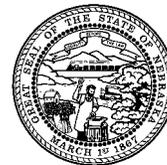


STATE OF NEBRASKA

BOARD OF PUBLIC ACCOUNTANCY

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Mike Johanns
Governor

2004 Annual Letter to Active Permit Holders

From the Desk of Dan Sweetwood, Executive Director

Dear Active Permit Holder:

In December of every year it is time to report your Continuing Professional Education (CPE) hours toward renewal of your active permit to practice. Along with the enclosed CPE reporting form (s), I want to share with you the Nebraska Board of Public Accountancy (NBPA) activities during 2004. One of my goals in serving the Board and the accounting profession in this state is to openly communicate with you. Never hesitate to stop by the Board office while in Lincoln to say "hello" and get to know the Board staff. Your licensing fees, appropriated by the state legislature, sustain the Board budget and drive the activity of the Board. I take the responsibility of allocating your fees very seriously, with the main goal of protecting the public and the accounting profession, which includes you!

Now, to some Board and Committee news:

Board Members Appointed

Governor Mike Johanns recently appointed Board Members:

Mr. Thomas M. Obrist, CPA, Managing Partner, Dana F. Cole & Company, LLP

Ms. Kate King Wu, CPA, Accounting Instructor, University of Nebraska Omaha

Mr. Douglas W. Skiles, CPA, Stockholder and Officer, McPherron, Skiles, Joel & Loop, PC, McCook

Also, we want to thank

Mr. William L. Gaines, Jr., CPA, Norfolk, and

Ms. Michelle R. Thornburg, CPA, Omaha

for their service to our Board.

Please note your current Board members listed below.

Enforcement Committee Report

The Board has issued the following Decisions & Orders:

Rodney G. Zwygart

Certificate and Active Permit to Practice Revoked/ Under appeal before the Nebraska Court of Appeals.

Kenneth J. Reese

Certificate and Active Permit to Practice Revoked/ Consent Order Signed November 2003 with State Board.

Sheryl A. Brenn

Placed on probation through June 30, 2007 and ordered to pay a \$1000 fine.

Dana J. Weber

Placed on probation through June 30, 2006 and ordered to reimburse the Board for hearing fees.

Important Caution!

A recent Board investigation revealed the use of a falsified Board issued permit in the attempt to receive approval for a mortgage loan. The mortgage company contacted the Board office to verify the active permit to practice and it was quickly determined the permit was altered in the attempt to reflect an actual active permit for a non-existent CPA. The permit that was falsified was an actual permit at one time. The Board has provided the information to law enforcement authorities. Please secure your permit to practice and other documents reflecting your CPA status. There are those that would exploit your status as a CPA!

An enforcement complaint filed against me!

Often CPA's telephone the office and ask what do if someone files a complaint against him or her. First of all, the Board is a complaint-based agency and mostly acts on complaints received from the public and other practitioners. It is my practice to attempt to telephone both the person that sent the complaint and the CPA who is the subject of the complaint to discuss the Board's enforcement process. This process includes how the enforcement committee will review the complaint, the appropriate application of the Public Accountancy Act (PAA), and the Board's Rules and Regulations in Title 288.

The complaint is then sent to the CPA who has 30 days to respond. I always recommend that the CPA sit down, take the time to review, and provide a thorough, thoughtful response to our enforcement committee, made up of Board CPA's. Many times a complaint is dismissed or adjudicated at this point, due to a solid response from the CPA.

Based on the information provided, the enforcement committee may dismiss the complaint, request further investigation, or determine "probable cause" exists of a violation of the PAA or a Board rule and recommend to the Board that a formal hearing be conducted. Again, I stress that a detailed response to the complaint is essential along with open and honest communication.

I can assure you the Board staff will assist you in your interaction with the enforcement committee. If you have any further questions and/or concerns regarding the complaint process, do not hesitate to contact me.

Advertising Your Firm

The Board has received several complaints this year from CPA firms, indicating that other CPA firms list the names of staff members in their advertisement. This makes it appear from the advertisement that everyone listed or pictured is a current CPA. This could be confusing to the public. Please be clear in your firm advertisement when listing staff members who are CPA's and those that are not CPA's.

Continuing Professional Education (CPE) Committee Report

The Board now requires four hours of ethics as part of your 80-hour requirement for your biennial active permit to practice. The Board's intent is to remain flexible and allow the requirement to cover broad and general course content for ethics. You are not required to complete the four hour requirement in one course setting. You can submit one-hour increments for portions of courses that cover ethics.

Permits that expire in June 2005

You should have completed the 4-hour ethics requirement in 2003 and/or 2004 in order to renew your permit June 30, 2005. If you have not, please immediately contact CPE Coordinator Kelly Ebert at (402) 471-3595.

Quality Enhancement Program (QEP) Committee Report

The Board is always interested in those that would like to become QEP reviewers. You can earn 8 hours of CPE credit per day, earn a \$100 per diem for your firm, and get some great hands-on education while assisting your chosen profession! If interested, please contact Kelly Ebert at (402) 471-3595.

Licensing Committee Report

With changes made to the PAA in 2003, each firm office in Nebraska is subject to a \$50 registration fee. Please be aware of this requirement when completing your firm application.

Licensing Interpretation of Peer Reviewers

The Board recently interpreted the policy regarding firms that come into the State to conduct peer reviews. Although considered a form of practice of public accountancy, those that come into the state and conduct only one engagement would be considered working under current temporary practice as listed in the PAA under 1-163. Those that perform multiple engagements would require licensure.

Late Renewal Applications

The Board's current policy is to require active permit holders and firms to submit to a stipulation & consent order with a \$250 administrative fee, in most cases, when licensing renewal applications are filed after the licensing deadline of **June 30th**. Please mark this date on your calendar so you do not miss this important date!

New Technology on the Way

The Board has approved a contract with [Nebrask@Online](#) to develop a new database for the Board. Along with the new database, [Nebrask@Online](#) will construct web-based interactions for you that include online license renewal, reporting and tracking of your CPE. Our goal is to make the active, inactive, and firm renewal process in Nebraska as efficient as possible. This project is a start! More information will be forthcoming regarding this project in 2005.

This project is funded in part by a \$25,000 state grant awarded to the Board by the Nebraska State Records Board.

NBPA Web Site

A great way to stay abreast of Board activity and news is to access the NBPA web site at www.nol.org/home/BPA and/or the Nebraska Society of CPA's monthly newsletter. You will find NBPA Announcements, past Board agendas and minutes at our web site. Also, never hesitate to telephone or e-mail the office with any questions and/or concerns at # (402) 471-3595 or #1-800-564-6111 (if in Nebraska) or nbpa01@nol.org.

Happy Holidays! And Best Wishes for a great New Year!

Sincerely,

Dan Sweetwood
Executive Director

Board Staff

Dan Sweetwood, Executive Director
Jo Lowe, Administrator/Licensing
Kelly Ebert, Staff Asst./ CPE & QEP Coordinator
Jess Paisley, Board Intern