

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

Minutes
July 14, 2017

Draft Minutes. Minutes are not approved until the next Board meeting on 9-8-2017.

Friday, July 14, 2017

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 9:00 a.m. on Friday, July 14, 2017 with Chair Bernie Gutschewski presiding. The roll was called with the following members present: Bernie Gutschewski, Lori Druse, Marcy Luth, Michele Stromp, Michael McClure, Tom Purcell, Glen Waltemath and Ken Brauer. Also present were Executive Director Dan Sweetwood and staff member Kristen VanWinkle. Staff member Heather Myers was absent. Board Intern Sydney Sackmaster was available. 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. Also present was Dan Vodvarka, Nebraska Society of CPAs President and Sharon Jensen, NASBA Central Regional Director.
- B. Approval of Meeting Agenda for Friday, July 14, 2017.** Vice Chair Druse requested to move agenda item #10 ahead so she may give the report and leave before noon. Moved by Druse, seconded by Purcell to approve the agenda for the Friday, July 14, 2017 meeting with one change. On a roll call vote, Members Gutschewski, Druse, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Motion #1 carried.
- C. Approval of Minutes from May 19, 2017.** Moved by Purcell, seconded by McClure, to approve the May 19, 2017 Board minutes. On a roll call vote, Members Gutschewski, Druse, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Motion #2 carried.

2. Public Comment Period (15-minute period)

Sharon Jensen, NASBA Central Regional Director – Ms. Jensen provided updates on several topics going on at NASBA. She stated the Gateway system is being updated and is estimated to be complete at the end of 2017. Also, the CPE Audit tool is estimated to be complete by Q1-2018. NASBA is reviewing the education model and accreditation with the concern being how courses are being assessed and if they are being assessed correctly. ED Sweetwood commented on the possible development of a backend database system for State Boards by NASBA. Ms. Jensen agreed this remains a topic of NASBA leadership and will require continued discussion and research before a commitment is made. Additional topics Ms. Jensen noted were the Peer Review overhaul at AICPA, non-compliance with Rules and Regulations, and NASBA monitoring the impact of Data Analytics.

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3. Consent Agenda

- A. **Published Notice of Meeting.** Moved by Druse, seconded by Purcell, to approve the consent agenda. On a roll call vote, Members Gutschewski, Druse, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Motion #3 carried.
- B. **Review of Disbursements for May and June 2017.** Board Secretary Luth overviewed the disbursements for the Board. She noted that revenue and expenses were very close this year. The end of the QEP program helped to reduce expenses for the year.
- C. **Review of Board Budget Status Report.** The current budget status report was provided and reviewed by Board Secretary Luth. She noted this is the year-end report.

4. Report of the Chair

- A. **Report of the Chair** – Board Gutschewski gave the report.
- B. **Review/Discuss Executive Order #17-04 Issued by Governor Ricketts** – Vice Chair Druse overviewed the purpose of the Order to halt the rule-making process and to review current Regulations for relevancy. ED Sweetwood, after speaking to the Governor’s Policy Research Office, clarified the current rules project could go forward as reported to the Executive Committee at their meeting on Wednesday, July 12, 2017. Vice Chair Druse reported “non-cabinet agencies” were strongly urged to participate and that the Order only impacts Title 288 – Chapters 1-13. She stated that Board Staff will review the Title and prepare a draft response to the Executive Committee for review. Staff may also ask other committees to review the drafted response for their specific area(s). The response is due back to the Office of the Governor by November 15, 2017.
- C. **Election of 2017-2018 Board Officers** – Chair Gutschewski reported this will be his last meeting serving as Board Chair. Moved by Luth, seconded by Stromp, to elect Vice Chair Druse as the 2017-2018 Board Chair. On a roll call vote, Members Gutschewski, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Member Druse abstained. Motion #4 carried.
Moved by Druse, seconded by Luth, to elect member Purcell as the 2017-2018 Board Vice Chair. On a roll call vote, Members Gutschewski, Druse, Luth, Stromp, McClure, Waltemath, and Brauer voted aye. Member Purcell abstained. Motion #5 carried.
Moved by Druse, seconded by Waltemath, to elect Secretary Luth as the 2017-2018 Board Secretary. On a roll call vote, Members Gutschewski, Druse, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Member Luth abstained. Motion #6 carried.
- D. **NASBA Western Regional Meeting Report** – Vice Chair Druse stated Ms. Jensen gave a good overview of the Western Regional meeting during the Public Comment Period. ED Sweetwood handed out a report from the meeting and indicated on the issue of Firm Mobility, the Iowa Board just implemented and Missouri has had Firm Mobility for a while. Board staff received their first call from an Iowa firm regarding if the change impacts their NE license.

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- E. Review Board Calendar** – Member Purcell mentioned he might not be able to attend the November Board meeting due to timing of other travel. ED Sweetwood recommended members bring their calendars to the September meeting so the 2018 calendar can be set.

10. Report of the Licensing Committee

- A. Report of the Committee.** Committee Chair Druse gave the report. Committee discussed four Business, Governmental, Academia (BGA) experience applications. Motion out of Committee, to recommend approval of Kayla Petersen's application. On a roll call vote, Members Gutschewski, Druse, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Motion #7 carried. Motion out of Committee to recommend approval of Dakota Christensen's application. On a roll call vote, Members Gutschewski, Druse, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Motion #8 carried. Motion out of Committee to recommend approval of Rachel Woita's application. On a roll call vote, Members Gutschewski, Druse, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Motion #9 carried. The Committee discussed one other BGA application and requested staff go back for additional information from signing supervisor. Staff provided additional information to the Board. It was determined candidate needs to find a third supervisor to sign off on her experience or she needs to wait and gain additional experience. The Committee discussed updating the Surrender Affidavit to include possibility of meeting current educational requirements and re-taking the exam to regain Certificate. Staff provided updated verbiage to the Board. Moved by Purcell, seconded by Stromp, to approve updated Surrender Affidavit. On a roll call vote, Members Gutschewski, Druse, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Motion #10 carried. The Committee also discussed LB56 (effective September 2017) and reviewed updated experience forms provided by Staff. ED Sweetwood recommended calling Deann Haeffner from the State Auditor's office to discuss and get a better understanding of the experience potential CPAs are receiving.
- B. Use of Titles Discussion – Response to NASBA due September 30, 2017** – Ms. Jensen overviewed the issue for the Board. Mr. Vodvarka provided feedback regarding the issue from the Society's point of view. He stated the NESCPA Board has not discussed changing Society membership rules. Must have CPA Certificate in good standing. The NESCPA Board didn't support and has tabled feedback on AICPA/CIMA merger. He stated there was concern on who would provide enforcement for CGMAs. Vice Chair Druse stated the Licensing Committee doesn't support the change but recommends the Board provide feedback to NASBA, similar to the opposition letter submitted by the Nevada Board. A draft response will be prepared and initially reviewed by the committee and proposed to the Board at the September meeting. All members were invited to send comments to ED Sweetwood.
- C. Ratification of initial permits to practice issued, certificates issued, firm permits.** Moved by Luth, seconded by McClure, to approve initial permits to practice issued, certificates issued, firm permits issued from May 20 – July 14, 2017. On a roll call

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vote, Members Gutschewski, Druse, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Motion #11 carried.

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

Moved by McClure, seconded by Luth, to approve Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates from May 20 – July 14, 2017. On a roll call vote, Members Gutschewski, Druse, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Motion #12 carried.

Reinstatements:

- Joyce Campbell – Falls City, NE
- Kevin Connealy – Overland Park, KS
- Linda Lulf – Scottsbluff, NE
- Mark Mapes – Omaha, NE
- Brock Wyatt – Waverly, NE

Inactive - Retired affidavits:

- Donald Claar – The Woodlands, TX
- Lyle Hague – Omaha, NE
- Sheila Lenagh-Horton – Omaha, NE
- Judith Richardson – Omaha, NE
- Jean Riley-Schultz – Lincoln, NE
- Richard Seagraves – Leawood, KS
- Richard Sondag – Lincoln, NE
- Roger Whitney – Kansas City, MO
- Wanita Wright – Wichita, KS
- Patricia Young – Central City, NE

Surrendered Certificates:

- Micheal DeCoria – Spokane, WA
- Nicole McDonald – Chicago, IL
- Phillip Nemmers – Des Moines, IA
- Elizabeth Reed – Waukee, IA

E. Review of 2017 Licensing Renewal Process - Committee Chair Druse provided update from Licensing Committee meeting. The non-renewal numbers are similar to years past. Staff has sent non-renewal letters with Stipulation & Consent Orders attached. ED Sweetwood commented on the hard work of staff members VanWinkle & Myers and the success of the 2017 licensing year.

****Vice Chair Druse left the meeting at 11:45 a.m.**

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Closed Session

Closed Session. Moved by Stromp, seconded by Luth, that the Board go into closed session at 12:08 p.m., on Friday, July 14, 2017, for the purpose of discussing enforcement and personnel matters. On a roll call vote, Members Gutschewski, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Member Druse was absent. Motion #13 carried.

Return to Open Session. Moved by Stromp, seconded by McClure, that the Board return to open session at 12:20 p.m., on Friday, July 14, 2017. On a roll call vote, Members Gutschewski, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Member Druse was absent. Motion #14 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. **Open Case/LMCO Update.** Committee Chair Stromp gave the report.
- B. **Ratification of LMCOs, if any** – Motion out of committee to extend LMCO on Case #14-05. On a roll call vote, Members Gutschewski, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Member Druse was absent. Motion #15 carried.
- C. **Recommended Cases to Close** – There were no cases to close.

6. Report of Continuing Professional Education (CPE) Committee

- A. **Report of the Committee.** Committee Chair Purcell gave the report. Motion out of committee to forward 5 reinstatement applications to the Licensing Committee for approval. On a roll call vote, Members Gutschewski, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Member Druse was absent. Motion #17 carried.
- B. **Ratification of Staff Program Qualification Evaluations.** The Committee reviewed a total of 89 courses from May 9 – July 6, 2017 with 89 courses recommended for Board approval and none denied. Motion out of committee to ratify Board approval of 89 courses. On a roll call vote, Members Gutschewski, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Member Druse was absent. Motion #16 carried.
- C. **Ratification of CPE Sponsor.** There were no CPE Sponsor applications to approve at this time.

7. Report of Education & Exam (E&E) Committee

- A. **Report of the Committee.** Committee Chair Luth gave the report. Exam scores for Q2-2017 will not be available until August 2017. Chair Luth was previously given authority to give an extra testing window to candidates negatively impacted by the score delay. She stated she has a conflict of interest with one of the candidates impacted. Member Brauer was asked to review this candidate and provide a recommendation. Member Brauer agreed to review.

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- B. EAC Meeting Update – May 24, 2017** – Minutes from the meeting were provided to the Board. Discussion occurred regarding two workgroups. One workgroup will review/compare Quantitative Application courses from all NE colleges to ensure similar topics covered. The other workgroup will review the 120 v. 150-hour issue and gather data. ED Sweetwood mentioned two workgroups may be delayed due to staff priority of Executive Order #17-04.

8. Report of the Legislative Committee

- A. Report on Legislation:** ED Sweetwood gave the report.
- B. 2017 Rules Package Approval Update:** A public hearing was held on the proposed changes to Chapters 9 and 13 at 8:30 a.m. on July 24, 2017. Moved by Purcell, seconded by Waltemath, to forward Rule Package for Title 288 - Chapter 9 to Attorney General's office for technical review and implementation. On a roll call vote, Members Gutschewski, Luth, Stomp, McClure, Purcell, Waltemath, and Brauer voted aye. Member Druse was absent. Motion #18 carried. Moved by Purcell, seconded by Stomp, to forward Rule Package for Title 288 – Chapter 13 to Attorney General's office for technical review and implementation. On a roll call vote, Members Gutschewski, Luth, Stomp, McClure, Purcell, Waltemath, and Brauer voted aye. Member Druse was absent. Motion #19 carried.

9. Report of the Peer Review Committee

- A. Report of the Committee.** Committee Chair McClure gave the report. The next committee meeting will be by August 29, 2017. Nevada (administrating entity) will attend the call.

11. Report of the Executive Director

- A. Board Budget/Fiscal Year 2017 Summary** – ED Sweetwood gave report on the Budget.
- B. Nebraska Interactive Report** - ED Sweetwood mentioned the 2017 licensing renewals went well. About 90% of renewals were done online.
- C. Staffing & General Office Issues.** ED Sweetwood is monitoring the progress being made with the Board of Engineers & Architects systems being developed by the CIO's office. Currently, the project is going well. Laurie Schlitt, CIO's office, is keeping us updated. He is also brainstorming occupational licensing issues with counterparts at the Board of Engineers & Architects and the Barber Board. Staff is also working with NE.gov to move the annual Registration of Certificates process online.

12. New Business

- A. NASBA Items:**
- 1. NASBA Annual Meeting** – ED Sweetwood stated per Governor's letter that only essential travel should be allowed. It has not been the practice of the Board to limit travel to members who chose to attend. The agenda for the meeting had yet to be

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released. Members Druse and Purcell might be able to attend. Member Luth will not be able to attend. Member Stromp will be attending as part of the Nominating Committee. Board will vote on who will go at the September Board meeting.

B. Other Miscellaneous Items: FYI articles

1. Midlands Voices Article – State should cut red tape, give second chance

2. National Review Article – Engineering without a License

C. NBPA Website Headlines – Member Brauer asked when articles/sanctions under NBPA Headlines on the website get archived. Member Stromp, as part of the Enforcement Committee, will review and establish policy for enforcement actions under the headlines.

13. Adjournment

Moved by Luth, seconded by Brauer, to adjourn the meeting at 1:05 p.m. on July 14, 2017. On a roll call vote, Members Gutschewski, Luth, Stromp, McClure, Purcell, Waltemath, and Brauer voted aye. Member Druse was absent. Motion #20 carried.

Respectfully submitted by,

Board Secretary

Marcy Luth