

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

1526 K Street, Suite 410, Lincoln, Nebraska

Minutes

November 14, 2014

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

Friday, November 14, 2014

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:30 a.m. on Friday, November 14, 2014 with Chair Bernie Gutschewski presiding. The roll was called with the following members present: Lori Druse, Jan Glenn, Michele Stomp, Marcy Luth, Thomas Purcell and Michael McClure. Member Glenn Waltemath was absent. Also present were Executive Director Dan Sweetwood, Staff members Jo Lowe, and Heather Myers. The meeting was held at the Creighton University Harper Center, Room 3047, Omaha, Nebraska. Chair Bernie Gutschewski welcomed everyone, reviewed the Board's mission and committees, and noted the location of the notebook containing the Public Open Meeting Act, and asked if anyone present needed an agenda or had any questions regarding the law. ED Sweetwood described the Board members appointment and duties, and covered topics to be discussed including the Exam Team presentation and practice analysis in preparation for the revised 2017 CPA exam. Visitors present were Dan Vodvarka, Nebraska Society of CPA's, Pat Hartman, NASBA, Henrietta Eve, AICPA, Jeanne Eibbe, Creighton Accounting instructor, and 14 Creighton students.
- B. Approval of Meeting Agenda for Friday, November 14, 2014.** Chair Gutschewski overviewed the goal to cover specific areas of the agenda due to limited time devoted to the meeting. Moved by Glenn, seconded by Druse, to approve the agenda for the Friday, November 14, 2014 meeting. On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #1 carried.
- C. Approval of Minutes from September 12, 2014.** Moved by Luth, seconded by Stomp, to approve the Board minutes from the September 12, 2014 meeting with correction. On a roll call vote, Members Druse, Glenn, Stomp, Luth, and Purcell voted aye. Members Gutschewski and McClure abstained. Member Waltemath was absent. Motion #2 carried.

2. Public Comment Period (15 minute period)

Dan Vodvarka, Nebraska Society President, was present to update the Board about Society activities. He overviewed the mission and responsibilities of the Nebraska Society. He indicated Society CPE courses continue to be well attended. He indicated the Society Board reviewed the last Peer Review Draft language and agreed with the concept to move forward and request the Nebraska Legislature to approve the requirement of Peer Review for Nebraska CPA firms with one member abstaining. It is anticipated Senator Gaylen Hadley would submit the Bill on behalf of the Board.

Agenda Item 10B: Public Hearing for Revocation of certificates of inactive registrations non-renewed since 2010. Hearing officer Gutschewski opened the

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hearing at 10:40 am. Exhibits were entered into the record. The hearing closed at 10:44 am.

Agenda Item 10C: Public Hearing for Revocation of certificates of active permits non-renewed since 2011. Hearing officer Gutschewski opened the hearing at 10:45 am. Exhibits were entered into the record. The hearing closed at 10:47 am.

3. Consent Agenda

- A. **Published Notice of Meeting.** Moved by Glenn, seconded by McClure, to approve the consent agenda. On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #4 carried.
- B. **Review of Disbursements for September and October 2014.** Disbursements were reviewed prior to the Board meeting by Board Secretary Glenn. She reported no matters of interest other than normal payments.
- C. **Review of Board Budget Status Report.** The current budget status report was provided and reviewed by ED Sweetwood.
- D. **Office Licensing Report.** The Office Licensing Report was provided to the Board.

8. Report of the Legislative Committee

- A. **Report on Legislation:** Member McClure, on behalf of the Committee, gave the report explaining the differences between Peer Review and the QEP program and the reasons a change is being requested. ED Sweetwood explained a letter was sent to all Nebraska registered CPA firms explaining the potential change to a peer review requirement. Two written responses received were distributed to Board members and Staff Member Heather Myers summarized four telephone calls she received in the Board office. She strongly encouraged the callers to send in written responses to the Board. Member McClure overviewed the recent release of a new standard including the suggestion to remove the word "reports" from line 21 on the draft legislation. Member Purcell suggested Board regulations define and limit the functions reviewed under the Peer Review program. The Board requested the final draft be available for their review at the January meeting. Moved by Purcell, seconded by Stomp, to approve the concept of peer review with suggested revisions for 2015 legislation. On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #3 carried.
- B. **Report on To Do List.** There was no report at this time.

4. Report of the Chair

- A. **Report of the Chair.** Chair Gutschewski gave the report.
- B. **Appointment of Board Committees.** The 2014-2015 Committee assignments were provided to the Board from Chair Gutschewski with the only change being Member Purcell will become the Chair of the CPE Committee.

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- C. Members appointed to Board's QEP Advisory Committee and Education Advisory Committee (EAC).** The rosters of the QEP and EAC were distributed to the Board for review. ED Sweetwood overviewed the responsibilities of each committee. Member Glenn discussed and requested feedback regarding some members that have not attended recent meetings. It was recommended a letter be sent to those members to see if they were still interested in remaining members of the committee.
- D. NASBA Annual Meeting Report, Washington DC, Nov. 2-5, 2014.** Vice Chair Druse and Secretary Glenn reviewed the conference, describing several significant issues facing Boards including the Department of Labor concerns regarding ERISA engagements, new learning initiatives for CPE, and updates provided by the IRS Commissioner, the PCAOB, and GASB. It was announced Member Glenn was elected as the Central Region Director and became a member of the NASBA Board of Directors. The Board congratulated Glenn on this accomplishment. Mr. Walter Davenport, CPA, South Carolina, was nominated as the NASBA Chair for the next year.
- E. Review of Board Calendar.** Dates revised: Board meetings - January 7 and July 17.
- F. Report on To Do List.** There was no report at this time.

Closed Session

Closed Session. Moved by Druse, seconded by Stomp, that the Board go into closed session at 9:53 a.m., on Friday, November 14, 2014, for the purpose of enforcement matters. On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #5 carried. Chair Gutschewski restated that the purpose for the closed session was to discuss enforcement matters and the Board moved to a separate room.

Return to Open Session. The Board returned to the meeting room. Moved by Druse, seconded by Luth, that the Board return to open session at 10:24 a.m., on Friday, November 14, 2014. On a roll call vote, Members Gutschewski, Druse, Glenn, McClure, Luth, and Purcell voted aye. Members Stomp and Waltemath were absent. Motion #6 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. Open Case/LMCO Update.** Committee Chair Stomp reviewed the open case file.
- B. Recommended Cases to Close.** Motion out of Committee to close cases:
#14-04: The CPA firm reported on their annual registration the firm was under requirements of the AICPA PEEC/ Technical Standards Committee and successfully completed education requirements of the program.
On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #7 carried.
- C. Report on To Do List.** There was no report at this time.

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6. Report of Continuing Professional Education (CPE) Committee

- A. Report of the Committee.** Committee Chair McClure gave the report. The Committee reviewed a total of 135 courses with 135 recommended for Board approval and none denied. Motion out of Committee to forward one reinstatement to the Licensing Committee. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #17 carried. Motion out of Committee to approve CPE reported for initial permit per Rules Chapter 7 001.01C (experience gained more than ten years prior to application) to the Licensing Committee. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #19 carried.
- B. Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 135 reviewed courses from August 18, 2014 through November 1, 2014 with 135 courses approved and none denied. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #16 carried.
- C. Ratification of CPE Sponsor.** Motion out of Committee to approve Armagost Financial Group, IPF Planned Giving Committee, and McGrath North Mullin & Kratz as CPE sponsors. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #18 carried.
- 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.** Chair Glenn gave the report. The Committee reviewed the Successful Exam candidate survey for 2014 Q3. ED Sweetwood overviewed an initiative to create a Nebraska specific ethics exam (mostly based on Nebraska Rules Chapter 5 Code of Professional Conduct) to help raise awareness of the Rules of Professional Conduct and the Board. The exam would be a "soft exam," open book, available on the Board's website, with the goal to require candidates to review the Rules of Professional Conduct and the Board's website. The exam would compliment the current AICPA Ethics Examination as required. Member Purcell agreed to review the questions for completeness and will make further recommendations. Staff provided a plan to implement the NBPA Ethics Exam for certificate issuance. Moved by Luth, seconded by Purcell, to approve the State Board ethics exam concept. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #13 carried. The Committee reviewed the draft response to the practice analysis comments for the next version of the CPA exam. Chair Glenn tasked Member Stromp and Board staff to prepare the draft for Board review. Members have until December 2, 2014 to provide further recommendations to Member Stromp. Moved by Purcell, seconded by Luth, to approve the concept in principle practice analysis comment draft as prepared by Member

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Stromp to be submitted on behalf of the Board. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #14 carried. The Education Advisory Committee will meet at Creighton following the November Board meeting.

- B. Approval of CPA Exam Scores.** Motion out of Committee to approve the Exam scores for Q3 2014. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #15 carried.
- 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 QEP Task Force met on October 22, 2014 to review the most recent draft language for the PAA. The Committee also reviewed draft regulations identifying several items for further review and clarification. The draft legislation will be reviewed at the next Board meeting.
- 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. The Committee discussed three Business, Governmental, Academia (BGA) experience applications. Motion out of Committee to approve the permit application for Jennifer Claus. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #8 carried. Motion out of Committee to approve the permit application for Tamara Shaner. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #9 carried. Motion out of Committee to approve the permit application for Mary Hillabrand. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #10 carried. The Licensing Committee also reviewed lists of actives and inactives not renewed for three years noticed for revocation hearing.
- B. Public Hearing for Revocation of certificates of inactive registrations non-renewed since 2010.**

ANDERSON	AMY
BACHMAN	LAUREL
CAPELLE	RENEE
DAHIR, JR.	MICHAEL
DECKER	CLIFTON
DUSEL-CERNY	CAROL
HINDERAKER	DAVID
HOGAN	PAMELA
LEANDER, JR.	RICHARD
MACKIE	DEANNA
MICKA	MICHELLE

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PEARSON STEVEN
PETTY TARA
PLUMMER ROGER
SCOTT ARTHUR
SIEMEK VERN
TORCZON SARAH
WOLFE LORI
ZAVERSNIK BRIAN

C. Public Hearing for Revocation of certificates of active permits non-renewed since 2011.

RITTERBUSH CHRISTOPHER
DURR LUKE

D. Ratification of initial permits to practice issued, certificates issued, firm permits.

Motion out of Committee to recommend Board approval of initial permits to practice issued, certificates issued, firm permits received between September 11, 2014 and November 1, 2014. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #11 carried.

E. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.

Motion out of Committee to recommend Board approval of the Reinstatements, Inactive Retired Affidavits, and Surrendered Certificates received between September 11, 2014 and November 1, 2014:

Reinstatements:	Ryan Boen	Omaha NE
Inactive - Retired affidavits:	Mark Abbott	Omaha NE
	Sally Bredensteiner	Lincoln NE
	James Hurley	Winona MN
	Paul Keller	Omaha NE
	Sandra Werner	Boernc TX
	Barbara Bennett	Kansas City MO
	Marcia Holmes	Omaha NE
	Michael Piechoski	Omaha NE
	Glenn Dee	Omaha NE
	Donald Miller	Lincoln NE
Surrendered Certificates:	Daniel Mruz	Gurnee IL
	Cheryl Summers	Omaha NE
	Benji Wolken	Northbrook IL

On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #12 carried.

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

11. Report of Executive Director

A. Staff activity: ED Sweetwood reported he attended meetings in North Platte and Gering with Society President Vodvarka to discuss the Peer Review initiative. He also

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attended the Nebraska Society Luncheon and spoke to new Certificate holders and those attending regarding the responsibilities of becoming a CPA in Nebraska. He also attended his last Board of Examiners (BOE) State Board Committee meeting after serving a three year term on the Committee.

- B. Budget Update.** The Board's recommended budget was submitted and will be initially reviewed by the Governor's Budget Office for further recommendations. ED Sweetwood indicated the budget will also be reviewed by the Governor-elect's transition team.
- C. Staffing & General Office Issues.** There was no report at this time.
- D. Report on To Do List.** There was no report at this time.

12. New Business

- A. NASBA Items:**
 - 1.) NASBA: No committee updates were provided at this time.
 - 2.) NASBA Focus Questions. There were no focus questions at this time.
 - 3.) NASBA FYI articles. Articles were provided to the Board.
- B. Other Miscellaneous Items: FYI articles.** Articles were provided to the Board.

13. Adjournment

Moved by Druse, seconded by Glenn to adjourn the meeting at 11:11 a.m. on November 14, 2014. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Member Waltemath was absent. Motion #20 carried.

Respectfully submitted by,

Board Secretary
Jan Glenn