

STATE OF NEBRASKA

BOARD OF PUBLIC ACCOUNTANCY

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Pete Ricketts
Governor

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Change for Nebraska CPA Firms/ LB 159 Approved!

In 2010 the Board created a Task Force to review and provide recommendations to the Board regarding the Quality Enhancement Program (QEP). The QEP Task Force was made up of longtime participants in the QEP program and current Board members.

The Task Force identified areas of concern while contemplating the change including:

- the continued complexity of the attest function
- QEP lack of review of corresponding work papers including no random select of submitted reports
- Concern Nebraska CPA firms would not be substantially equivalent while conducting out of state engagements
- The ability to recruit and retain longtime QEP reviewers in the program

In January the Peer Review Bill (known as LB 159) was presented before the Nebraska Legislature. Senator and Speaker of the Legislature Mr. Galen Hadley presented the Bill on behalf of the Board before the Business, Commerce & Insurance Committee. LB 159 was advanced with no opposition. On February 27, 2015 Governor Pete Ricketts signed LB 159 into law.

What Does it Mean to Nebraska CPA firms?

If a Nebraska CPA firm does not complete Audits, Reviews, and/ Compilations, this change will have no impact.

If a Nebraska CPA completes Audits, Reviews, and/or Compilations and the firm currently participates in the AICPA Peer Review Program, this change will not have an impact.

If a Nebraska CPA firm currently participates in the QEP program and the AICPA Peer Review Program, the ability to submit to the QEP program will end; however, there will no impact other to properly submit your completion of the AICPA Peer Review Program.

If a Nebraska CPA firm currently *only* completes the QEP program the firm will be impacted by this change. What should the firm do?

- Contact the Board office at (402) 471-3595 or at Heather.Myers@Nebraska.gov to determine the date you need to submit your next report. A Peer Review will be required every three years and the firm will want to identify what class it resides. The classes are set by the licensing requirement date for QEP submission: 2016/2017/2018.
- It is anticipated the QEP program will be offered for the 2016 class
- As of July 1, 2017, the 2017 class will have to be enrolled in a Peer Review Program.
- As of July 1, 2018, the 2018 class will have to be enrolled in a Peer Review Program.

Board regulations are currently being drafted to compliment the law changes within LB 159 and it anticipated the hearing notice will go out soon. A public hearing before the Board will be held and you are most welcome to review the draft and provide input to the Board. Please contact the Board office at (402) 471-3595 or at Dan.Sweetwood@Nebraska.gov if you would like to review the draft.

The Nebraska Board of Public Accountancy administers public accountancy law in Nebraska. Six of the eight board members are certified public accountants with active permits to practice and two are members of the public. Information about licensed CPA's can be obtained calling the Board office at (402) 471-3595.

