



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
auditors.nebraska.gov

September 26, 2025

Melissa Ruff, CPA, Board Chair  
Nebraska Board of Public Accountancy  
1526 K Street, Suite 410  
Lincoln, NE 68508

Dear Ms. Ruff:

The Nebraska Auditor of Public Accounts (APA) has found disturbing information regarding an individual, Paul Hamilton, and his accounting firm, Hamilton Associates, P.C. (Firm), whose primary location is in Council Bluffs, Iowa. Specifically, neither Mr. Hamilton individually nor the Firm holds Permits to Practice issued by the Nebraska State Board of Public Accountancy (Board); nevertheless, they have performed numerous audits of political subdivisions in this State, issuing reports thereon that were filed subsequently with this office. Mr. Hamilton and the Firm appear also to have previous disciplinary orders from the State of Iowa Accountancy Examining Board, as shown in **Attachment A** hereto.

Additionally, the Firm's most recent peer review was conducted for a period ending March 31, 2021. Given that professional auditing standards require peer reviews to be conducted every three years, the APA expected a more recent peer review to have been conducted – most likely, for a period ended March 31, 2024. However, according to an April 28, 2022, letter to Mr. Hamilton from the Peer Review Alliance, which is responsible for administering peer reviews for the Iowa Society of CPAs, "The due date for your next review is September 30, 2024. This is the date by which all review documents should be completed and submitted to the administering entity."

The APA made numerous requests to the Firm for a copy of a recent new peer review to demonstrate its compliance with professional auditing standards. The Firm failed to make such documentation available to this office, however.

These unsuccessful attempts to obtain a current peer review for the Firm led the APA to contact the Board. Through the ensuing discussions, the APA learned that Mr. Hamilton's individual Nebraska Permit to Practice expired on June 30, 2024, and the Firm last held a valid Nebraska Permit to Practice on June 30, 2023. The APA was informed also of the Board's multiple attempts, including communications in May and August of 2025, to persuade Mr. Hamilton to return his and the Firm's permits to good standing – unfortunately, all to no avail. Despite that unresponsiveness, the APA was able to confirm the Firm continued to attempt to engage and conduct audit fieldwork for Nebraska political subdivisions in September 2025.

The APA is aware of eight (8) audit reports that the Firm issued to various Nebraska political subdivisions subsequent to June 30, 2023, after its practice permit had lapsed. The following tables detail those political subdivision audit reports:

Saunders County SID 11	
FYE	Report Dated
June 30, 2023	12/30/2023
June 30, 2024	1/29/2025

Western Nebraska Area Agency on Aging	
FYE	Report Dated
June 30, 2023	2/1/2024
June 30, 2024	1/6/2025

Heartland Workforce Solutions Inc (HWS)	
FYE	Report Dated
June 30, 2023	4/22/2024
June 30, 2024	3/14/2025

Auburn Board of Public Works	
FYE	Report Dated
December 31, 2023	4/11/2024
December 31, 2024	5/16/2025

The Firm's issuance of the above audit reports while lacking a valid Nebraska Permit to Practice gives rise to serious ethical concerns, including apparent violations of Nebraska law. Additionally, failure to obtain a timely peer review constitutes a breach of professional auditing standards.

To start, Neb. Rev. Stat. § 1-170 (Reissue 2022) of the Public Accountancy Act (Act), which is set out at Neb. Rev. Stat. §§ 1-105 to 1-171 (Reissue 2022, Cum. Supp 2024), says the following:

*Whenever any statute or rule or regulation adopted and promulgated by authority of any statute requires that any audit, report, financial statement, or other document for any department, division, board, commission, agency, or officer of this state be prepared by certified public accountants, such requirement, except as provided in section 1-171, shall be construed to mean certified public accountants holding a permit issued under subdivision 1(a) of section 1-136 or a person exercising the practice privilege or temporary practice privilege.*

Referenced in the above statute, Neb. Rev. Stat. § 1-136(1) (Cum. Supp. 2024) provides the following:

*Permits to engage in the practice of public accountancy in this state shall be issued by the board to (a) persons who are holders of the certificate of certified public accountant issued under sections 1-114 to 1-124 and who have met the education and experience requirements of section 1-136.02, (b) partnerships and limited liability companies of certified public accountants registered under section 1-126, and (c) corporations registered under section 1-134 as long as all offices of such certificate holders or registrants in this state for the practice of public accountancy are maintained and registered as required under section 1-135.*

Furthermore, Neb. Rev. Stat. § 1-160 (Reissue 2022) states the following, in relevant part:

*No person, partnership, limited liability company, or corporation not holding a permit issued under section 1-136 which is not revoked or suspended shall hold himself, herself, or itself out to the public as an accountant or auditor by use of either or both of such words on any sign, card, or letterhead or in any advertisement or directory without indicating thereon or therein that such person, partnership, limited liability company, or corporation does not hold such a permit.*

Title 41 NAC 1-007 (11/05/2002) of the administrative rules and regulations promulgated by the APA adds the following:

*Audits and the audit reports issued for political subdivisions required to be filed with the Auditor of Public Accounts shall be performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States as applicable to the period under audit.*

Generally Accepted Government Auditing Standards (2018 Revision) (GAGAS) paragraph 5.60 contains the following requirement:

*Each audit organization conducting engagements in accordance with GAGAS must obtain an external peer review[.]*

Similarly, GAGAS paragraph 5.84 makes the following declaration:

*An audit organization not already subject to a peer review requirement should obtain an external peer review at least once every 3 years.*

As demonstrated by the contents of this letter, the audit reports submitted by certain political subdivisions for official filing with the APA demonstrate not only clear noncompliance by the Firm, as well as Mr. Hamilton, with the Act but also blatant failure to follow basic professional auditing standards – none of which this office can condone.

Consequently, the APA will reject – refusing to accept for filing from any political subdivision – an audit report created or based upon work performed by Mr. Hamilton or his Firm. Mr. Hamilton was informed of this by a letter from the APA dated September 24, 2025. Please see **Attachment B** hereto for a copy of that notification to him.

The present communication is intended solely for the information and use of the Nebraska Board of Public Accountancy and its management. It is not intended to be, and should not be, used by any other party; however, being a matter of public record, this letter's distribution is not restricted.

If you have any questions regarding the above information, please contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Avery", with a long, sweeping horizontal line extending to the right.

Mark Avery, CPA Assistant  
Deputy Auditor

**BEFORE THE ACCOUNTANCY EXAMINING BOARD OF THE STATE OF IOWA**

**IN THE MATTER OF**

**Paul Hamilton  
License No. R01236  
Firm License No. 2017-0133**

**RESPONDENT**

**CASE NO.: 24-17**

**COMBINED STATEMENT OF  
CHARGES, SETTLEMENT  
AGREEMENT, AND FINAL ORDER**

**COME NOW** the Iowa Accountancy Examining Board ("Board") and Paul Hamilton ("Respondent"), and enter into this combined Statement of Charges and Settlement Agreement and Final Order ("Order") pursuant to Iowa Code sections 17A.10(2), 272C.3(4), and 272C.10 and Iowa Administrative Code 193A.

**A. BACKGROUND**

1. **Iowa License.** Respondent was issued Iowa certified public accountant (CPA) license R01236 originally issued on March 8, 1969, and reissued on July 1, 2004. Respondent's Iowa CPA license expired on June 30, 2024. Hamilton Associates, PC was issued Iowa CPA firm license 2017-0133. The firm license will next expire on June 30, 2025.
2. **Practice Setting.** Respondent was an Iowa licensed CPA who practiced accounting in Council Bluffs, Iowa during the time period relevant to these allegations. Respondent currently lives in the State of Iowa.
3. **Jurisdiction.** The Board has jurisdiction in this matter pursuant to Iowa Code chapter 542.
4. **Allegations.** Respondent is charged with operating on a lapsed CPA license and operating a firm on a lapsed firm license.

**B. STATEMENT OF CHARGES**

**COUNT I**

5. Respondent is charged under Iowa Code section 542.6(2) and Iowa Administrative Code 193A-5.1(2), 193A-5.4(5), 193A-14.3(3), 193A-14.(3) and 193A-14.3(5) with practicing with a lapsed CPA license.

**C. SETTLEMENT AGREEMENT**

6. Respondent acknowledges that the allegations in the Statement of Charges, if proven in a contested case hearing, would constitute grounds for the discipline agreed to in this Order.

7. To resolve this matter without proceeding to hearing, Respondent agrees to the following conditions:

a. Respondent will pay a \$1,000 civil penalty.

8. In entering this Order, Respondent acknowledges the following:

a. This Order is subject to the approval of the Board and will have no force or effect if it is not accepted by the Board.

b. Counsel for the State will present this Order to the Board *ex parte*.

c. I have the right to be represented by counsel in this matter.

d. I understand I have an opportunity to be heard and to contest the allegations against me in a formal hearing before the Board and that, by waiving the formal hearing, I waive my right to challenge the allegations against me and all attendant rights, including the right to seek judicial review of the Board's actions.

e. I waive my ability to review the investigative file in this case.

f. I understand this Order will be part of my permanent licensure file and may be considered by the Board in determining the nature and severity of any disciplinary action to be imposed in the event of any future violations.

Paul Hamilton  
**Iowa Accountancy Examining Board Statements of Order**

**Attachment A**

g. I am voluntarily entering into this Order.

h. Failure to comply with the provisions of this Order shall be grounds for further disciplinary action pursuant to Iowa Code § 272C.3(2)(a).

i. I understand the Board is required by federal law to report this Order to the National Association of State Boards of Accountancy. The report to the database will reflect the language included in this Order.

j. I understand I am responsible for all expenses incurred to comply with the conditions and requirements of this Order.

12. Respondent shall submit a copy of this Order to all licensing boards where Respondent holds a license, whether active or not, within **THIRTY days** of the date of the Board approval of this Order.

13. This Order constitutes discipline against Respondent pursuant to and in accordance with Iowa Administrative Code rule 193A—15 and subject to Iowa Administrative Code rule 193A—14.1, is the final agency action in a contested case pursuant to Iowa Code section 17A.10 and Iowa Administrative Code rule 193A—16.3.

14. This Order shall not preclude the Board from taking additional action against Respondent should Respondent violate laws, rules, or standards of practice administered by the Board in the future.

15. This Order becomes a public record available for inspection and copying upon execution in accordance with the requirements of Iowa Code Chapters 17A, 22, and 272C.

16. The Board's approval of this Order shall constitute a **Final Order** of the Board.

**D. FINAL ORDER**



Paul Hamilton  
Iowa Accountancy Examining Board Statements of Order


Attachment A

**IT IS THEREFORE ORDERED:**

**A. PROBATION OR ALTERNATIVE SANCTION OTHER:** Respondent will pay a \$1,000 civil penalty.


**FOR THE RESPONDENT:**

Voluntarily agreed to and accepted by Paul Hamilton on this 27<sup>th</sup> day of March, 2025.

  
By: Paul Hamilton, Respondent

**FOR THE IOWA ACCOUNTANCY EXAMINING BOARD:**

Voluntarily agreed to and accepted by the **IOWA ACCOUNTANCY EXAMINING BOARD** on this 31st day of March, 2025.

  
Jessica Richter, CPA, Chair  
Iowa Accountancy Examining Board

BEFORE THE ACCOUNTANCY EXAMINING BOARD  
OF THE STATE OF IOWA

Professional Licensing Bureau  
**FILED** 9/21/2023 (Date)  
JAGB  
Board / Commission  
Robert E. Lampe  
Signature, Executive Officer

IN THE MATTER OF:

Case No. 23-06

PAUL E. HAMILTON,  
CPA Certificate #R01236,

COMBINED STATEMENT OF  
CHARGES, SETTLEMENT  
AGREEMENT, AND FINAL ORDER

Respondent.

**A. Statement of Charges**

1. The Iowa Accountancy Examining Board ("Board") has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 542 and authority to issue this Combined Statement of Charges, Settlement Agreement, and Final Order (the "Consent Order").

2. Respondent Paul E. Hamilton was issued Iowa CPA Certificate number R01236 on March 8, 1969. Respondent's certificate is currently active and will next be up for renewal on June 30, 2024.

3. The Board received a complaint on Jan. 31, 2023, alleging that Mr. Hamilton, among other things, failed to properly calculate capital gains tax in a state tax return. Subsequent investigation by the board revealed that Mr. Hamilton received communication concerning the alleged miscalculation of tax but failed to act in a timely manner to address the inquiry that originated from the Iowa Department of Revenue. During an informal interview of Mr. Hamilton by the Board's Disciplinary Committee held in this matter on July 17, 2023, Mr. Hamilton stated that he received the Department of Revenue communication, which came in the middle of tax season. Mr. Hamilton stated that he placed the letter on his desk but could not get back to it for some time because of tax season. Mr. Hamilton provided documentation during the informal hearing that he claims he sent to the Department of Revenue in May 2022, some 30 days after the deadline provided in the letter from Revenue.

4. As a result of not receiving a timely response, the Department of Revenue recalculated the tax owed and imposed penalty and interest charges on Mr. Hamilton's client. The client then sought reimbursement from Respondent for the penalty and interest charges, which Respondent did not pay. Mr. Hamilton's client sued Respondent for the penalty and interest charges in small claims court in Pottawattamie County in December 2022, Case No. SCSC130590. Mr. Hamilton did not file an answer to the complaint after receiving proper notice. Thereafter, the district court entered a default judgment against Mr. Hamilton. During the information interview in this matter, Mr. Hamilton asserted that he had already paid the judgment by providing the judgment amount to the local Sheriff. The Board has no proof of payment of the sum in question, and the complainant in this matter has asserted that no such payment has been received.



5. The judgment in question was not brought to the attention of the Board within 30 days as required by Iowa Admin. Code r. 193A-18.3.

6. During the informal discussion held in this matter, Mr. Hamilton noted that recent staffing losses have placed excessive pressure on his firm to meet the needs of the clientele. Apparently, the level of clientele has not been adjusted to match the capacity of available staff.

7. Based on the foregoing, the Board charges Respondent with the following:

- A. Conduct discreditable to the public accounting profession in violation of Iowa Code 542.10(1)(i) and Iowa Admin. Code r. 193A-14.3(12)(i);
- B. Failing to exercise the degree of care which is ordinarily exercised by the average practitioner acting in the same or similar circumstances in violation of Iowa Admin. Code r. 193A-14.3(2)(c);
- C. Negligence in the practice of public accounting in violation of Iowa Admin. Code r. 193A-14.3(6); and
- D. Failure to report a judgment in compliance with Board rules and in violation of Iowa Admin. Code r. 193A-14.3(9)(c).

### **B. Settlement Agreement and Final Order**

1. Respondent admits the above-referenced allegations as set forth in the Statement of Charges.

2. Respondent has a right to a hearing on the charges, but waives Respondent's right to hearing and all attendant rights, including the right to seek judicial review, by freely and voluntarily entering into this Agreement. This Agreement constitutes discipline against Respondent, and is the final agency order in the contested case, pursuant to Iowa Code section 17A.10 and Iowa Admin. Code r. 193-7.4. Respondent acknowledges that Respondent had an opportunity to review this Agreement with legal counsel before signing it.

3. This Agreement shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any future disciplinary action to be imposed in the event of any future violations.

4. Failure to comply with the provisions of this Agreement shall be grounds for further disciplinary action pursuant to Iowa Code section 272C.3(2)(a). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

5. This Agreement shall not preclude the Board from taking appropriate action in the event the Board receives any further complaints or information against Respondent.

6. This Agreement is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22.

7. Respondent agrees the State's counsel may present this Agreement to the Board and may have ex parte communications with the Board while presenting it.

8. This Agreement is subject to approval of the Board. If the Board fails to approve this Agreement, it shall be of no force or effect on either party, and it shall not be admissible for any purpose in further proceedings in this matter. If the Board approves this Agreement, it shall fully dispose of all issues in this case.

**IT IS THEREFORE ORDERED:**

- A. **Reprimand.** Respondent is reprimanded for the aforementioned statutory and regulatory violations. Respondent is further cautioned against neglecting proper communication with clientele. The facts of this case make clear that Respondent should review his practice and right-size the clientele to the available staffing.
- B. **Civil Penalty.** Respondent shall pay a civil penalty of \$1,000 within 30 days from the Effective Date of this Settlement Agreement. *See Iowa Admin. Code r. 193A-16.3.*
- C. **Educational Requirement.** No later than 30 days from the Effective Date of this Settlement Agreement, Respondent shall take the course entitled "*New CPA Essentials: Ethics, Connections & Communications*," a 14-hour course available from the American Institute of CPAs. Respondent shall provide to the Board sufficient documentation to prove that Respondent has completed the CPE hours required by this Agreement. Respondent shall refrain from reporting in any future reporting period the CPE hours required by this Settlement Agreement. If for any reason Respondent is unable to take the course, Respondent shall communicate with the Board's executive officer, who will work with Respondent and in consultation with the Disciplinary Committee to identify a replacement course. Course replacements may be made without formal amendment of this Settlement Agreement.
- D. **Proof of Satisfaction of Judgment.** No later than 60 days from the Effective Date of this Settlement Agreement, Respondent shall provide documentary proof by way of a court filing that the judgment that arose out of small claims case number 04781 SCSC130590 has been satisfied. *See Iowa Code § 624.37.*
- E. **Additional Terms.** Respondent shall provide the Board with access to records as necessary for the Board to verify compliance with this Settlement Agreement.

**AGREED AND ACCEPTED:**

Respondent

Paul E. Hamilton

Paul Hamilton  
Iowa Accountancy Examining Board Statements of Order

Attachment A

August 30, 2023  
Date

Iowa Accountancy Examining Board

Bradley L. Hauge  
By: Brad Hauge, Chairperson, CPA

October 5, 2023  
Date (the "Effective Date")





## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
auditors.nebraska.gov

September 24, 2025

Paul Hamilton  
Hamilton Associates, P.C.  
20 Pearl Street  
Council Bluffs, IA 51503

This letter is to notify Mr. Paul Hamilton and the firm Hamilton Associates, P.C. (Firm), that the Nebraska Auditor of Public Accounts (APA), from this date forward, will not be accepting audit report filings from this firm, for the political subdivision /entities that are required to file their audits with the APA.

The primary factors for this decision are (1) that the Firm does not hold a Permit to Practice issued by the Nebraska State Board of Public Accountancy (Board), and (2) the Firm has not obtained a current external peer review.

The APA learned through the Board, that Mr. Hamilton's individual Nebraska Permit to Practice expired June 30, 2024, and the Firm last held a valid Nebraska Permit to Practice on June 30, 2023.

The Nebraska Public Accountancy Act requires individuals and firms practicing public accountancy in the state of Nebraska to obtain a permit to practice issued by the Board.

Neb. Rev. Stat. § 1-170 (Reissue 2022) provides the following:

*Whenever any statute or rule or regulation adopted and promulgated by authority of any statute requires that any audit, report, financial statement, or other document for any department, division, board, commission, agency, or officer of this state be prepared by certified public accountants, such requirement, except as provided in section 1-171, shall be construed to mean certified public accountants holding a permit issued under subdivision 1(a) of section 1-136 or a person exercising the practice privilege or temporary practice privilege.*

Additionally, Neb. Rev. Stat. § 1-136(1) (Cum. Supp. 2024) provides the following:

*Permits to engage in the practice of public accountancy in this state shall be issued by the board to (a) persons who are holders of the certificate of certified public accountant issued under sections 1-114 to 1-124 and who have met the education and experience requirements of section 1-136.02, (b) partnerships and limited liability companies of certified public accountants registered under section 1-126, and (c) corporations registered under section 1-134 as long as all offices of such certificate holders or registrants in this state for the practice of public accountancy are maintained and registered as required under section 1-135.*

Furthermore, Neb. Rev. Stat. § 1-160 (Reissue 2022) states the following, in relevant part:

*No person, partnership, limited liability company, or corporation not holding a permit issued under section 1-136 which is not revoked or suspended shall hold himself, herself, or itself out to the public as an accountant or auditor by use of either or both of such words on any sign, card, or letterhead or in any advertisement or directory without indicating thereon or therein that such person, partnership, limited liability company, or corporation does not hold such a permit.*

APA September 24, 2025, Letter to Paul Hamilton and Hamilton Associates, P.C.

Additionally, the Firm's most recent external peer review was conducted for a period ending March 31, 2021. As professional standards require peer reviews to be obtained every three years, a more recent peer review should have been conducted.

Title 41 NAC 1-007, states, in relevant part that, audits and the audit reports issued for political subdivision required to be filed with the Auditor of Public Accounts shall be performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States as applicable to the period under audit.

Generally accepted government auditing standards (GAGAS) paragraph 5.60 requires:

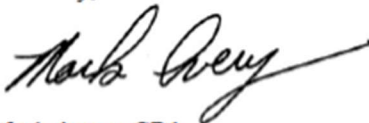
*Each audit organization conducting engagements in accordance with GAGAS must obtain an external peer review[.]*

Additionally, paragraph 5.84 states:

*An audit organization not already subject to a peer review requirement should obtain an external peer review at least once every 3 years. [.]*

Therefore, as noted in the first paragraph, because the Firm has not demonstrated the desire or ability to obtain a valid Nebraska Permit to Practice from the Board, nor followed required professional standards by obtaining an external peer review, the APA will not be accepting further audit filings from this firm.

Sincerely,



Mark Avery, CPA  
Assistant Deputy Auditor

cc: Dan Sweetwood, Executive Director, Nebraska Board of Public Accountancy  
Neil Wortmann, Chairperson, Saunders County SID 11  
Erik Carlson, Clerk, Saunders County SID 11  
Cheryl Brunz, Board Chairperson, Western Nebraska Area Agency on Aging  
Tammy Westhart, Accounting & Finance Manager, Auburn Board of Public Works  
Michael Phillips, Director of Finance, Heartland Workforce Solutions  
Amy Hicks, Accountant, City of Omaha