Board such as representation for legal cases, rules creation process, both informal and formal opinions, and public records and public meeting law requirements.

Dan Vodvarka, President of the Nebraska Society of CPAs was present. He discussed the progress of the proposed Legislative Bill to change the experience provisions within the Public Accountancy Act. The Bill (LB 27), introduced by Senator Galen Hadley, passed 45-0, and was signed by Governor Heineman on March 20, 2013, with a September effective date. The Society's 92 CPE courses begin in May.

Agenda Item 5 B. 9:00 am: Public Hearing for Revocation of Certificates of Non-Renewed 2001-2007 Inactive Registrations. Hearing Officer Michael Wassinger, opened the hearing at 8:55 am. The hearing concluded at 8:59 am.

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3. Consent Agenda

- A. **Published Notice of Meeting.** Moved by Skiles, seconded by McClure, to approve the consent agenda. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #3 carried.
- B. **Approval of Disbursements for November and December, 2012 and January and February, 2013.** Disbursements were reviewed prior to the Board meeting by Secretary Druse. Druse will continue to work with Staff Myers in preparation of the documents from the state financial system.
- C. **Review of Board Budget Status Report.** The current budget status report was provided for review. Secretary Druse reviewed the Budget Status Report and discussed areas of variance in the budget FY 2012-2013 YTD actual compared to FY 2012-2013 budget and FY 2011-2012 YTD actual. Legal expenses were higher than previous months and conference registrations were lower due to new Board member's scholarships paid by NASBA.
- D. **Office Licensing Report.** The Office Licensing Report was provided to the Board.

4. Report of the Chair

- A. **Report of the Chair.** Chair Wassinger gave the report. He noted that Member Gutschewski moved to the Licensing Committee and Member Stromp moved to the Enforcement Committee.
- B. **Attendance at NASBA Western Regional Meeting, New Orleans, June 5-7, 2013.** Due to the importance of regional issues affecting the profession, participation at regional meetings is valuable to Board members with new members attending the New Board Member Orientation. New Members Glenn, Stromp, and McClure travel expenses will be reimbursed by NASBA. Motion out of Committee to approve Board members and ED Sweetwood to attend the NASBA Western Regional Meeting, New Orleans, June 5-7, 2013. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #4 carried.
- C. **Attendance at NASBA Annual Meeting, Maui, Hawaii, October 2013.** The Board continued discussion from the January meeting regarding the Board sending members to Maui, HI for the Annual Meeting. Discussion included the State Auditors previous concerns with travel to Hawaii. It was noted a letter had been sent by the Board to NASBA leadership in 2007 regarding concerns of hosting regular meetings in Hawaii. Chair Wassinger offered the Board consider restrict member participation and expense reimbursement for travel as determined in 2007 after consultation with the Auditor. Due to the importance of issues on the national stage affecting the profession, participation at national meetings is valuable to Board members. Several Board members serve on national committees. Moved by Zacharia, seconded by Gutschewski, for five Board members, as 2007, to attend the NASBA Annual Meeting,

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Maui, Hawaii, October 2013 with airline expense reimbursement reduced. On a roll call vote, Members Wassinger, Druse, Gutschewski, Skiles, Glenn, Stromp, and McClure voted aye. Member Zacharia abstained. Motion #5 carried.

- D. Review Board Calendar.** There were no changes to the Board calendar. The May Board meeting will be Friday, May 17, 2013.
- E. Report on To Do List.** There was no report at this time.

Closed Session

Closed Session. Moved by Glenn, seconded by Stromp, that the Board go into closed session at 9:32 a.m., on Friday, March 22, 2013, for the purpose of discussing enforcement. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #6 carried. Chair Wassinger restated that the purpose for the closed session was to discuss enforcement matters.

Return to Open Session. Moved by Druse, seconded by Glenn, that the Board return to open session at 9:50 a.m., on Friday, March 22, 2013. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. 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.** Following hearing, moved by Gutschewski, seconded by McClure, to revoke the certificates of the inactive registrants:

RASMUSSEN	JANINE
REELFS	HOWARD
RIBBLE	JOY
RICHARDS	GARY
ROBERTS	DEL
ROBERTS	JAMES
ROESLER	WILLIAM
ROSENBAUM	GARY
SAMUELSON	JAY
SANIUK	JOHN
SAVIDGE	KIMBERLY
SCHNEBERGER	ROBERT
SCHNIEDERS	BRIAN
SELANDER	ALAN
SENECAL III	BEAMAN

On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #9 carried.

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- C. **Surrender of Certificate under revocation for C.F. Weber.** Motion out of Committee to accept the surrender under revocation of Weber's certificate and active permit to practice for Case #12-01 and to close Case #12-08. Weber was the subject of a felony conviction in Douglas County, NE. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stomp, and McClure voted aye. Motion #8 carried
- D. **Recommended Closure of Enforcement Cases.**
Case # 12-08: Based on this case the firm created internal controls to prevent unsolicited letters being mailed to non-clients.
- 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 73 courses with 73 recommended for Board approval and none denied. Motion out of Committee to forward 4 reinstatements to the Licensing Committee. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stomp, and McClure voted aye. Motion #11 carried. Motion out of Committee to recommend waivers for W001 and W002 to be approved and the request by a CPA for additional hours be allowed for self study courses be denied.. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stomp, and McClure voted aye. Motion #12 carried. Chair Zacharia indicated he would call an expanded CPE Committee meeting, tentatively set for May 15 at the FZA office, and invite members of the Experience Work Group, Nebraska Society of CPAs leadership, and others. The sub-Committee will provide perspective and ideas associated with the future of personal development and other courses, related to possible changes to the number of hours allowed for such courses, and changes to the experience requirement. The Committee will report on the discussions held.
- B. **Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 73 from January 8, 2013 to March 5, 2013 with 73 approved and none denied. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stomp, and McClure voted aye. Motion #10 carried.
- C. **Ratification of CPE Sponsor.** There were no CPE sponsorship 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 Skiles gave the report. Successful candidate survey results were provided to the Committee showing very favorable results. The Center for the Public Trust, with a focus on ethics and end users of financial instruments, has begun an outreach in educational institutions often through

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Beta Alpha Psi (BAP) chapters. Following a conference call with Paul Shoemaker, UNL Accounting Dept. Chair, who presented the idea to the faculty, they determined not to proceed at this time. Staff will continue to work with BAP. Staff is working on the ethics exam revisions after learning of approaches/options from the NASBA Regional meeting. Nebraska is ranked #15 for 2012 in first time Exam pass rates. A draft brochure describing the BOE oversight of exam integrity was reviewed by the Committee. The tri-party CPA Exam agreement was extended to 2019. Proposed legislation regarding military experience is being monitored as it pertains to the CPA profession.

- B. Approval of CPA Exam Scores.** No exam scores were available at this time.
- C. Report on To Do List.** There was no report at this time.

8. Report of the Legislative Committee

- A. Report on Legislation: Review of EWG meeting and draft amendments to the Public Accountancy Act (PAA) and Board Regulations.** Committee Chair Skiles reported that LB 27 was passed by the legislature and signed by the governor on March 20, 2013. Chair Skiles indicated use of the Experience Work Group could be necessary in development of the future regulations to the legislative changes. Board members discussed the draft rules and potential policy changes presented by the new legislation. State Senator Gaylen Hadley was acknowledged for his leadership and assistance in introducing LB 27 before 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 Wassinger indicated the proposed firm review Rule draft letter was sent under his signature to the attorney general's office. The Committee requested an opinion from the attorney general on whether the Board would have the ability to discipline firms if the Board changes regulations/rules in implementing a peer review requirement for licensed CPAs or whether the revisions may require a statute change. A. G. Melson responded that the response was being reviewed by the A.G.'s office. The Committee will continue to determine the steps needed for revisions.
- 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 Druse gave the report. ED Sweetwood overviewed the request for a certificate from an individual who completed the examination in another jurisdiction while apparently living and working in Nebraska. The applicant also received his original permit to practice as a CPA in another jurisdiction and would not be considered substantially equivalent in most jurisdictions

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by not completing 150 hours of education; although, it appears he did complete the necessary requirements as outlined in the Public Accountancy Act. Information provided by NASBA indicates by 2014 applicants would not receive credentials as a CPA in those jurisdictions until they completed 150 hours of education. Moved by McClure, seconded by Gutschewski, to approve the reciprocal certificate application for Lucas Arndt. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #13 carried. The Committee reviewed the permit application from an IRS applicant without the “supervision of a CPA” but signed by the District Director. On a roll call vote, Members Wassinger, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #14 carried. Member Gutschewski left the meeting at 12:35 pm. Renewal applications were reviewed by the Committee. Motion out of Committee to recommend Board approval of the 2013 renewal applications. On a roll call vote, Members Wassinger, Druse, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Member Gutschewski was absent. Motion #15 carried. Petitions and notice of hearing have been sent to the listing of active expired permit holders not renewed for at least 3 years.

- B. Ratification of initial permits to practice, initial firm permits, and certificates issued between January 10, 2013 and March 21, 2013.** Motion out of Committee to recommend Board approval of initial permits to practice, initial firm permits, and certificates issued between January 10, 2013 and March 21, 2013. On a roll call vote, Members Wassinger, Druse, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Member Gutschewski was absent. Motion #16 carried.

- C. Reinstatements to Active Permits, Inactive Retired Affidavits, Surrendered Certificates.** Moved by Zacharia, seconded by Glenn, to approve the Reinstatements, Inactive Retired Affidavits, and Surrendered Certificates received between January 10, 2013 and March 21, 2013:

Reinstatements:	Patrick Brusnahan	Omaha NE
	Joseph Hartnett	Gretna NE
	Brett Moller	Hastings NE
	Robert Stafford	Omaha NE
Inactive - Retired affidavits:	Ronald Culwell	Lincoln NE
	John Houser	Council Bluffs IA
	Kenneth Masimore	Omaha NE
	Deanna Suhr	Lincoln NE
Surrendered Certificates:	Russell Hay	Cheyenne WY
	Kevin Lors	Des Moines IA
	Kevin Prien	W. Des Moines IA
	Dan Thibault	Minneapolis MN
	Scott Wrobbel	Pewaukee WI

On a roll call vote, Members Wassinger, Druse, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Member Gutschewski was absent. Motion #17 carried.

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

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11. Report of Executive Director

- A. Budget Update.** ED Sweetwood reported he appeared before the Legislature's Appropriations Committee on February 26, 2013 to answer any questions and to acknowledge the committee for their initial recommended budget for the Board. The Budget Bill LB 195 is before the Legislature.
- B. Staffing & General Office Issues.** Staff Lowe overviewed her attendance at the NASBA ED/Staff Conference held March 1-3, 2013 in Tucson, AZ. ED Sweetwood announced Mr. Robert McChesney, CPA, currently providing services to the Board for the Enforcement Committee, was recently notified he was awarded the "Being a Difference Maker" by the NASBA Center for the Public Trust. ED Sweetwood had nominated Mr. McChesney based on the case of a former CPA providing illegal tax schemes in his community. Mr. McChesney took steps in the attempt to stop the activity. The CPT will hold a reception in Mr. McChesney's honor and present the award this summer.

12. New Business

- A. NASBA Items:**
 - 1.) NASBA Updates:** Focus Questions were answered by Board members with NASBA Central Regional Director Doug Skiles.
 - 2.) NASBA Committee Reports.** No reports at this time
- B. Other Miscellaneous Items:** Articles of interest were provided to the Board.

13. Adjournment

Moved by Zacharia, seconded by Druse, to adjourn the meeting at 1:10 p.m. on March 22, 2013. On a roll call vote, Members Wassinger, Druse, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Member Gutschewski was absent. Motion #18 carried.

Respectfully submitted by,

Board Secretary
Lori Druse