

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
1526 K Street, Suite 4D, Lincoln, Nebraska

Minutes
May 14, 2015

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

Friday, May 14, 2015

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:33 a.m. on Friday, May 14, 2015 with Chair Bernie Gutschewski presiding. The roll was called with the following members present: Bernie Gutschewski, Lori Druse, Jan Glenn, Michele Stromp, Marcy Luth, Thomas Purcell and Michael McClure. Member Glen Waltemath was absent. Also present were Executive Director Dan Sweetwood and Staff members Heather Myers, Jo Lowe, and Intern Lisa Steffensmeier. 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. Board attorney Robert Gruit was also present.
- B. Approval of Meeting Agenda for Friday, May 14, 2015.** Moved by Glenn, seconded by Druse, to approve the agenda for the Friday, May 14, 2015 meeting. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #1 carried.
- C. Approval of Minutes from March 18, 2015.** Moved by Druse, seconded by Stromp, to approve the Board minutes from the March 18, 2015 meeting. On a roll call vote, Members Druse, Glenn, Stromp, Luth, and Purcell voted aye. Members Gutschewski and McClure abstained. Member Glen Waltemath was absent. Motion #2 carried.

2. Public Comment Period (15 minute period)

Agenda Item 5 B. 9:14 am: Public Hearing for Stacy Funk. The hearing was opened at 9:14 am with Chair Bernie Gutschewski acting as hearing officer. Stacy Funk was present and not represented by an attorney. Board Attorney Robert Gruit represented the Board. The Board recessed from 9:41 am to 10:00 am to review exhibits presented. The hearing concluded at 11:24 am.

Closed Session

Closed Session. Moved by Stromp, seconded by Purcell, that the Board go into closed session at 11:33 a.m., on Thursday, May 14, 2015, for the purpose of hearing deliberation, reviewing enforcement matters, and the Executive Director's performance review. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #4 carried.

Return to Open Session. Moved by Glenn, seconded by Stromp, that the Board return to open session at 12:42 p.m., on Thursday, May 14, 2015. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #5 carried.

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
1526 K Street, Suite 4D, Lincoln, Nebraska

Minutes
May 14, 2015

3. Consent Agenda

- A. **Published Notice of Meeting.** Moved by Purcell, seconded by Luth, to approve the consent agenda. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #3 carried.
- B. **Review of Disbursements for March and April 2015.** Board Secretary Glenn reviewed the budget and noted the expenditures that were over budget. ED Sweetwood noted the potential for higher legal costs with three potential enforcement hearings and rules change review. Suggestion was made to publish meeting notices in newspapers with specific interest regarding hearings. A condition is that the agenda is not published requiring the citizen to go to the website for further information. Staff will research cost of meeting notices in larger Nebraska communities and discuss with the Attorney General's Office.
- 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 not provided to the Board.

4. Report of the Chair

- A. **Report of the Chair.** Chair Gutschewski reported. Upon learning Member Glenn will be leaving the Board in September, he reviewed Board elected positions and requested Board members be thinking of officers to be formally discussed at the July meeting. The Board discussed meeting on a college campus in the future. Suggestion was made for the Education Advisory Committee to meet on a campus such as UN Kearney. Staff will follow up.
- B. **Executive Committee Report: 2014-2015 Executive Directors Performance and Salary Review.** Chair Gutschewski reported the committee had met earlier in the morning. Motion out of Committee to recommend 4% increase in executive Director Sweetwood's salary. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #8 carried.
- C. **Review of Board Calendar.** Date revised: Board meeting will be July 16 with the potential for two days.
- D. **Report on To Do List.** There was no report at this time.

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 Stacy Funk.** See Public Comment period.

STATE OF NEBRASKA, ex. Rel.,
STATE BOARD OF PUBLIC ACCOUNTANCY
OF THE STATE OF NEBRASKA,

Plaintiff,

DECISION AND ORDER

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
1526 K Street, Suite 4D, Lincoln, Nebraska

Minutes
May 14, 2015

vs.

STACY FUNK,
Defendant.

On the 14th day of May, 2015, a formal hearing was held on the written request of Stacy Funk, pursuant to §1-150 of the Act, for reinstatement of her certificate of a certified public accountant. The hearing was conducted by the Board Chair, Bernie Gutschewski, at the office of the Board. The Board was represented by Robert T. Grit and the Respondent appeared in person and was not represented by an attorney. All Board members, except Glen Waltemath, were present and in attendance at the hearing and voted in favor of this Decision and Order.

Exhibits 1-15 were offered and received into evidence without objection. Testimony was presented. The records and exhibits properly reflect that notice was properly made on the Respondent for the date and time of the hearing.

DECISION AND ORDER / FINDING OF FACT / CONCLUSIONS OF LAW

Upon consideration of the matter, the Board finds as follows:

1. Respondent's Certificate was previously revoked by the Board in a Consent Order dated May 4, 2009. The Consent Order revocation was based upon Respondent's felony conviction.
2. Pursuant to §1-150 of the Act, the Board "may" issue a new certificate to a certified public accountant whose certificate has been revoked. Although the Board finds that it is not required or necessary under the circumstances to refer to Board Rule 002.01 et seq. pertaining to Character and Fitness, some guidance may be provided by that Rule (specifically, 002.02(1) and (4) and the factors set forth in 002.04).
3. The Respondent did commit a serious felony which involved dishonesty, fraud, deceit and misrepresentation and involved the theft of a substantial sum.
4. The Board further finds that the nature and seriousness of the felony conviction was sufficient reason to revoke the Respondent's certificate initially and the same are sufficient for the Board to refuse to issue a new certificate pursuant to §1-150.

WHEREFORE, IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Respondent's request for reinstatement of her certified public accountant certificate is denied.

IT IS SO ORDERED.

Dated this 14 day of May, 2015.

STATE BOARD OF PUBLIC
ACCOUNTANCY OF THE STATE OF
NEBRASKA,
Petitioner.

BY:

Bernie Gutschewski, Chair

Moved by Purcell, seconded by McClure, to deny returning Stacy Funk's certificate to good standing following the public hearing. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #20 carried

C. Recommended Cases to Close. Motion out of Committee to:

#12-04 Accept the Consent Order to revoke Teresa Lockie's certificate. Ms. Lockie was the subject of a felony conviction in Iowa and previously surrendered her credentials to the Iowa Accountancy Examining Board.

On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #6 carried.

Close Case: #15-01 After receiving information a certificate holder was using CPA on social media and after the requested response from the CH, the Board agreed with the Committee and will close the matter. However, staff will continue to monitor in the future.

On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #7 carried.

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

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
1526 K Street, Suite 4D, Lincoln, Nebraska

Minutes
May 14, 2015

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 67 courses from February 28 to May 4, 2015 with 67 recommended for Board approval and none denied. Motion out of Committee to recommend Board approval of 67 courses. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #9 carried. Motion out of Committee to recommend Board approval of "Chartered Advisor in Philanthropy" for 30 hours formal and 40 hours of self study. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #10 carried. Motion out of Committee to forward one reinstatement to the Licensing Committee. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #11 carried. The Committee discussed potential CPE Rule changes such as:
- other forms of learning such as "nano" learning or 10 minutes learning segments,
 - defining "ethics" to professional ethics,
 - "written" materials includes electronic submissions, and
 - increasing college credit hours to 15 from 8.
- Committee and staff will continue to research state boards rules and other available CPE guidance.
- B. Ratification of CPE Sponsor.** No CPE sponsor applications were received.
- C. CPE Audit.** No report 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.** Chair Glenn gave the report. Glenn described concern at the national level on "accreditation services." The Committee discussed potential Rule changes recommended by the Education Advisory Committee at the November 2014 meeting. Motion out of Committee to recommend Board approval to proceed with proposed Rule change related to removal of Chapter 9 004.02D. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #12 carried. Motion out of Committee to recommend Board approval to proceed with proposed Rule revisions to Chapter 9 004.04D. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #13 carried. Congratulations to Creighton University and Member Purcell on the decision to establish a CPT Chapter.
- B. Ratification of CPA Exam Scores.** Chair Glenn provided an interesting highest/lowest score for each section. Moved by Luth, seconded by Purcell, to ratify

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
1526 K Street, Suite 4D, Lincoln, Nebraska

Minutes
May 14, 2015

the Q1-2015 Exam scores. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #14 carried.

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

8. Report of the Legislative Committee

- A. **Report on Legislation:** The Committee report was provided to Board members via email summarizing the various proposed rule changes including Peer Review rules being drafted by Board Attorney Gritmit, the CPE rule review and proposed changes, and the education proposed changes as recommended by the Education and Examination Committee. The Committee also requested Member Luth to initially review the current definition of attest in the regulations to make recommendations regarding updating the definition referencing Uniform Accountancy Act (UAA) recent changes. Additionally, the Licensing Committee made recommendations to change the Board policy on out of state firms doing Nebraska company attest work and the licensure of one CPA. The Licensing Committee is also reviewing areas of the experience requirement in the PAA that only allows for experience gained in the United States and its territories. (See Agenda item 10.)
- 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.** Staff is preparing for the 2015 QEP review process. Reviews will begin the second week of June.
- 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.
- B. **Licensing Issues.** The Committee discussed four Business, Governmental, Academia (BGA) experience applications. Motion out of Committee to recommend Board approval of the permit application for Julie Heyen. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #15 carried. Motion out of Committee to recommend Board approval of the permit application for Nicole Davis. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #16 carried. The Board reviewed another permit application with the company internal auditor verifying the experience of a member of the same company financial reporting committee. After receiving the requested response letter, the Committee was not convinced the experience verifier was a "direct supervisor." The Committee discussed the case of a CPA requesting acceptance of out of country experience supervision verification (in a US CPA licensed firm), and question if we need to remove "in this state" from the PAA. Suggestion was made to determine what other state's language allows. The five year look back on

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
1526 K Street, Suite 4D, Lincoln, Nebraska

Minutes
May 14, 2015

Nebraska's policy to require one CPA to be licensed for firms doing attest work in Nebraska was discussed. Moved by Stromp, seconded by Purcell, to change the policy to no longer require one CPA in the firm be licensed. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #19 carried.

- 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 issued from March 18, 2015 to May 13, 2015. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #17 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 18, 2015 and May 13, 2015:

Reinstatements:	Travis Schneckloth	Tempe AZ
Inactive - Retired affidavits:	Elmer Adams	Omaha NE
	Carol Burke	Dadeville AL
	Gary Caporicci	Irvine CA
	Cheryl Dixon	Lincoln NE
	Larry Haman	Omaha NE
	Nancy Hanson	Papillion NE
	George Kennedy	Danville CA (6-30)
	Allen Merkley	Chesterfield MO
	Mark Prauner	Omaha NE
	Theodore Suhr	Lincoln NE
	B. Kristine White	Papillion NE
	Patricia Wisinger	Republican City NE
	William Ahern	Omaha NE
	John Stinner	Gering NE
	Douglas Sundberg	Kerryville TX
Surrendered Certificates:	Nancy Maricle	Omaha NE
	Wilhelmus Schaffers	Birmingham AL
	Michael Spence	San Jose CA

On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #18 carried.

- D. **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 2015.** Renewals are progressing smoothly at this time. Staff continues to work closely with members of the CIO's office and Neb.gov as online licensure continues.

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
1526 K Street, Suite 4D, Lincoln, Nebraska

Minutes
May 14, 2015

- B. Budget Update.** The Board's budget request is embedded within the State Budget that has been passed by the Legislature and is now on the Governor's desk. The appropriations Committee agreed with the Board's request for the next two years budget cycle to begin July 1, 2015.
- C. Staffing & General Office Issues.** ED Sweetwood indicated he discussed earlier with the Executive Committee the need for an updated computer to replace an existing older model. Additionally, the laptop would be available when staff is out of the office. Two new printers are also needed to replace older models. He also indicated the office is very busy this time of year and acknowledged Ms. Lowe, Ms. Myers, and Board Intern Steffensmeier for their dedication.
- D. Report on To Do List.** There was no report at this time.

12. New Business

- A. NASBA Items:**
 - 1.) **NASBA:** Secretary Glenn, as the Central Regional Director, provided an overview of recent NASBA issues from the Board of Directors Meetings and indicated NASBA Vice Chair Donnie Burkett released the NASBA Committee sign up portal and reminded members must sign up again even if they are current members of NASBA Committees. Vice Chair Druse and ED Sweetwood are members of the UAA Committee, Member Stromp is a member of the Strategic Planning Task Force, and Member McClure is a member of the CAC Committee.
 - 2.) **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 Luth, to adjourn the meeting at 2:47 p.m. on **May 14, 2015**. On a roll call vote, Members Gutschewski, Druse, Glenn, Stromp, Luth, McClure, and Purcell voted aye. Member Glen Waltemath was absent. Motion #21 carried.

Respectfully submitted by,

Board Secretary
Jan Glenn