

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes

September 17, 2013

An open meeting of the Nevada State Board of Accountancy was called to order at 8:00 A.M. by President, Lisa Milke, on Tuesday, September 17, 2013 at Deloitte & Touche LLP, 3883 Howard Hughes Pkwy #400, Las Vegas, Nevada.

Board Members Present:

Lisa L. Milke, President
Robert C. Anderson
Felicia R. O'Carroll

Benjamin C. Steele, Secretary/Treasurer
Colleen M. Bacchus
Harry O. Parsons
Glenn D. Bougie

Board Staff Present:

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.

Public Comment Section: In accordance with NRS 241.020 Public Comment will be taken prior to the beginning of the meeting.

Note: No one was present for this section of the public comment agenda item

*1. Approval of July 18, 2013 Board Meeting Minutes
(For Possible Approval):

*2. Approval of Applications for Certified Public Accountant – Non Appearance
(For Possible Approval):

Reas Allen	Dustin Barnhurst	Sarah Bilant	Amber Brockelsby
Deborah Brown	Ann Cavaco	William Cox	Kenneth Crabtree
Christopher Darakjian	Marine Davtian	Thomas Donohue	John Georger
Alison Guill	Kristina Hann	Evangeline Hidalgo	Melissa Johnson
Lauren Jones	Kelly Li	Mimi Liu	Ashlee Lum
Ellen Luu	Craig Moir	Phillip Moore	Andrea Moser
Ryan Moser	Chad Ohira	Sunyoung Park	Albert Priester
Laurie Rikke	James Ripsom	Kurt Schlicker	Jeremy Seymour
Ronald Singerman	Wesley Smith	Kaitlynn Tsai	Amanda Waier
Jelena Williams	Sara Youngs		

*3. Approval of Change to License Status (For Possible Approval):

Retired Status:	Patricia Cherry	Grady Cooper	Burnardette Lowe Miller
	Leslee Pierce	Charles Reibel	Paul Rogers
	Michael Roop		
Return Active:	Christopher Barton	J. Frank Fisher	Gabrielle Houston

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- *4. Approval of Finances *(For Possible Approval)*:
 - A. Treasurer's Report
 - B. Proposed Fiscal Year 2013/2014 Budget

Note: No items scheduled for agenda items 5, 6 and 7.

The consent agenda and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve consent agenda items 1-4. The following Board Members abstained from voting on Approval of Applications for Certified Public Accountant: Colleen Bacchus for D. Barnhurst, W. Cox, C. Darakjian, T. Donohue, A. Guill, K. Hann, M. Johnson, P. Moore, A. Waier. Felicia O'Carroll for J. Ripsom, and K. Schlicker. Ben Steele for L. Jones.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

Agenda Item 8: Grievance Report and Grievance Matters *(For Possible Approval)*

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.

- A. 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 a formal complaint in matter N-12-13, Alan Rosenthal for failure to comply with the provisions of the Board's previous decision. Board Liaison Glenn Bougie abstained from the vote.

Motion was made, seconded and carried to close complaint matter N-13-6 based on withdrawal of complaint and resolution.

Motion was made, seconded and carried to close complaint matter N-13-7 based on resolution. Board Liaison Glenn Bougie abstained from the vote.

Motion was made, seconded and carried to close complaint matter N-13-8 based on lack of cause and jurisdiction. Board Liaison Glenn Bougie and Board Member Colleen Baccus, abstained from the vote.

Motion was made, seconded and carried to dismiss complaint matter S-13-12 based on withdrawal of complaint matter. Board Liaison Robert Anderson abstained from the vote.

Motion was made, seconded and carried to close complaint matter S-13-13 based on resolution.

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Agenda Item 8 (Cont.)

Motion was made, seconded and carried to close complaint matter N-13-10 based on resolution. Board Liaison Glenn Bougie abstained from the vote.

Motion was made, seconded and carried to file a Formal Complaint against Richard Gallagher for failure to comply with the CPE requirements.

Motion was made, seconded and carried to close complaint matter F-13-2 based on response provided and assurances made.

Motion was made, seconded and carried to close complaint matter F-13-6 based on response provided and assurances made.

Motion was made, seconded and carried to close the following non-license complaint matter:

NN-13-4 Tommy Patrick Unable to Locate

B. Board Review and Approval of Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision: Russell Garrett, CPA
(For Possible Approval in open session)

Motion was made, seconded and carried to approve a Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Consent Decision in complaint matter S-13-5, Russell Garrett with the following provisions:

- (1) Complete 16 hours of CPE in the area of project management, engagement letters and compilation/review by December 31, 2013;
- (2) Payment of Board's investigative costs of \$1,480 and attorney's fees incurred of \$500 due within 30 days of the approved stipulation;
- (3) Failure to comply with the provisions will result in automatic revocation of license;
- (4) Decision will be published.

C. Board Discussion: Carl Wolters, CPA **Appearance 10:00 AM**

The Board requested Mr. Wolters appearance at the meeting to discuss a complaint matter filed. Mr. Wolters was unable to appear. In complaint matter S-11-16, motion was made, seconded and carried to file a formal complaint and notice of hearing against Mr. Wolters.

Agenda Item 9: Report of Legal Counsel *(Discussion Only):*

Board counsel provided an update to the Board concerning ongoing legal matters.

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Agenda Item 10: Report of Executive Director *(For Possible Approval)*:

A. Board Member Terms

The Board was provided with information regarding the two upcoming Board Member positions as the terms for Glenn Bougie and Felicia O'Carroll will be expiring this year. Board Member Ben Steele's position is up for re-appointment. The Society has forwarded the required list of names to the Governor for his consideration in the appointments to the Board. The Board reviewed the information provided.

B. Proposed Travel Policy Statement

The Board requested a policy statement be drafted in connection with Board Member travel to conferences. The Board reviewed the statement and discussed the matter. Motion was made, seconded and carried to approve the statement with amendments.

C. Experience Determination

Board staff has received numerous questions regarding the change in experience required for licensure. The Board was provided with scenarios concerning accounting departments within a government agency. Staff requested additional clarification in connection with this type of experience. The Board determined that the qualifying experience must be in both accounting and auditing.

D. NASBA Focus Questions

The Board was provided with the NASBA Regional Director Focus Questions. The Board reviewed the questions and provided the applicable feedback for response.

E. NASBA Proposed Amendments to Bylaws

The Board was provided with the NASBA Proposed Amendments to the Bylaws. It was determined that no comments or response is needed.

F. NASBA/AICPA Exposure Draft – Uniform Accountancy Act

The Board was provided with the NASBA/AICPA Exposure Draft of the Uniform Accountancy Act. It was determined that no comments or response is needed.

Agenda Item 11: Board Request for Waiver of Specific Educational Credits
Katherine Marck *(For Possible Approval)*: **Appearance 9:30 AM**

Ms. Marck came forward to discuss her request for Board consideration to waive specific educational credits. Ms. Marck provided the Board with information regarding her education and successful passage of the CPA Exam. The Board reviewed the information provided and discussed the matter with Ms. Marck.

It was determined that the Board does not have authority to waive the education requirements outside of the reciprocity waiver as authorized in law. Motion was made, seconded and carried to deny the request of Katherine Marck based on her education not meeting Nevada's requirements.

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Agenda Item 12: Board Review and Determination of Application for Certified Public Accountant – Howard P. Fuller *(For Possible Approval):*

The Board reviewed the information provided in connection with the application for Certified Public Accountant for Howard Fuller. It was noted that Mr. Fuller had previously been licensed by the Board. Based on the information provided, motion was made, seconded and carried to approve the application and a Consent Order that provides provisions for future compliance.

Agenda Item 13: Board Approval of 2013 Certificate of Attest Experience Review Reports *(For Possible Approval):*

The Board was provided with the 2013 Certificate of Attest Experience Review Report as performed by Board Investigator Patrick Thorne, CPA. Motion was made, seconded and carried to approve the reports with recommended amendment.

Agenda Item 14: Board Approval of 2013 Practice Monitoring (Peer Review) Report *(For Possible Approval):*

The Board was provided with the 2013 Practice Monitoring (Peer Review) Report. Motion was made, seconded and carried to approve the report as provided.

Agenda Item 15: Board Approval of 2014 Board Meeting Schedule *(For Possible Approval):*

Motion was made, seconded and carried to approve the following 2014 Board meeting dates and locations:

January 15, 2014	Las Vegas	March 19, 2014	Reno
May 14, 2014	Las Vegas	July 16, 2014	Reno
September 17, 2014	Las Vegas	November 19, 2014	Reno

Agenda Item 16: Board Request Use of Accounting in Firm Name – Non Licensee *(For Possible Approval):*

The Board was provided with a request for use of the Accounting term within the business name. Based on the activity associated with financial functions of business the term is considered protected language for use by CPAs only. It was the determination of the Board that the Board's Statute does not allow for the approval of the business name.

Agenda Item 17: President's Report *(For Possible Approval):*

Board President Lisa Milke presented plaques to retiring Board Members Glenn Bougie, CPA and Felicia O'Carroll, CPA, in recognition for their outstanding service to the Board over the past six years. Both Mr. Bougie and Ms. O'Carroll held officer positions of Secretary/Treasurer and President during their tenure with the Board. The Board appreciated all of their time and commitment to the regulation of the profession.

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Agenda item 18: Next Board Meeting: November 19, 2013 Reno, NV

◆ ◆ ◆ ◆ W O R K S H O P - 1:00 PM ◆ ◆ ◆ ◆

Agenda Item 19: **Proposed Regulation Amendment Workshop –**

The purpose of the workshop is to receive comments from interested persons regarding the adoption, amendment and repeal of regulations that pertain to Chapter 628 of the Nevada Administrative Code. The two regulations to be considered are described as follows:

(A) R031-13 a regulation adopting the temporary regulations previously approved June 12, 2013, for permanent adoption. The language provides for experience requirements for certification of a certified public accountant, the provisions for verification of experience and continuing professional education.

(B) R046-13 is a separate regulation adopting amendments to clean up and modify other provisions of the Board's administrative regulations and for the repeal of certain provisions of the Board's administrative regulations which are no longer necessary.

The Board of Accountancy conducted a public workshop to consider the proposed regulations to Nevada Administrative Code (NAC) Chapter 628.

Karen Peterson, Board Legal Counsel, summarized the proposed language changes.

The following individuals came forward to provide oral testimony and discuss the intent of the proposed regulation changes within R031-13 with the Board:

Doug Winters	Bradshaw Smith & Co.
Larry Bertsch	Larry Bertsch, CPA
Beth Mercier	Summit Consultancy Group
Daniel Gerety	Gerety & Associates, CPAs
Gayle Stephens	GT Stephens CPA PC
Gary Johnson	Johnson Johnson Jacobson Wilcox
Kerry-Marie O'Brien	Ellsworth Gilman & Stout
Stephen Waldron	Layton Layton & Tobler LLP
Barry Herr	Barry Herr CPA - Nevada Society of CPAs
Ramin Nahoraof	Wallace Newman Verville LLP

The following individuals provided written comments in connection with the proposed regulation changes:

Richard Layton, CPA	Layton Layton & Tobler LLP	Louis Dean, CPA
Donald Layton, CPA	Layton Layton & Tobler LLP	Mark Alden, CPA

Public Comment Section: In accordance with NRS 241.020 Public Comment will be taken prior to the adjournment of the meeting.

Note: No one was present for this section of the public comment agenda item