

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

1526 K Street, Suite 410, Lincoln, Nebraska

Minutes
May 15, 2014

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

Thursday, May 15, 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 Thursday, May 15, 2014 with Chair Bernie Gutschewski, presiding. The roll was called with the following members present: Bernie Gutschewski, Lori Druse, Jan Glenn, Michele Stromp, Michael McClure, Marcy Luth, Tom Purcell and Glenn Waltemath. Also present were Executive Director Dan Sweetwood, Staff members Jo Lowe and Heather Myers, and Intern Lisa Steffensmeier, UNL Accounting major from Norfolk. The meeting was held at the Board Office, 1526 K Street, in Suite 4D, Lincoln, Nebraska. Chair Gutschewski 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. Visitors present were Dan Vodvarka, Nebraska Society of CPAs President, Robin Kilgore, Nebraska State Budget office, and Ken Brauer, Nebraska Society of Independent Accountants.
- B. Approval of Meeting Agenda for Thursday, May 15, 2014.** Moved by Druse, seconded by Stromp, to approve the agenda for the Thursday, May 15, 2014 meeting. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #1 carried.
- C. Approval of Minutes from March 21, 2014.** Moved by Stromp, seconded by Glenn, to approve the Board minutes from the March 21, 2014 meeting. On a roll call vote, Members Gutschewski, Glenn, Stromp, McClure, Luth, Purcell, and Waltemath voted aye. Member Druse abstained. Motion #2 carried.

2. Public Comment Period (15 minute period)

Dan Vodvarka, Nebraska Society of CPAs President appeared before the Board and noted the first CPE courses begin next week. Formal, instructor led courses were the most attended in the history of the Society in 2013 and indicated the Society was appreciative of Board staff in the timely review and approval of the Society 2014 CPE Catalog. He also advised the Society Foundation was set to award over \$98,000 in scholarships to 5th year accounting students, one of the largest per capita awards in the nation. He also indicated the Society was pleased to be part of the peer review legislation initiative, will work closely with the Board to come to consensus, with a goal of introducing a legislative bill in the 2015 Legislature.

Robin Kilgore, Analyst with the Nebraska State Budget office, appeared and indicated she recently accepted her new position. She indicated she has a strong financial background and is excited to assist the Board in the budgetary process beginning this summer for the 2015-2017 State Budget. ED Sweetwood indicated the Budget Office is instrumental in development of the Board budget and thanked Mr. Gary Bush for his assistance over the years and welcomed Ms. Kilgore.

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Ken Brauer, Nebraska Society of Independent Accountants, appeared and introduced himself and the mission of the NSIA in Nebraska including within its membership several CPAs. He indicated the NSIA has long relationship with the Board and its interests have been represented by lobbyist Bill Miller within the Legislature.

Agenda Item 5 B. 9:30 am: Public Hearing for Ron Baxa. Petitioner requested a continuance to the July Board meeting. The continuance was granted by Chair Gutschewski and will be set for the next Board meeting.

Agenda Item 5 C. 9:00 am: Public Hearing for Revocation of Certificates of Non-Renewed Inactive Registrants from 2009. Hearing officer Gutschewski opened the hearing at 9:00 am. Exhibits were entered into the record. The hearing closed at 9:02 am.

Agenda Item 5 D. 9:15 am Public Hearing for Revocation of Certificates of Non-Renewed Inactive Registrants from 2001-2008. Hearing officer Gutschewski opened the hearing at 9:03 am. Exhibits were entered into the record. The hearing closed at 9:05 am.

3. Consent Agenda

- A. **Published Notice of Meeting.** Moved by McClure, seconded by Luth, to approve the consent agenda. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #3 carried.
- B. **Review of Disbursements for March and April 2014.** Disbursements were unable to be reviewed prior to the Board meeting by Board Secretary Glenn. March and April disbursement review will be added to the July Board meeting.
- C. **Review of Board Budget Status Report.** The current budget status report was provided for review. Ed Sweetwood reviewed the Budget Status Report and discussed areas of variance in the FY 2013–2014 budget.
- D. **Office Licensing Report.** The Office Licensing Report was provided to the Board.

4. Report of the Chair

- A. **Report of the Chair.** Chair Gutschewski gave the report.
- B. **Nomination of NASBA Central Regional Nominating Committee.** The Board reviewed a letter regarding Jeff Leiserowitz for NASBA Central Nominating Committee. Moved by Purcell, seconded by Stromp, to provide a letter of support. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #4 carried.
- C. **Nomination Request for NASBA at Large Director.** A letter of support for former member Douglas W. Skiles, CPA, was provided to the NASBA Nomination Committee as directed from the March meeting.
- D. **Executive Committee Report: 2013-2014 Executive Directors Performance and Salary Review.** Motion out of Committee to approve a 5% salary increase for ED

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Sweetwood. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #17 carried. Chair Gutschewski congratulated Sweetwood and indicated the Board was pleased with his work.

- E. Review Board Calendar.** The next Board meeting will be held Friday, July 18, 2014 starting at 8:30am at the Board office (Conference room 4 D). Member Purcell inquired about holding a future Board meeting on the Creighton University Campus. ED Sweetwood overviewed the history of Board meeting locations and indicated several other State Boards have provided positive feedback after holding meetings on campus. It was offered a possible overview of the examination and licensing functions of the Board could be conducted before the meeting for the benefit of faculty and students. After further discussion, it was tentatively agreed the November Board meeting could be held at Creighton.
- F. 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 9:28 a.m., on Thursday, May 15, 2014, for the purpose of discussing personnel and enforcement matters. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #5 carried. Chair Gutschewski restated that the purpose for the closed session was to discuss personnel and enforcement matters.

Return to Open Session. Moved by Glenn, seconded by Luth, that the Board return to open session at 10:05 a.m., on Thursday, May 15, 2014. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #6 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. Open Case/LMCO Update.** Committee Chair Stromp reviewed the open case file.
- B. Public Hearing for Ron Baxa.** Petitioner requested a continuance to the July Board meeting for medical reasons. Continuance was granted.
- C. Public Hearing for Revocation of Certificates of Non-Renewed Inactive Registrants from 2009.** Moved by Druse, seconded by Stromp, to revoke the certificates of non-renewed Inactive Registrants from 2009:

CONGER	LINDA	OMAHA	NE
COOK	JANINE	YUMA	AZ
CURTIS	WILLIAM	OMAHA	NE
FITZGERALD	LAUREL	AUSTIN	TX
GONZALEZ	MICHELLE	PAPILLION	NE
HAAVE	DEAN	DENVER	CO
HANSEN	JERRY	BILLINGS	MT
		DAKOTA	
KEITH	DEBRA	DUNES	SD

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KELLY	KAROLYN	OMAHA	NE
KIMMINAU	REBECCA	OMAHA	NE
LEDERER	MARSHA	MORRISVILLE	NC
MCKINLEY	GREGORY	ELKHORN	NE
PARKER	JUDITH		Canada
URBANOVSKY	DON	ROCA	NE

On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, Purcell and Waltemath voted aye. Motion #18 carried.

- D. Public Hearing for Revocation of Certificates of Non-Renewed Inactive Registrants from 2001-2008.** Moved by Druse, seconded by Stomp, to revoke the certificates of non-renewed Inactive Registrants from 2001-2008.

	RUSSELL		
KISLING	LEE	ATLANTA	GA
KRAKOW	SAUNDRA	CENTRAL CITY	NE
MASKE	DAVID	SPENCER	IA
MCFARLAND	REBECCA	FT. COLLINS	CO
PARKERSON	RONNY	RICHMOND	VA
WATANABE	JUDITH	OMAHA	NE

On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, Purcell and Waltemath voted aye. Motion #19 carried.

- E. Recommended Cases to Close.** Motion out of Committee to close case #13-04: Case #13-04 A CPA placed an IRS refund into their own account during divorce proceedings and was later required to return part of the return to the spouse. The Committee requested staff to interview the CPA and others whereby after a period of time it was agreed to close the matter. On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, Purcell and Waltemath voted aye. Motion #7 carried.
- F. 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 gave the report. The Committee reviewed a total of 75 courses with 75 recommended for Board approval and none denied. Motion out of Committee to approve the waiver request of James Peterson for reinstatement. On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, Purcell and Waltemath voted aye. Motion #9 carried. Motion out of Committee to recommend Board approval of two reinstatements. On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, Purcell and Waltemath voted aye. Motion #10 carried. The Committee also discussed the planned review of the CPE Guidelines and reviewed the CPA Monitor issued by NASBA.
- B. Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to recommend Board approval of 75 reviewed courses from March 20, 2014 to May 13, 2014 with 75 courses approved and none denied. On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, Purcell and Waltemath voted aye. Motion #8 carried.

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- C. **Ratification of CPE Sponsor.** Motion out of Committee to recommend Board approval of Leadership Resources as a CPE sponsor. On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, Purcell and Waltemath voted aye. Motion #11 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.** Committee Chair Glenn reported on the Beta Alpha Psi Regional Meeting held in Omaha, April 5, 2014. Board Member Stomp participated in the presentation with ED Sweetwood and staff Lowe. Committee Chair Glenn visited NASBA/CPAES Exam Services in Nashville, May 5-7, 2014 to overview the examination application process. She felt very comfortable with the thorough, well performed processes. She recommended the Board's policy for the E & E Chair to review exam scores be eliminated based on the review of CPAES policies and procedures. Moved by McClure, seconded by Purcell, to discontinue the E & E Committee Chair's review of CPA exam scores. On a roll call vote, Members Gutschewski, Druse, Glenn, Stomp, McClure, Luth, Purcell and Waltemath voted aye. Motion #12 carried.
- B. **Approval of CPA Exam Scores.** No 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:** Chair Gutschewski indicated the Committee will meet after the NASBA Western Regional Meeting to determine if any additional legislative items should be considered for the 2015 legislative session other than the anticipated request to require Peer Review and end the QEP program. Areas of consideration include the attest definition, mobility provisions and an overview of the Rules of Professional Conduct. Additionally, discussion will include how best to move a rule initiative package along with consideration of the need and timing of the package. It is anticipated the QEP Committee will need a rule package to move forward in 2015.
- 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 McClure gave the report. He indicated the QEP Task Force met on May 8, 2014 in the Board office with Society President Vodvarka, Board Attorney Gruit and staff. Mr. Gruit briefed the Task Force on his initial review of the Attorney General opinion including concerns and will release an initial draft for consideration soon. A discussion was held including focus on how best to implement the requirement for Peer Review. It is anticipated another meeting will be held to flush out issues and how best to implement the requirement within drafted regulations.
- B. **Report on To Do List.** There was no report at this time.

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10. Report of the Licensing Committee

- A. Report of the Committee.** Committee Chair Druse gave the report. Staff researched unease for family relationship verification of public accounting experience with no concerns reported by other states or the attorney general's office. Motion out of Committee to accept family relationship verification of public accounting experience. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #13 carried. The Committee reviewed a request for inactive-retired status at an age younger than current policy due to mitigating circumstances. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #14 carried.
- B. Review of Permit Applications.** There were no new alternative experience applications for Committee review.
- C. 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 March 21, 2014 and May 14, 2014. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #15 carried.
- D. 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 March 21, 2014 and May 14, 2014.
- | | | |
|--------------------------------|-----------------|-----------------|
| Reinstatements: | Shawn Parker | Plano TX |
| | James Peterson | Clayton GA |
| Inactive - Retired affidavits: | John Downing | Lakewood CO |
| | David Koerwitz | Thermopolis WY |
| | Rodney Gartner | Omaha NE |
| | Frances Grimes | Chadron NE |
| | Dagmar Gude | Omaha NE |
| | Judith Parker | Mulmur, Ontario |
| Surrendered Certificates: | Virginia Powell | Topeka KS |
| | Jolene Veach | Ankeny IA |
- On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #16 carried.
- E. 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 2014.** ED Sweetwood reported that the online renewals were working well. Paper applications are still requested at times but more and more licensees and registrants are utilizing the online forms.
- B. Nebraska Inter-active Contract.** ED Sweetwood introduced General Manager Brent Hoffman and detailed the Board's history with Nebraska Inter-active and the State

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Records Board. He indicated previously the Executive Committee and now the Board was provided a written report on this matter for reference. Overall, Sweetwood indicated the relationship has been positive and two initiatives were developed for renewal and CPE reporting. GM Hoffman commented that he was recently notified of the Board's decision to reduce Board fees and thus reduced the percentage of income Nebraska Inter-active received from online services. Earlier, it was decided the previous contract would need to be modified based on the Records Board intent that smaller agencies need to at the least "break even" for the amount of services allocated each year. ED Sweetwood met with Nebraska Inter-active representatives to discuss an overall possible increase in fees paid and provided the contract to the Executive Committee. It was agreed the increase in fees was justified based on the previous and current work of Nebraska Inter-active in support of Board online services. Moved by Purcell, seconded by Stromp, to ratify the N.Gov contract of \$5 per transaction. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #20 carried.

- C. **Staffing & General Office Issues.** ED Sweetwood reported a payment was made to support the new drop down screen in Conference Room 4 D with other agencies on the floor. He also indicated a projector was purchased for staff and Board meeting use in the future.

- D. **Report on To Do List.**

12. New Business

- A. **NASBA Items:**

- 1.) Request for Nominating Committee 2014-15 Nominations. No nominations were discussed.
- 2.) FYI's. Articles were provided to the Board.
- 3.) NASBA FYI articles. Articles were provided to the Board.

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

13. Adjournment

Moved by Druse, seconded by Luth, to adjourn the meeting at 12:31 p.m. on May 15, 2014. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, McClure, Luth, Purcell and Waltemath voted aye. Motion #21 carried.

Respectfully submitted by,

Board Secretary
Jan Glenn