

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

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

Minutes
May 17, 2013

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

Friday, May 17, 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 Friday, May 17, 2013 with Vice Chair Bernie Gutschewski, presiding. The roll was called with the following members present: 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. The meeting was held at the Board Office, 140 N. 8th Street, Suite 290, Lincoln, Nebraska. Vice 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. Visitors present: 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, May 17, 2013.** Moved by Druse, seconded by Zacharia, to approve the agenda for the May 17, 2013 meeting. On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #1 carried. Item #8 Legislative Committee Report was moved to accommodate public members present.
- C. Approval of Minutes from March 22, 2013.** Moved by Skiles, seconded by Zacharia, to approve the Board minutes as amended from the March 22, 2013 meeting. On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #2 carried.

2. Public Comment Period (15 minute period)

Vice Chair Gutschewski held a moment of silence to remember Board Chair Michael Wassinger who died suddenly, May 2, 2013.

Dan Vodvarka, President of the Nebraska Society of CPAs was present. He also expressed the Society's condolences on the loss of Chair Wassinger as he was also a longtime member of the Society. The Society's CPE courses begin in May and he acknowledged Board staff for assisting in the approval process for Society courses. He also acknowledged CPE Chair Zacharia for holding the recent expanded CPA meeting to discuss various CPE issues.

Ken Brauer, Nebraska Association of Independent Accountants also expressed sympathy for the loss of Chair Wassinger. He requested the Legislative Committee agenda be advanced to the beginning of the meeting.

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Agenda Item 5 B. 9:00 am: Public Hearing for Revocation of Certificates of Non-Renewed 2001-2007 Inactive Registrations. Hearing Officer Bernie Gutschewski, opened the hearing at 12:20 pm. The hearing concluded at 12:21 pm.

Agenda Item 5 C. 9:00 am: Public Hearing for Revocation of Certificates of Non-Renewed 2009 Active Permits. Hearing Officer Bernie Gutschewski, opened the hearing at 12:22 pm. The hearing concluded at 12:23 pm.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by McClure, seconded by Stromp, to approve the consent agenda. On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #3 carried.
- B. Approval of Disbursements for March and April, 2013.** Disbursements were reviewed prior to the Board meeting by Secretary Druse. Druse will continue to work with Staff Myers in preparation of explanatory information from the state financial system. Myers prepared 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 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 not provided to the Board at this time and will be updated at the conclusion of the 2013 registration period. .

4. Report of the Chair

- A. Report of the Chair. Recognition of Michael Wassinger, CPA.** Vice Chair Gutschewski gave the report. Board Chair Wassinger was remembered and recognized for his service to the State by the Board. A Resolution recognizing his public service was announced during the current Nebraska Legislative Session and will be presented to the family. A plaque and resolution from the Board will be presented to the family at a gathering set by the firm at a later date. Vice Chair Gutschewski agreed to complete the duties of the Board Chair until the Board's organizational meeting at the September Board Meeting. Elections for officers will be held at the Board's July Board meeting.
- B. Nomination of NASBA Central Regional Director.** The Central Regional Director position requires an annual appointment by NASBA's Nominating Committee. Moved by Druse, Seconded by Zacharia, to nominate Member Doug Skiles for NASBA Central Regional Director for a second year. On a roll call vote, Members Druse, Gutschewski, Zacharia, Glenn, Stromp, and McClure voted aye. Member Skiles

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abstained. Motion #4 carried. A letter will be sent on behalf of the Board to the Nominating Committee.

- C. **Nomination Request for NASBA Director at Large positions.** After review of several nomination requests to sit on the NASBA Board of Directors, it was determined no nominations would be made this year. Board members commented on the excellent qualifications of those nominated.
- D. **Executive Committee Report: 2012-2013 Executive Directors Performance and Salary Review and attendance at a CLEAR Conference, October 2013.** The Executive Committee met before the meeting. Motion out of Committee to increase ED Sweetwood's salary 2.5% beginning July 1, 2013. On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stomp, and McClure voted aye. Motion #10 carried. Moved by Skiles, seconded by Stomp to approve ED Sweetwood's attendance at the CLEAR Conference to be held in October 2013. On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stomp, and McClure voted aye. Motion #11 carried.
- E. **Review Board Calendar.** The Board September meeting date was changed to September 9 & 10, 2013.
- F. **Report on To Do List.**

Closed Session

Closed Session. Moved by Druse, seconded by Stomp, that the Board go into closed session at 11:20 a.m., on Friday, May 17, 2013, for the purpose of discussing enforcement and personnel matters. On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stomp, and McClure voted aye. Motion #5 carried. Vice Chair Gutschewski restated that the purpose for the closed session was to discuss enforcement and personnel matters.

Return to Open Session. Moved by Skiles, seconded by Glenn, that the Board return to open session at 11:55 a.m., on Friday, May 17, 2013. On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stomp, and McClure voted aye. Motion #6 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 Zacharia, seconded by Skiles, to revoke the certificates of the inactive registrants:

SEVERY	LORNA
SILVERBERG	JANIS
SMITH	LARRY
SMITH	AMY
SMITH	LAURA
SPENCER	THOMAS

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STANGL	STEVEN
TARWATER	PAUL
TIARKS	GREG
TODD	CURTIS
TOMANDL	RICHARD
TOOL	DOUGLAS
TOOMSEN	JON
TURNER	LYNN

On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #7 carried.

- C. **Public Hearing for Revocation of Certificates of Non-Renewed Active Permits from 2009.** Following hearing, moved by Zacharia, seconded by McClure, to revoke the certificates of Non-Renewed Active Permits from 2009:

HEIMBOUCH	MARK
ROTH	JEFFREY
POPE	MEGAN
BRINKMAN	TIFFANY
SAWYER	KARL
MARTIN	STEPHEN

On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #8 carried.

- D. **Recommended Closure of Enforcement Cases.** Motion out of Committee to recommend closure of Case # 09-08 and 12-01. On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #9 carried.

Case # 09-08: The case involved civil lawsuits filed against a CPA firm regarding investment advice provided to a client. The Committee requested the Board Attorney review allegations within the lawsuits. After a lengthy review including depositions filed in the matter, it was concluded the matter be closed due to additional law suits against a third party vendor filed by the CPA firm and no direct evidence of violations.

Case # 12-01: The CPAs license has been revoked in the matter.

- 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 79 courses with 79 recommended for Board approval and none denied. Motion out of Committee to recommend allowance of 2013 hours to be used for reinstatement in 2013 for Jacinda Kontz be approved. On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #13 carried. Chair Zacharia indicated the expanded CPE Committee met May 15, 2013 at his offices including members of Nebraska Society of CPAs leadership and staff, private sector accountants, and other CPAs. The group provided perspective and ideas associated with the future of personal development and other courses, related to

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possible changes to the number of hours allowed for such courses, and changes to the experience requirement. Chair Zacharia including CPE Committee members Gutschewski and McClure all acknowledged the good discussion and perspective of those present. The discussion led to the recommendation that 16 hours (20%) of the 80 hour CPE renewal requirement can be utilized by CPAs for personal development work related courses without Board comment. The other 64 hours (80%) must be technical type courses directly related to the practice of public accountancy. The recommended policy would replace the current policy of a 50% reduction of courses considered as personal development. It was recommended the committee continue to discuss how best to communicate the recommended policy change for next year. Member Zacharia was recognized by the Board for hosting the event.

- B. **Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 79 courses from March 5, 2013 to May 2, 2013 with 79 courses approved and none denied. On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #12 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. 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 Beta Alpha Psi (BAP) chapters. Staff will continue to work with UNL BAP and other institutions to find students able to attend the NASBA CPT conference. Staff is working on the ethics exam revisions after learning of approaches and options from the NASBA Regional meeting. Proposed legislation regarding military experience is being monitored as it pertains to the CPA profession. ED Sweetwood will attend a State Board Committee of the Board of Examiners (BOE) meeting held at the examination offices in Ewing, New Jersey next week.
- 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.** Vice Chair Gutschewski appointed Member Druse to the Legislative Committee. Chair Skiles overviewed a discussion regarding the combination of public and private experience requirements from the March meeting. After discussion it was decided draft rules should be deleted on this requirement and any applicant utilizing any private experience would require three years of experience.

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Other areas of discussion including the types of supervision required with most agreeing this would not include a CPA firm providing these services. The Licensing Committee will continue to work on the forms required which will continue the discussion on issues related to the change. The Committee will continue to review draft regulations.

- B. **Set Rules Hearing Date.** The Experience Rules hearing date was scheduled for 10:00 am, August 28, 2013 in a state capitol building hearing room. Staff will begin drafting rulemaking documentation.
- 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.** Vice Chair Gutschewski appointed Member Mike McClure Chair of the QEP Committee. Committee Chair McClure gave the report. The Committee met to review requests for exemption from the QEP program on April 22, 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. Former Committee Chair Anne Fuhrman agreed to help with QEP process this year. The review process is under way with reports submitted by CPA firms. ED Sweetwood acknowledged Members McClure, Druse, and QEP member Fuhrman for continuing the QEP process after the unexpected loss of QEP Chair Wassinger.
- 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 gave an update about previous licensing issues and the proposed draft experience rules with experience verification forms. Renewal application including wording related to binding arbitration were provided to the Committee. Petitions and notice of hearing were 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 March 21, 2013 and May 16, 2013.** Motion out of Committee to recommend Board approval of initial permits to practice, initial firm permits, and certificates issued between March 21, 2013 and May 16, 2013. On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #14 carried.
- C. **Reinstatements to Active Permits, Inactive Retired Affidavits, Surrendered Certificates.** Motion out of Committee to recommend Board approval of the Reinstatements, Inactive Retired Affidavits, and Surrendered Certificates received between March 21, 2013 and May 16, 2013:

Reinstatements:

David Anderson
Jan Duerfeldt
Vish Sukhram

Omaha NE
Falls City NE
Omaha NE

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Inactive - Retired affidavits:	Kathleen Zimmer	Lincoln NE
	Duane Anderson	Omaha NE
	Paul Briardy	Grand Junction CO
	Carl Dabelstein	Tucson AZ
	LaClaire Duimstra	Omaha NE
	Bernie Gutschewski	Omaha NE
	Lloyd Muhle	Hasting NE
	LaVern Roschewski	Lincoln NE
	Leslie Venn	Okoboji IA
	Roger Watton	Eagle NE
Surrendered Certificates:	Angela Loehr	Omaha NE
	Joseph Maddox III	Tampa FL
	Debra Christensen	Omaha NE
	Sally Jo Hartz	Stilwell KS
	Jannie Herchuk	Minneapolis MN
	LuAnn Tucker	Charlotte NC

On a roll call vote, Members Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #15 carried.

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

11. Report of Executive Director

- A. Budget Update.** See #3.C
- B. Staffing & General Office Issues** ED Sweetwood reported new staff member Heather Myers has successfully completed her probationary period. The Board was notified of a possible office move to the newly remodeled 1526 Building in August. Due to a conflict with a previously scheduled meeting in August, the move will occur later. There is no set date at this time. Staff and Board parking is a possible issue at the new building. A new laptop, recorder, and any other identified needed items will be replaced by the end of the fiscal year. The office is very busy this time of year as Board licensing, CPE Audits, and the commencement of the QEP year begins.

12. New Business

- A. NASBA Items:**
- 1.) NASBA Updates:** ED Sweetwood reminded members the application for NASBA 2014 Committees has passed, however, if interested still submit the form. The Western Regional Meetings are set for June 5-7 while the Eastern Regional is set for June 26-28, 2013 in Chicago.
- 2.) NASBA Committee Reports.** No reports at this time
- B. Other Miscellaneous Items:** Articles of interest were provided to the Board.

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13. Adjournment

Moved by Zacharia, seconded by Druse, to adjourn the meeting at 1:23 p.m. on May 17, 2013. On a roll call vote, Druse, Gutschewski, Zacharia, Skiles, Glenn, Stromp, and McClure voted aye. Motion #16 carried.

Respectfully submitted by,

Board Secretary
Lori Druse