

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes

March 1, 2010

An open meeting of the Nevada State Board of Accountancy was called to order at 9:00 A.M. by President, Glenn D. Bougie, on Monday, March 1, 2010 at the offices of First Independent Bank, 5335 Kietzke Lane, Second Floor, Reno, Nevada.

Board Members Present:

Glenn D. Bougie, President
Lynda Hartzell
Patrick M. Thorne

Felicia O'Carroll, Secretary/Treasurer
Lisa L. Milke
Harry O. Parsons

Board Members Absent:

Colleen M. Bacchus

Board Staff Present:

Bonnie Houldsworth, Investigator
Karen Peterson, Counsel
Viki A. Windfeldt, Executive Director
Leslie C. Walsh, Board Coordinator

◆ ◆ ◆ ◆ CONSENT AGENDA ◆ ◆ ◆ ◆

The Consent Agenda contains matters of routine acceptance. The Board Members may approve the consent agenda items as written or, at their discretion, may address individual items for discussion or change.

- *1. Approval of January 19, 2010 Board Meeting Minutes
 - *2. Approval of Applications for Certified Public Accountant – Non Appearance

Razmik Ablo	Joe Bogh	Spencer Campbell	Evelyn Canevari
Bruce Fernandes	Kristin Friedl	Mark Haymore	Renee Jaenicke
Nikki Johnson	Kyoko Klohr	D. Kretschmar	Lori McGowne
Robert Morrison	Cory Puga	Aaron Saferin	Stella Santos
Jeffrey Scherck	Brian Simpson	Joseph Todd	Joseph Truchot
Emily Voshall			
- *3. Approval of Change to License Status: Retired Status

Thomas Beirne	Jean Miller	J. Glenn Sanford	Sandra Small
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- *4. Approval of Finances:
 - A. Treasurer's Report
- *5. Approval of Fictitious Name Application:
 - A. Red Rock CPA
- *6. No Items Scheduled

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7. No Items Scheduled

The consent agenda and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve consent items 1-6. The following Board Members abstained from voting on Approval of Applications of Certified Public Accountant for the following applications: Patrick Thorne and Felicia O'Carroll for Razmik Ablo, Kristin Friedli and Emily Voshall; and Glenn Bougie for Mark Haymore.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

Agenda Item 3. Approval of Change to License Status

Retired Status: Gary Johnson

Motion was made, seconded and carried to defer approval of the retired status application of Gary Johnson, subject to receipt of additional information.

Agenda Item 8: Grievance Report and Grievance Matters.

Note: NRS 241.020 requires the Board to list individuals that may have administrative action taken against them in connection with the Board's disciplinary grievance report. The Board may convene in closed session to consider the character, alleged misconduct, professional competence or physical or mental health for any of the grievances filed with the board.
Review of Grievance Report:

Motion was made, seconded and carried to go into closed session to discuss grievance matters.

Upon resumption of the open session, motion was made, seconded and carried to file formal complaints against individuals for non-response to Peer Review.

Motion was made, seconded and carried to enter into a stipulated agreement in complaint matter N-09-10 in lieu of a disciplinary hearing for failure to comply with the professional standards during the engagement of a governmental audit. Proposed provisions would include (1) firm to stipulate that specified office would no longer perform audits; (2) if firm were to enter into an engagement for audit work, then a pre-release review would be required; (3) payment of a \$5000 fine; (4) payment of investigation and attorney's costs incurred in the matter of \$5000. Board member Harry Parsons abstained from the vote.

Motion was made, seconded and carried in complaint matter S-09-13, Ronald V. Harris, to grant a re-hearing at the Board's May 3, 2010 meeting. Mr. Harris is further advised to comply with the current disciplinary order that includes payment of fines and attorney's fees as well removal of any use of the CPA designation prior to the next scheduled hearing.

Motion was made, seconded and carried to close complaint matter F-09-4 based on information received.

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Agenda Item 8A: Recess into a closed session Full Board Disciplinary Hearing against the following:

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|----|--------------------------------------|-----------------|
| A. | Tanya McCaffery, CPA – The CFO Group | 10:00 AM |
| B. | Daniel Allen, CPA – The CFO Group | 11:00 AM |

Motion was made, seconded and carried to go into closed session to conduct a full board disciplinary hearing against the above named individuals.

Agenda Item 8B: Reconvene into open session for Board Determination of the matters concerning the above.

Upon resumption of the open session, motion was made, seconded and carried to approve the following:

Tanya M. McCaffery, CPA Certificate No. 3454 for failure to comply with the professional standards during the engagement of a governmental audit. The Board approved a Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision that included the following provisions: (1) Ms. McCaffery shall complete 16 hours of Continuing Education in the area of Governmental Auditing. The courses must be taken in a classroom setting (not in house or self study) and be completed by September 30, 2010; (2) receive a formal letter of reprimand; (3) pay a fine of \$1250; and (4) compensate the Board for its attorneys fees incurred in the matter of \$980.

Daniel T. Allen, CPA Certificate No. 2654 for failure to comply with the professional standards during the engagement of a governmental audit. The Board approved a Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision that included the following provisions: (1) Mr. Allen shall complete 16 hours of Continuing Education in the area of Governmental Auditing. The courses must be taken in a classroom setting (not in house or self study) and be completed prior to September 30, 2010; (2) receive a formal letter of reprimand; (3) pay a fine of \$1250; and (4) compensate the Board for its attorneys fees incurred in the matter of \$980.

The CFO Group, Inc., Corporate Registration CORP-0447 for failure to comply with professional standards during the engagement of a governmental audit based upon the disciplinary action described above against Tanya M. McCaffery and Daniel T. Allen. Tanya M. McCaffery and Daniel T. Allen are officers, directors and shareholders of The CFO Group, Inc.

Agenda Item 9: Report of Legal Counsel

Nothing was discussed or reported under this agenda item.

Agenda Item 10: Report of Executive Director:

A. NASBA Regional Director Focus Questions
Executive Director provided the Board with the NASBA Regional Director Focus Questions. The Board reviewed the questions and provided responses.

B. Additional Recommended Changes to NAC Chapter 628
Executive Director provided the Board with recommended changes.

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Agenda Item 10 Con't:

C. Certificate of Attest Experience Forms – Additional Modifications
Executive Director discussed the Certificate of Attest Experience forms with additional changes.

D. Board Meeting Materials
Executive Director discussed providing Board meeting materials to the Board members in electronic format. The Board discussed and directed staff to provide both on-line and in paper format.

Agenda Item 11: Report of 2010 Certificate of Attest Experience Form Review
– Bonnie Houldsworth, CPA

The Board reviewed the report of the 2010 Certificate of Attest Experience Form as provided by Bonnie Houldsworth, CPA. The Board asked a variety of questions to Ms. Houldsworth concerning the firms with deficiencies.

Motion was made, seconded and carried to approve the 2010 Certificate of Attest Experience Form report as provided.

Motions were made, seconded and carried in connection with the Certificate of Attest experience Review for firms with identified deficiencies. Board staff was directed to send letters requesting the appearance of the licensees that signed the experience forms for certification and the individual applicants who obtained the questioned experience at the Board's next scheduled meetings. Board members Harry Parsons and Felicia O'Carroll abstained from the vote.

Agenda Item 12: International Game Technology Internal Audit Department Approval
- Ed Miller, CPA **2:00 PM**

Ed Miller, CPA for International Game Technology (IGT), came forward to discuss the Internal Audit Departments report requirements under NAC 628.0624. Bonnie Houldsworth, CPA provided additional comments in connection with her review of the department's report.

Motion was made, seconded and carried to deny the quality review report for qualifying IGT as an approved internal department for experience as provided in NAC 628.0624. It was the Board's determination that the report as provided did not meet the standards as required within NAC 628.0624. Board member Lynda Hartzell abstained from the vote.

Agenda Item 13: Board Determination of Application for CPA Certification:
- Alzina Cua

Motion was made, seconded and carried to deny the Application for CPA Certification for Alzina Cua based on her experience within the Internal Audit Department of IGT. The Board previously denied IGT's quality review report. The Board provided guidance that the applicant could undergo an Individual Review.

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Agenda Item 14: Request Approval of Formal Complaint for Non-Payment of 2010 License Renewal Fee and Non-Compliance of the 2009 CPE Requirement for the following individuals and firms:

Allanson, Katherine	Baxter, David	Boyd, Sean	Buckner, Gerald
Carew, Glenn	Chan, Yuk	Dwyer, Joseph	Fuller, Howard
Glover, Bruce	Good, Steven	Lam, Vincent	Martindale, Robert
McCown, Timothy	Moats, Maria	Prenzno, John	Regan, Raymond
Richardson, Flint	Roberts, Scott	Soler, Carlos	Tran, Brandon
Vontz, Raymi	Williams, Daniel	Martin & Wall PC	Bookkeeping Express
Finley Accounting	David Schick, LLP	Bunning Bowman et al	Hall & Williams

Motion was made, seconded and carried to file formal disciplinary complaints against the above listed individuals and firms for failure to provide 2010 license renewal fees and 2009 continuing education. Felicia O'Carroll was assigned as Hearing Officer and abstained from the vote.

Motion was made, seconded and carried to deny the requests of Sharon Wilkerson and David Wilkerson for waiver of CPE Penalties in connection with obtaining hours outside the required calendar year.

Agenda Item 15: Board approval of Employment Agreements:

A. Bonnie Houldsworth, CPA

Motion was made, seconded and carried to approve the contract for Bonnie Houldsworth subject to the recommended changes.

B. Jay Schmitt

Motion was made, seconded and carried to approve the contract for Jay Schmitt as provided.

Agenda Item 16: Report of President

Quality Review Procedures

Board member Glenn Bougie discussed the quality review procedures for approved government agencies and internal audit departments. Board members Harry Parsons and Felicia O'Carroll and investigator Bonnie Houldsworth will draft a letter to the approved government agencies and internal audit departments regarding required standards.

The Board discussed the need to hire outside legal counsel during investigations that require additional legal attention. Therefore, allowing current legal counsel to maintain independence when representing the Board during disciplinary hearings.

Agenda Item 17: Public Comment 1:30 PM

No items were discussed under this agenda item.

Agenda Item 18: Next Board Meeting: May 3, 2010 Las Vegas