

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
1526 K Street, Suite 410, Lincoln, Nebraska

Minutes
January 7, 2015

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

Wednesday, January 7, 2015

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 Wednesday, January 7, 2015 with Vice-Chair Lori Druse presiding. The roll was called with the following members present: Lori Druse, Jan Glenn, Michele Stromp, Marcy Luth, Thomas Purcell and Michael McClure. Members Bernie Gutschewski and Glenn Waltemath were absent. Also present were Executive Director Dan Sweetwood and Staff member Heather Myers. The meeting was held at the Board Office, 1526 K Street, in Suite 4D, Lincoln, Nebraska. Vice Chair Druse 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 and Trudy Meyer, Nebraska Society of CPA's and Ken Brauer, Nebraska Society of Independent Accountants.
- B. Approval of Meeting Agenda for Wednesday, January 7, 2015.** Moved by Glenn, seconded by Purcell, to approve the agenda for the Wednesday, January 7, 2015 meeting including moving Item #8 Legislative Committee Report to immediately after Item# 2. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #1 carried.
- C. Approval of Minutes from November 14, 2014.** Moved by Luth, seconded by McClure, to approve the Board minutes from the November 14, 2014 meeting. On a roll call vote, Members Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Members Gutschewski and Waltemath were 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 indicated the Society Board met January 6, 2015 and voted on the proposed QEP Bill with eight members voting in support and one member abstaining. It is anticipated Senator Galen Hadley would submit the Bill on behalf of the Board. He reported the Society held another successful Nebraska Senators reception the prior evening that was well attended by over 34 Senators. Board Secretary Jan Glenn and Board Member McClure attended on behalf of the Board. He reported the Society's 2014 CPE courses ended December 19 with 97 courses offered with only one course cancellation. Overall, a very successful CPE year for the Society overseen by Ms. Meyer and the Society staff. He also reported Ms. Meyer had been promoted to Executive Vice President.

Ken Brauer, Nebraska Society of Independent Accountants (NSIA), was present to update the Board about Society activities. He indicated his organization includes many current CPAs, mostly small practitioners, and others that have an interest in Board activities. He expressed some concern with the word "compilation" in the QEP Bill but after discussion with Member

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McClure and further discussion contemplated within the creation of Board regulations was comfortable with the current verbiage in the proposed Bill.

8. Report of the Legislative Committee

- A. Report on Legislation:** Member McClure, on behalf of the Committee, gave the report explaining the change in line 21 of the Bill from the last draft where the word “issues” was changed to “performs” based on some concern of a new standard issued by the American Institute of CPAs (AICPA) within SSARS 21. Member Purcell suggested, to make the Bill read well, Section 5 of the Bill be separated into two sentences. ED Sweetwood informed the Board the process of the drafting of the Bill including assistance of the QEP Task Force, the Board Attorney, and Counsel for the Business, Commerce & Insurance Committee (BCIC) and drafting by the Bill Drafters Office of the Legislature. The Bill has been revised on two separate occasions. With the suggested changes the Bill would need to be returned to the BCIC Counsel for further consideration. After further discussion, it was suggested Section 5 be clarified in the Rules. Moved by Luth, seconded by McClure, to approve the legislation as written. On a roll call vote, Members Druse, Glenn, Stromp, McClure, and Luth voted aye. Member Purcell voted nay. Members Gutschewski and Waltemath were absent. Motion #3 carried.
- B. Report on To Do List.** There was no report at this time.

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 Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #4 carried.
- B. Review of Disbursements for November and December 2014.** Disbursements were reviewed prior to the Board meeting by Board Secretary Glenn. Glenn reported no matters of interest other than normal payments. Glenn reported ED Sweetwood, Staff Myers, and she had a conference call with Curtis Youngman, State accounting, regarding agency auditing requirements (as discussed by the Executive Committee) to determine if the current review of disbursements by the Board Secretary should continue or be modified based on the new law last year requiring review and approval through DAS Accounting.
- 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.

4. Report of the Chair

- A. Report of the Chair.** Chair Gutschewski was absent. Vice Chair Druse reported.
- B. Executive Committee Report.** The Executive Committee met on December 18, 2014 and reviewed information related to fees and the Board budget. Staff provided the Committee information regarding past and projected revenue, expenses, and the

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Board's cash fund. The information was provided for review by the Board members and the Committee minutes were handed out. The Committee recommended Board fees remain unchanged from 2014 as follows:

Board Fees for FY2015/2016

Active Permit to Practice	\$ 175
Inactive Registration	\$ 70
Reciprocal Certificate	\$ 200
Firm Permit: P.C.'s, LLC's, LLP's, Part.	\$ 50
Certificate of Registration: P.C.'s, LLC's	\$ 25
Office Fee: All firms and S.P.s	\$ 25
CBT Examination Initial Admin. Fee	\$ 15

Motion out of committee to retain Board fees unchanged from last year. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #5 carried. The November 2014 Board meeting held at Creighton University was discussed. All Members agreed overall the meeting was a success and would be willing to hold an off-site meeting again with some adjustments. Further discussion will be held by the Education & Examination Committee to make recommendations on the future site and whether the format of the meeting should be amended to only include the Education Advisory Committee (EAC) meeting along with a presentation of the examination team for the students benefit. The Committee also received updates including the use of the term "Principal," the Board's database, and the executive director and staff performance reviews.

- C. NASBA ED and Staff Conference, Tampa, FL, March 24-26, 2015.** After review of the agenda, the Committee recommended ED Sweetwood and Staff Jo Lowe attend the NASBA conference. Motion out of Committee to approve ED Sweetwood and staff Lowe attend the NASBA ED and Staff Conference, Tampa, FL, March 24-26, 2015. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #6 carried.
- D. Review of Board Calendar.** Dates revised: Board meetings – March 18th. May Board meeting could be a two day meeting on May 13 and 14.
- E. Report on To Do List.** There was no report at this time.

Closed Session

Closed Session. Moved by Stromp, seconded by Glenn, that the Board go into closed session at 10:21 a.m., on Wednesday, January 7, 2015, for the purpose of enforcement matters. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #7 carried.

Return to Open Session. Moved by Druse, seconded by Luth, that the Board return to open session at 10:56 a.m., on Wednesday, January 7, 2015. On a roll call vote, Members Druse,

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Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #8 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. Open Case/LMCO Update.** Committee Chair Stromp reviewed the open case file.
- B. Ratification of LMCO's.** Motion out of Committee to ratify the Chair's signatures on LMCO's from the November 14, 2014 meeting for cases: #12-06A, 12-06B and 13-10. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #9 carried. Motion out of Committee to issue a new LMCO on case 14-05. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #10 carried.
- C. Recommended Cases to Close.** Motion out of Committee to close cases: #11-13 & #11-13A: An extensive review was conducted on this case including the Committee, an engaged CPA Expert, and the Board Attorney. The case involved the creation of an entity and what responsibilities centered around the filing of correct DOL required reports. It was determined the professional work provided did not meet the "gross negligence" standard. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #11 carried.
- D. Recommended to File Petition.** Motion out of Committee to request a Petition be filed by the Board Attorney regarding case #12-04 including the request the Certificate be surrendered under revocation based on a felony conviction. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #12 carried.
- 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 Purcell gave the report. The Committee reviewed a total of 133 courses with 133 recommended for Board approval and none denied. Motion out of Committee to approve courses. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #13 carried. The Committee reviewed an application for a medical waiver and requested staff to follow up with the applicant to clarify the request. After an update by staff, Motion out of Committee to approve the CPAs Medical Waiver W0001 request. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #14 carried. Motion out of Committee to forward three reinstatements to the Licensing Committee. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #15 carried.
- B. Ratification of CPE Sponsor.** Motion out of Committee to approve CPETHINK.com as a CPE sponsor. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #16 carried.

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- C. **CPE Audit.** After discussion and an overview of the audit process by Staff Member Myers including the high compliance rate for Nebraska active permit holders. Motion out of Committee to audit 2% of the Active Permit Holder population and those approved for extension of their CPE for compliance. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #17 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. Chair Glenn indicated Member Purcell provided sample questions to the Committee as requested by staff for the new State Specific Ethics Examination. The questions will be reviewed at the next Committee meeting to determine what questions to utilize for launch of the examination. Member Purcell will continue to assist staff with questions. The Committee reviewed the Education Advisory Committee (EAC) recommendations held November 14, 2014. The EAC recommended Title 288 Chapter 9, 004.02D be removed from the Rules based on the required four-year school electives causing difficulty for some candidates wanting to complete the 150 hour requirement and sit for the examination. Moved by Purcell, seconded by Luth, to remove the reference to Title 288 Chapter 9, 004.02D from Title 288 Chapter 9 004.04 during the next rule change project. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #18 carried. Per a request from NASBA to use the Nebraska ALD jurisdiction data in support of the future CPA Exam Practice Analysis update, moved by Purcell, seconded by Druse, to approve the request. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #20 carried. A NASBA request to utilize information held in the national Gateway Database of examination candidates was discussed for use by the AICPA to determine reasons students might not choose to sit for the examination was met with concern and confusion on the use of this information. No action was taken on the request.
- B. **Approval of CPA Exam Scores.** Motion out of Committee to approve the Exam scores for Q4 2014. Moved by Purcell, seconded by Stromp, to approve the exam scores. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #19 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 stated there was nothing to report at this time.
- 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. The Committee discussed one Business, Governmental, Academia (BGA) experience application. Motion out of Committee to approve the permit application for C. Denver Hoskins. On a roll call vote, Members Druse, Glenn, Stomp, McClure, Luth and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #21 carried. After Board attorney review of the disclosure questions and background checks on a certificate application, motion out of Committee to approve the application for the applicant. On a roll call vote, Members Druse, Glenn, Stomp, McClure, Luth and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #22 carried.

- B. Revocation of Certificates for Inactive Registrants non-renewed since 2010.** The public hearing for the Inactive Registrants non-renewed since 2010 was held at the November 14, 2014 Board meeting. Moved by Purcell, seconded by Glenn, to revoke the certificates of Inactive Registrants non-renewed since 2010. On a roll call vote, Members Druse, Glenn, Stomp, McClure, Luth and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #25 carried.

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

- C. Revocation of Certificates for non-renewed Active Permit non-renewed since 2011.** The public hearing for Inactive Registrants non-renewed since 2010 was held at the November 14, 2014 Board meeting. Moved by Luth, seconded by Purcell, to revoke the certificates of non-renewed Active Permit non-renewed since 2011. On a roll call vote, Members Druse, Glenn, Stomp, McClure, Luth and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #26 carried.

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 November 1, 2014 and

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December 8, 2014. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #23 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 November 1, 2014 and December 8, 2014:

Reinstatements:	Daniel Veskrna	Blair NE
	Jerome Smith	Elkhorn NE
	Bryce Wilson	Lincoln NE
Inactive - Retired affidavits:	Michael DeFreece	Omaha NE
	Larry Lausten	Austin TX

Surrendered Certificates:

On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth, and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #24 carried.

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

11. Report of Executive Director

- A. Budget Update** ED Sweetwood indicated he was scheduled to meet soon with the assigned agency fiscal officer representing the Legislative Appropriations Committee to discuss the Board's next two-year budget request. No further update from the DAS/ Budget Office. New Governor Pete Ricketts will submit his budget recommendations at the end of this month.
- B. Staffing & General Office Issues.** There was no report at this time.
- C. Report on To Do List.** There was no report at this time.

12. New Business

- A. NASBA Items:**
- 1.) **NASBA:** Vice Chair Druse reported on activities of the UAA Committee including her participation on the "Inactive Retired" sub-committee. Secretary Glenn reported on her upcoming Board of Directors Meeting. Member McClure reported on his participation on the CAC Committee. Member Stromp reported on her participation on the Strategic Planning Task Force. ED Sweetwood reported he was assigned to the UAA Committee and was assigned to a "IQAB" sub-committee.
 - 2.) **NASBA Focus Questions.** ED Sweetwood submitted the Focus Questions on behalf of the Board with assistance of several Board members.
 - 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 Glenn, seconded by McClure to adjourn the meeting at 1:49 p.m. on

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January 7, 2015. On a roll call vote, Members Druse, Glenn, Stromp, McClure, Luth and Purcell voted aye. Members Gutschewski and Waltemath were absent. Motion #27 carried.

Respectfully submitted by,

Board Secretary
Jan Glenn