

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes

September 9, 2013

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

Monday, September 9, 2013

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:34 a.m. on Monday, September 9, 2013 with Chair Bernie Gutschewski, presiding. The roll was called with the following members present:, Bernie Gutschewski, Lori Druse, Jan Glenn, Michele Stromp, Doug Skiles, Michael McClure, and Marcy Luth. Member Richard Zacharia was absent. Also present were Executive Director Dan Sweetwood, Staff members Jo Lowe and Heather Myers. The meeting was held at the Board Office, 140 N. 8th Street, Suite 290, Lincoln, Nebraska. Chair Gutschewski 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.
- B. Approval of Meeting Agenda for Monday, September 9, 2013.** Moved by Druse, seconded by Glenn, to approve the agenda for the September 9, 2013 meeting. On a roll call vote, Members Druse, Gutschewski, Glenn, Stromp, Skiles, Luth, and McClure voted aye. Member Zacharia was absent. Motion #1 carried.
- C. Approval of Minutes from July 19, 2013.** Moved by Glenn, seconded by McClure, to approve the Board minutes from the July 19, 2013 meeting. On a roll call vote, Members Druse, Gutschewski, Glenn, Stromp, Skiles, Luth, and McClure voted aye. Member Zacharia was absent. Motion #2 carried.

2. Public Comment Period (15 minute period)

Agenda Item 10B. Public Hearing to Return Certificate to Good Standing for John Boudreau. Hearing Officer Bernie Gutschewski, opened the hearing at 8:50 am. Following testimony by John Boudreau, the hearing ended at 8:56.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by Skiles, seconded by Stromp, to approve the consent agenda. On a roll call vote, Members Druse, Gutschewski, Glenn, Stromp, Skiles, Luth, and McClure voted aye. Member Zacharia was absent. Motion #3 carried.
- B. Review of Disbursements for July and August, 2013.** Disbursements were reviewed prior to the Board meeting by Board Member Druse. Druse will continue to work with Staff Myers and newly elected Board Secretary Jan Glenn in preparation of explanatory information from the state financial system. Myers continues to create a report comparing previous year and current year monthly expense and revenue categories for Board review.
- 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

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes

September 9, 2013

areas of variance in the FY 2012–2013 budget. Legal expenses were substantially higher than previous months due to payments to the Board’s expert and attorney regarding a complex enforcement case.

- D. Office Licensing Report.** The Office Licensing Report was not provided to the Board at this time and will be updated at the conclusion of the 2013 renewal period.

4. Report of the Chair

- A. Report of the Chair.** Chair Gutschewski gave the report.
- B. Resolution for Michael Wassinger.** Member Skiles informed the Board of McDermott and Miller, CPA, P.C.’s reception for the late Michael Wassinger, CPA, and NBPA Board Chair, held Friday, September 6, 2013, Lochland Country Club, Hastings. Former Board member Anne Fuhrman attended as well as staff, ED Sweetwood and Jo Lowe. Plaques and resolutions were presented to Wassinger’s family. Moved by Skiles, seconded by Stomp, to approve the resolution for the late Michael W. Wassinger, CPA. The Board’s resolution was read into the minutes:

WHEREAS, the late Michael W. Wassinger, served as a Member of the Nebraska State Board of Public Accountancy from 2006 to 2012; and

WHEREAS, Michael W. Wassinger, during his term as Member of the Board, provided gentle, thoughtful observations, clarifications, and comments, diligently reviewed issues presented to the Board, contributed experience and intelligence in his Board work, guided and directed the activities of the State Board as:

<i>2006-2007</i>	<i>Member of the QEP Committee</i>
	<i>Member of the Education & Exam Committee</i>
<i>2007-2008</i>	<i>Member of the QEP Committee</i>
	<i>Member of the Education & Exam Committee</i>
<i>2008-2009</i>	<i>Member of the QEP Committee</i>
	<i>Member of the Education & Exam Committee</i>
<i>2009-2010</i>	<i>Vice Chair of the Board</i>
	<i>Member of the QEP Committee</i>
	<i>Member of the Education & Exam Committee</i>
<i>2010-2011</i>	<i>Vice Chair of the Board</i>
	<i>Chair of the QEP Committee</i>
	<i>Member of the Education & Exam Committee</i>
<i>2011-2012</i>	<i>Chair of the Board</i>
	<i>Chair of the QEP Committee</i>
	<i>Member of the Education & Exam Committee</i>

THEREFORE, THE MEMBERS OF THE NEBRASKA STATE BOARD OF PUBLIC ACCOUNTANCY gratefully record their recognition of service of Michael W. Wassinger by adopting the following Resolution:

BE IT RESOLVED, that the Members of the Nebraska State Board of Public Accountancy extend their sincere appreciation to Michael W. Wassinger for his service as a Member of the Nebraska State Board of Public Accountancy.

BE IT FURTHER RESOLVED, that a copy of this Resolution be incorporated into the minutes of the Board, and further that a copy of this Resolution be presented to his family.

Adopted this 9th day of September 2013 by the Nebraska State Board of Public Accountancy

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

Minutes
September 9, 2013

Bernie Gutschewski, Chair
Nebraska State Board of Public Accountancy

- C. **2013-2014 Committee Assignments.** Chair Gutschewski overviewed the Committee assignments.
- D. **Review Board Calendar.** The Board's November meeting date was changed to Monday, November 18, 2013. Meeting dates for 2014 were also determined:
 - January 9-10**
 - March 21**
 - May 15-16**
 - July 17-18**
 - September 11-12**
 - November 13-14**
- E. **Report on To Do List.** There was no report at this time.

Closed Session

Closed Session. Moved by Druse, seconded by Glenn, that the Board go into closed session at 9:10 a.m., on Monday, September 9, 2013, for the purpose of discussing litigation and enforcement matters. On a roll call vote, Members Druse, Gutschewski, Glenn, Stromp, Skiles, Luth, and McClure voted aye. Member Richard Zacharia was present via phone but not voting. Motion #5 carried. Chair Gutschewski restated that the purpose for the closed session was to discuss litigation and enforcement matters.

Return to Open Session. Moved by Druse, seconded by Skiles, that the Board return to open session at 10:21 a.m., on Monday, September 9, 2013. On a roll call vote, Members Druse, Gutschewski, Glenn, Stromp, Skiles, Luth, and McClure voted aye. Member Zacharia was absent. Motion #6 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. **Open Case/LMCO Update.** Committee Member Stromp reviewed the open case file. Moved by Skiles, seconded by Stromp, to approve the Stipulation and Consent Order regarding Case 10-02A that placed the CPA on probation for a period of 3 years and additional CPE. On a roll call vote, Members Druse, Gutschewski, Glenn, Stromp, Skiles, Luth, and McClure voted aye. Member Zacharia was absent. Motion #7 carried.
- B. **Recommended Closure of Enforcement Cases.** There were no cases to close at this time.
- C. **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 McClure provided the report. The Committee reviewed a total of 89 courses with 89 recommended for Board approval

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes

September 9, 2013

and none denied. One waiver request was submitted to the Committee. Motion out of Committee to recommend Board approval of the CPE waiver for W005. On a roll call vote, Members Druse, Gutschewski, Glenn, Stomp, Skiles, Luth, and McClure voted aye. Member Zacharia was absent. Motion #9 carried. The Board overviewed a staff report on the history of CPE. Revision of the current policy allowing only 50% of the hours to apply for personal development CPE courses was discussed. The policy was revised to: A CPA may take up to 16 hours of “self determined” personnel development courses that relate to their current employment for biennial permit renewal requirements. The other required 64 (or more) hours must be “technical” and directly related to the practice of public accountancy. Motion out of Committee to recommend Board approval of the proposed policy for personal development courses. On a roll call vote, Members Druse, Gutschewski, Glenn, Stomp, Skiles, Luth, and McClure voted aye. Member Zacharia was absent. Motion #10 carried.

- B. Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 89 courses from July 2, 2013 to August 26, 2013, with 89 courses approved and none denied. On a roll call vote, Members Druse, Gutschewski, Glenn, Stomp, Skiles, Luth, and McClure voted aye. Member Zacharia was absent. Motion #8 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. One education course waiver request was discussed. The applicant was hoping to provide the 25% letter. Staff is working on the ethics exam revisions after learning of approaches and options from the NASBA Regional meeting. The Center for the Public Trust (CPT) chapter is progressing slowly. ED Sweetwood will attend the State Board Committee of the Board of Examiners (BOE) meeting October 2, 2013 in D.C. Committee Chair Skiles visited the Kearney exam site (unannounced) with a favorable review of site procedures.
- 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: Report on Draft Rules for the Experience Requirement within PAA 1-136.02.** The Board reviewed the public hearing held August 28, 2013 at the state capitol building regarding the proposed experience regulations within Title 288/Chapter 7. After discussion, Moved by Skiles, seconded by Glenn, to approve the Chapter 7 001.01A-C Regulations as drafted, and forward to the Attorney General’s office and the Governor’s Policy Research office for review and approval. On a roll

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes

September 9, 2013

call vote, Members Druse, Gutschewski, Glenn, Stromp, Skiles, Luth, and McClure voted aye. Member Zacharia was absent. Motion #11 carried. ED Sweetwood commended the Experience Work Group for their time and diligence to develop the rules change.

- B. UAA Exposure Draft Discussion/ Attest Definition.** The exposure draft of UAA attest definition was provided to the Board.
- C. 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 McClure gave the report. The Committee will meet to review QEP type 3 and 4 firm responses September 30, 2013. The Board is still awaiting the response from the A.G.'s office regarding the Board's ability to discipline firms without revisions to the current Rules. ED Sweetwood recognized the Committee for the hard work put in during review of the initial reviews.
- B. Report on To Do List.** There was no report at this time.

Member McClure left the meeting at 11:30 am.

10. Report of the Licensing Committee

- A. Report of the Committee.** Committee Chair Druse gave the report. The new experience permit application process was reviewed. Staff will track questions to determine if a pattern of issues appears. ED Sweetwood reported a memo is available indicating applicants for an Active Permit to Practice including the new experience requirement provisions will require review by the Licensing Committee and the Board before approval. Those applicants should expect delays in the process until further notice. Two written requests for waiver of the failure to renew Stipulation and Consent Orders and fees were denied. Staff will work with the CPA requesting a previously unused type of sole proprietorship name. Staff will explain the revised rule process to CPA with 24 year old experience.
- B. Public Hearing to Return Certificate to Good Standing for John Boudreau.** Moved by Skiles, seconded by Stromp, to return the certificate to good standing of John Boudreau following completion of the Order of Reinstatement. On a roll call vote, Members Gutschewski, Glenn, Stromp, Skiles, and Luth, voted aye. Member Druse abstained. Members Zacharia and McClure were absent. Motion #12 carried.
- C. Ratification of initial permits to practice, initial firm permits, and certificates issued between July 17, 2013 and August 20, 2013.** Motion out of Committee to recommend Board approval of initial permits to practice, initial firm permits, and certificates issued between July 17, 2013 and August 20, 2013. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Skiles, and Luth, voted aye. Members Zacharia and McClure were absent. Motion #13 carried.

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes

September 9, 2013

- D. Reinstatements to Active Permits, Inactive Retired Affidavits, Surrendered Certificates between July 17, 2013 and August 20, 2013.** Motion out of Committee to recommend Board approval of the Reinstatements, Inactive Retired Affidavits, and Surrendered Certificates received between July 17, 2013 and August 20, 2013:

Reinstatements:

Inactive - Retired affidavits:	Marilyn Schroer	Elkhorn NE
	Richard Edgar	Topeka KS
	Walter Copeland	Tampa FL
	Gary Bergmeier	Lincoln NE
	Robert Eddy	Bradenton FL
	L. James Kortan	Omaha NE

Surrendered Certificates:	James Carrithers	Bellevue WA
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On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Skiles, and Luth, voted aye. Members Zacharia and McClure were absent. Motion #14 carried.

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

11. Report of Executive Director

- A. Move to new office.** ED Sweetwood reported the Board is prepared to move September 16, 2013 to the new office at the 1526 Building. He indicated some additional moving expense includes having the movers transfer the files from the file drawers to the moving carts and back instead of staff. DAS Building Division will not pay for this transfer. A new desk and chair, replacing a typing carriage, and recovering worn outdated furniture was purchased through Cornhusker State Industries in preparation for the move. One area of major concern is parking for staff and volunteers and Board members. ED Sweetwood indicated he discussed the possibility of having parking spaces available in the open lot of the 1526 Building reserved for visitors or guests to DAS. However, later was notified the lot was provided for paid state employees with the indication there is enough street parking available around the building for visitors. Staff is continuing to research parking availability around the building. ED Sweetwood will continue to update the Executive Committee regarding the move.
- B. CLEAR Conference/NASBA State Committee Reports** ED Sweetwood reported he will be attending a State Board of Examiner (BOE) meeting in Washington DC October 1, 2013 and then the CLEAR National Conference October 2, 3, 4 in St. Louis, MO as agreed to by the Executive Committee. CLEAR provides education and information regarding professional regulation of most professions including national issues. The Board was a member several years ago. It will be determined if the Board should pursue membership with CLEAR.
- C. Staffing and Office Issues** ED Sweetwood reported Mr. Norm Saale, from McDermott & Miller PC was elected President of the Association for Accounting Administrators for 2013-2014. He also was instrumental in preparation for the luncheon honoring former Chair Mike Wassinger. The current Board intern, Dakota Sombke, will be leaving the

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes

September 9, 2013

Board in December. Staff has interviewed several good candidates with the goal of having the new intern on board so Dakota can cross train the person in November.

12. New Business

A. NASBA Items:

- 1.) **NASBA: Committee Updates** NASBA Regional Director/Member Skiles provided information to the Board regarding recent NASBA activities including the upcoming Central Regional Conference Call to be held Wednesday, September 11, 2013 with the ED's and Chairs.
- 2.) **NASBA Focus Questions** The Board provided input to Member Skiles for completion of the provided focus questions.
- 3.) **NASBA FYI articles.** Articles were provided to the Board.

B. Other Miscellaneous Items: Articles were provided to the Board.

13. Adjournment

Moved by Stromp, seconded by Luth, to adjourn the meeting at 12:55 p.m. on September 9, 2013. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Skiles, and Luth, voted aye. Members Zacharia and McClure were absent. Motion #15 carried.

Respectfully submitted by,

Board Secretary
Jan Glenn