

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes
April 25, 2001

An open meeting of the Nevada State Board of Accountancy was called to order at 9:00 A.M. by President David Turner, on Wednesday, April 25, 2001 at 3773 Howard Hughes Pkwy, Suite 490N, Las Vegas, Nevada.

Board Members Present:

David W. Turner
Donald L. Muckel

Karl M. Brunner
Michael J. Small

Raja Mourey
Ronald L. Smith

Board Members Absent:

Sydney Wickliffe

Board Staff Present:

N. Johanna Bravo, Executive Director
Todd Russell, Counsel
Viki A. Windfeldt, Assistant Director

Agenda Item 1: Approval of March 7, 2001 Board Meeting Minutes

Motion was made, seconded and carried to approve the March 7, 2001 board meeting minutes as amended.

Agenda Item 2: Grievance Report and Grievance Matters.

Motion was made, seconded and carried to go into closed session to discuss grievance matters. Ronald Smith opposed the vote.

Upon resumption of the open session a motion was made, seconded and carried to close complaint matter S-00-11, Patricia Sanchez subject to staff monitoring. David Turner as Liaison abstained from the vote.

Don Muckel was assigned as Liaison in complaint matter N-00-1.

Agenda Item 3: Report of Counsel

Todd Russell briefly summarized a variety of bills brought before the legislature that could have a slight impact to this board.

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Agenda Item 4: Applications for Certification:

Motion was made, seconded and carried to approve the applications for CPA certification for the following individuals:

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|----|---------------|----|----------------|----|-------------------|
| A. | Suzanne Chiu | B. | Dorothy Dexter | C. | Richard Gallagher |
| D. | Derek Giles | E. | Perry Goldberg | F. | Samantha Rudder |
| G. | Patrick Tabor | H. | Tiffany Smith | | |

Frederick Zaffarese came forward to discuss his application for CPA certification. The board reviewed the application with regard to Mr. Zaffarese's experience. It was determined that an individual review would be required prior to approval of the application. Motion was made, seconded and carried to defer the application for CPA certification until an Individual Review has been conducted. Karl Brunner was assigned to conduct the Individual Review of Mr. Zaffarese experience.

The board office has received another request for individual review for Christopher Beard. The board appointed John Rhodes to conduct the Individual Review of Mr. Beard's experience.

Agenda Item 5: Request for Inactive/Retired Status:

Motion was made, seconded and carried to approve the requests for Inactive Status for Rachel Breit and Lisa Sadow.

Agenda Item 6: Review of Income & Expense Statement.

The board reviewed the Income & Expense Statements for the months February & March 2001.

Agenda Item 7: Bills Paid since last board meeting.

Motion was made, seconded and carried to approve the bills paid in February by check numbers 4471 through 4507 including checks 4489 & 4490 totaling \$184,983.37 and in March by check numbers 4508 through 4563 totaling \$31,420.30.

Agenda Item 8: Review of Temporary Permits

The board reviewed the current list of Active Temporary Permits.

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Agenda Item 9: Executive Director Report.

Executive Director brought to the board's attention that the Mirage's Internal Audit Department, an approved provider for experience, was under a six month extension in order to meet the requirements of NAC 628.0624(2)(a) concerning the external quality control review. No report has been received. Craig Robbins, CPA and previous director of the Mirage Internal Audit Department advised that due to a merger with the MGM, the Mirage Internal Audit Department no longer exists. Mr. Robbins requested consideration for approval of the MGM Internal Audit Department, however, the director is not a CPA. The board confirmed that the regulation requires the director be a CPA which would prohibit approval. Motion was made, seconded and carried to identify the individuals participating in the Mirage program and to notify them that the program is not considered a qualified program after December 31, 1999.

Executive Director requested direction regarding the Out of State Proctoring requirements. The board discussed the current requirements and directed staff to prepare regulation change to increase the out of state proctoring fee \$75 to \$250. All of the other requirements will remain the same.

Executive Director advised the board that comments regarding Briefing Paper #2 will be requested at the next board meeting.

Executive Director requested comments of the board regarding the upcoming NASBA CPA Examination Conference. Karl Brunner was appointed as the voting member as he will be attending the conference. The board indicated they were not opposed to removing the essay questions and were in favor of postponing the target date of November 2003 if problems have not been resolved. The board stated that Prometric could have our examinee information only if it is going to be used for examination security purposes.

The board scheduled proctor assignments for the May 2001 CPA Examination.

Agenda Item 10: Request approval to return to Active Status – Devin McDonald

Motion was made, seconded and carried to approve the request of Devin McDonald to return to active status.

Agenda Item 11: Request approval of CPE exemption based on medical condition

The board reviewed a letter of request for 2001 CPE exemption from Jim Beshear based on medical condition. Motion was made, seconded and carried to approve Mr. Beshear's request. Upon license renewal for calendar year 2002 a minimum of 40 CPE hours will be required.

Agenda Item 12: Request approval of staff & board member attendance at NASBA Regional Conference May 30 – June 1, 2001.

Motion was made, seconded and carried to approve staff and board member attendance at the NASBA Regional Conference May 30 – June 1, 2001.

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Agenda Item 13: Request board discussion and consideration of 150 hour requirement – Jeffrey Share 9:00AM

Jeffrey Share came forward to discuss the requirements of the 150-hour requirement and requested board consideration of his education to sit for the November 2001 CPA examination. The board discussed the issue and reviewed Mr. Share's transcripts. Motion was made, seconded and carried to approve the classes Financial Management and Business Finance for application to the accounting elective portion of the 150-hour requirement. In addition, Mr. Share may continue sitting for the CPA Examination in November 2001.

Agenda Item 14: Item Removed from Agenda

This item was removed from the agenda

Agenda Item 15: CPE Audit Report 1998, 1999, 2000

The board reviewed the CPE Audit report for the years 1998, 1999, and 2000 as provided by the Executive Director. Motion was made, seconded and carried to approve the report as provided.

Board discussed the individual who did not respond to the Audit and considered issuing a CPE Administrative Complaint allowing 60 days to make-up the CPE shortage.

Agenda Item 16: Consideration of Nevada Society of CPAs proposal for Peer Review Program 10:00AM

Dennis Meservy, Diane Ruud, and Diane Conant representing the Nevada Society of CPA's and John Rhodes Practice Enhancement Coordinator for the Board of Accountancy came forward to discuss the Society's proposal for peer review requirements of all licensees.

Ms. Ruud summarized the proposal regarding the peer review program. It was stated that by requiring a peer review it would eliminate unfair competition. Mr. Meservy also provided additional information regarding the proposal. Ms. Conant is a technical reviewer for the Society and also teaches courses on how to become a reviewer. Ms. Conant provided information regarding the technical aspects of a review.

Todd Russell, legal counsel, indicated under the proposal the board's program would not exist and that licensees would have to go through the society for the review.

Mr. Rhodes provided the board with statistical information from the Board's current Practice Enhancement Program (PEP). In addition, Mr. Rhodes summarized the cost increases for licensees if the Society's proposal were in place.

Ms. Conant described the differences between the current PEP program and a peer review. The PEP program does not look at work papers or quality control.

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Agenda Item 16 Continued

The board asked a variety of questions regarding the cost of the proposed program and information regarding the PEP program.

Mr. Russell advised that no legislative change would be required, however substantial changes would be required in regulation.

Board Members requested information regarding their concerns in the following areas:

- Confidentiality and responsibility
- Demonstrated need for the program
- Someone is being targeted and who is that
- More information regarding the costs involved
- Does the Society have support from its members
- Detail on definition of "leveling the playing field".

Motion was made, seconded and carried to pursue the issue further and hold hearings for licensee comments. Ronald Smith opposed the vote.

Board staff was directed to place the issue on the agenda for comment at the next scheduled Board meetings on June 13th in Reno and July 18th in Las Vegas. In addition, staff was directed to send a notice to all licensees regarding the proposal.

Agenda Item 17: Request consideration of change to CPE Administrative Complaint Policy.

The board reviewed the amended CPE Administrative Complaint Policy. Staff indicated that it becomes cumbersome tracking the individuals based on the issue date of the complaint and proposed penalties that coincide with fixed extension periods. Motion was made to amend the policy to include the following extension periods and penalties (the penalties are cumulative):

January 1 st – 31 st	(30 Days)	Penalty \$100
February 1 st – April 1 st	(60 Days)	Penalty \$250
April 1 st – June 1 st	(60 Days)	Penalty \$500

Motion to include any prior delinquencies in previous 2 years, penalties increase by 50%. Motion died for lack of a second. Motion was made, seconded and carried to approve the extension periods and penalties as provided above and remove the prior delinquency information.

Agenda Item 18: Request Approval of Formal Complaint for Non-Payment of 2001 License Renewal Fee and Non Compliance of 2000 CPE Requirement.

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Agenda Item 18 Continued

Motion was made, seconded and carried to file formal complaint against the following individuals for failure to pay 2001 license renewal fees and comply with the 2000 CPE requirement. Donald Muckel was appointed as Hearing Officer and abstained from the vote.

David Barr	Donna Barrett	Laura Bunch
Mona Cunanan	Jeffrey Dahl	Glenn Day
Robert Evans	Gary Farnsworth	George Folsom
Kenneth Garelick	Yossi Jakubovits	Tristan Kaatze
Lynne Kindle	Ina Levitzky	Robert Martindale
Gregory Moser	Louis Musso	James Pace
James Scheifley	Mark Schreiner	Gregory Stamberger
Mark Thompson	Nancy Van De Beuken	Shane Van Veldhuizen
Mark Vetter	David Williams	Larry Willis
William Woodring	Nazzi Zola	Archie Granata

Agenda Item 19: Request Formal Complaint for Non-Response to the CPE Administrative Complaint Procedure:

Motion was made, seconded and carried to approve the request for formal complaint for non-response to the CPE Administrative Complaint against the following individuals. Donald Muckel was appointed as Hearing Officer and abstained from the vote.

A. Jamie Cook	B. Robert Schindler	C. Gordon Simmonds
D. Sharon Swander		

Agenda Item 20: President's Report

David Turner discussed the issue regarding Alternative Business Structures. Mr. Turner indicated the current guidelines should possibly be placed in regulatory or statutory language.

Agenda Item 21: New Business

No Items were discussed under this item.