

NEVADA STATE BOARD OF ACCOUNTANCY
Minutes
November 13, 2019

An open meeting of the Nevada State Board of Accountancy was called to order at 8:00 A.M. by President, Candace Johnson, November 13, 2019 at the offices of the Nevada Society of CPAs, 5422 Longley Lane, Suite A, Reno, Nevada.

MISSION STATEMENT

The mission of the Nevada State Board of Accountancy is to protect the welfare of the citizens of the State of Nevada by assuring the competency of persons licensed as Certified Public Accountants (CPAs) and compliance with professional standards by registered CPA firms.

Board Members Present:

Candace Johnson, President	Michael E. Davis, Secretary/Treasurer
Kerry Eaton	Nicola Neilon Jannet Vreeland

Board Members Absent:

L. Ralph Piercy	Brian Wallace
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Board Staff Present:

Karen Peterson, Counsel
Viki A. Windfeldt, Executive Director
Leslie C. Walsh, Deputy Director

- A. Call to Order, Roll Call and Establish a Quorum
- B. **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.

◆ ◆ ◆ ◆ 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 September 11, 2019 Board Meeting Minutes *(For Possible Action)*
- *2. Approval of Applications for Certified Public Accountant – Non-Appearance *(For Possible Action):*
- | | | | |
|-------------------|------------------|----------------------|------------------|
| Lidia Caceres | Weng Chieng Chan | Kevin Curry | Lourdes Decastro |
| Daniel Dinev | Chad Gibbons | Ian Hanuscin | Lee Hernandez |
| Harold Kliegman | Tanner Larsen | Genny Lee | Yu-Chen Liu |
| Minda Lourence | Gabriel Martinez | Christopher McCarthy | |
| Morgan McClintock | Dennis Minster | Cynthia Nutter | Zihong Pacheco |
| Mark Patterson | Sharone Pistole | Andrew Steel | Rylee Winkler |

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

<u>Retired Status:</u>	Ronald Reinschmidt	Kathy Zeller
<u>Inactive Status:</u>	Carol Kresse	Agiimaa Tsogt
<u>Return Active:</u>	Jeffrey Mohlenkamp	
- *4. Approval of Finances *(For Possible Action)*
 - A. Monthly Income & Expense
- *5. Board Approval of Fictitious Name Use: *(For Possible Action)*
 - A. IOA Valley CPA & Consulting
 - B. Firmament Financial
 - C. Carson Tahoe Tax Services
 - D. Cross Plains Advisors
- *6. Board Approval of CPA Examination Scores *(For Possible Action)*
- *7. Board Approval of attendance at the NASBA Executive Director & Legal Counsel Conference – March 16 – 18, 2020 *(For Possible Action)*

The consent agenda and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve the consent agenda items.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

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

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 or disciplinary action considered by the board.

- A. Review of Grievance Report *(For Possible Action)*

Motion was made, seconded and carried to close complaint matter I2019.007 based on lack of cause.

Motion was made, seconded and carried to close the following Firm complaint matters based on assurances provided: F2019.009, F2019.11, F2019.013, F2019.014.

Motion was made, seconded and carried to dismiss Firm complaint matter F2019.12 based on lack of cause.

- B. Hearing Officer Recommendations based on scheduled hearings held November 12, 2019 against Craig Seiden and Steven Spooner for failure to comply with the 2018 Continuing Education Requirements *(For Possible Action)*

Agenda Item 8B Con't

Motion was made, seconded and carried to approve the recommendation of the Hearing Officer to revoke the following CPA licenses of Craig Seiden and Steven Spooner for failure to comply with the 2018 continuing education requirements. Board member Michael Davis abstained from this agenda item.

Motion was made, seconded and carried to dismiss the following complaints based on compliance for Perry Morgan, Agiimaa Tgost, Shinyu Kemper, Randy Lund and Isaac Peace.

C. Board Review and Determination on Stipulated Findings of Fact, Conclusions of Law, Disciplinary and Consent Order for Steven Coffey, John Rader and Coffey & Rader CPAs *(For Possible Action)*

Motion was made, seconded and carried to approve the Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order & Decision for Steven Coffey, John Rader and Coffey & Rader CPAs with the following provisions:

1. COFFEY's Certified Public Accountant's Certificate No. 1839R, RADER's Certified Public Accountant's Certificate No. 6210R, and COFFEY & RADER's registration CORP-0373 shall be placed on probation until COFFEY & RADER is readmitted to the AICPA Peer Review Program and it completes a Peer Review with a pass.
2. Within thirty (30) days of the date of this Consent Order, Respondents shall provide to the Board evidence and documentation of enrollment with the AICPA Peer Review Program through the Nevada Society of Certified Public Accountants ("Society").
3. Respondents shall pay a fine of \$5,000.00 and pay the Board's investigative and attorney's fees and costs of \$2,365.00 associated with this Consent Order within thirty (30) days of the date of the Consent Order.
4. Respondent COFFEY will complete an additional 16 hours of continuing education, 4 hours in auditing and benefit plans and the remaining 12 hours in financial reporting by December 31, 2019. Proof of Completion of the continuing education shall be provided to the Board with Respondent COFFEY's 2020 annual renewal.
5. Respondent RADER will complete an additional 16 hours of continuing education, 4 hours in auditing and benefit plans and the remaining 12 hours in financial reporting by December 31, 2019. Proof of Completion of the continuing education shall be provided to the Board with Respondent RADER's 2020 annual renewal.
6. Within thirty (30) days of the date of the Consent Order, Respondents will provide the Board with a list of current attest clients. Respondents will inform the Board of any new attest engagements during the probationary period within thirty (30) days of acceptance of the engagement.
7. Respondents agree to pre-release reviews by a licensed certified public accountant for any attest work as defined in NRS 628.005 from the date of issuance of the Board's Consent Order until the probationary period ends. The cost of the pre-issuance reviews shall be borne by Respondents. The certified public accountant preparing the pre-issuance reviews for Respondents shall be approved by the Board. Respondents shall submit engagement quality review reports to the Board within thirty (30) days of the issuance of each report.

Agenda Item 8C Con't

8. Respondents will provide the Board with copies of any existing correspondence that Respondents have not already provided to the Board, as well as any future correspondence with the AICPA or the Nevada Society of Certified Public Accountants regarding this matter within ten (10) days of its date. The discipline imposed on COFFEY & RADER shall be binding upon and apply to any successors or assigns of COFFEY & RADER if such successors or assigns include COFFEY & RADER as an owner, member, manager, principal or person who has supervisory authority over accounting or attest matters.
9. Respondents' failure to comply with any of the terms and conditions of this Stipulated Findings of Fact, Conclusions of Law, Disciplinary and Consent Order shall result in the automatic revocation of Respondents' certificate and registration without any further action by or proceeding before the Board.
10. This Decision will be published in accordance with NAC 628.450.

D. Board Review and Determination on Stipulated Findings of Fact, Conclusions of Law, Disciplinary and Consent Order for Bret Whipple and Whipple CPA
(For Possible Action)

Motion was made, seconded and carried to approve the Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order & Decision for Bret O. Whipple, CPA with the following provisions:

1. Respondent BRET O. WHIPPLE's Certified Public Accountant's Certificate No. 3065R, shall be placed on probation until Respondent is readmitted to the AICPA Peer Review Program and Respondent completes a Peer Review with a pass with no deficiencies. Probation will terminate provided Respondent complies with paragraphs 2 – 11 below.
2. Within ten (10) days of the date of this Stipulated Disciplinary Order, Respondent shall provide a list of clients and work performed for each client to the Board. The list will be maintained as confidential by the Board.
3. Respondent, within ten (10) days of the Stipulated Disciplinary Order, shall provide evidence and documentation of enrollment with the Peer Review program through the Nevada Society of Certified Public Accountants ("Society").
4. Respondent shall notify the Board within ten (10) days of entering into any attest engagements during the probation period, including any existing attest engagements being performed prior to date of the Stipulated Disciplinary Order. If performing attest engagements during the probation period, Respondent agrees to pre-release reviews by a Nevada licensed certified public accountant in good standing for any attest work as defined in NRS 628.005 from the date of this Stipulated Disciplinary Order until a clean Peer Review is obtained. Respondent shall pay all costs associated with all pre-release reviews. The Nevada certified public accountant preparing the pre-release reviews for Respondent shall be approved in writing by the Board. Respondent shall submit engagement quality review reports to the Board within 10 days of the issuance of each report.
5. Respondent shall comply with the Board's Peer Review requirements. Respondent shall provide copies of all peer review correspondent, results, etc. to the Board within 10 days of the date of correspondence.

Agenda Item 8D Con't

6. Respondent shall not request or obtain any extensions of time for deadlines imposed by the Peer Review Administering Entity in obtaining his Peer Review.
7. Respondent shall provide the Peer Review Administering Entity with authorization to notify the Board when the following occurs: (a) the peer review information has been completed; (b) when the scheduling has been completed; (c) when the review has been received from the reviewer and submitted to technical review; and (d) when the review is placed on the Peer Review Administering Entity's Review Acceptance Body's ("RAB") agenda.
8. Respondent shall promptly respond to all communications from the Society and the Board during the probation period.
9. Respondent's failure to comply with any of the terms and conditions of this Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision shall result in the automatic revocation of Respondent's certificate without any further action by or proceeding before the Board.
10. The discipline imposed on Respondent shall be binding upon and apply to any firm Respondent may form during the probation period if Respondent is an owner, member, manager, principal or person who has supervisory authority over accounting or attest matters. This provision shall also be binding upon the successors or assigns of any such firm formed by Respondent during the probation period.
11. Respondent shall pay the Board's attorney's fees for the drafting of the formal Complaint and Order to Show Cause and the Stipulated Disciplinary Order in the amount of \$715.
12. This Decision will be published in accordance with NAC 628.450.

Agenda Item 9: Report of Legal Counsel (*For Possible Action*)

No items were discussed under this agenda item.

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

Administrative Projects:

A. Review of Monthly Board Statistics

Executive Director provided the Board with a report of the monthly Board office statistics of the administrative details since the last Board meeting.

B. Nevada State Required Reporting Monitoring Update

Executive Director provided the Board with an updated report for the Nevada State Required Reporting document.

C. Board Review & Approval of Draft Strategic Plan

Executive Director provided the Board with the amended draft Strategic Plan for Board review and approval. Motion was made, seconded and carried to approve the document as provided.

Agenda Item 10 Cont.

D. Board Review & Approval of Draft Response to SCR6 Interim Legislation
Executive Director provided the Board with the amended SCR6 Response document for review and approval. Motion was made, seconded and carried to approve the document as provided.

Miscellaneous Items:

E. Board finalized Administrative Policy Manual
Executive Director provided the Board with the updated and finalized Administrative Policy Manual for informational purposes.

F. State Executive Branch Audit Committee – Phase I Audit Report & EBAC
November 7, 2019 Meeting Update
Executive Director provided the Board with an update following the Executive Branch Audit Committee's November 7th meeting.

G. NASBA Annual Meeting Follow Up
Executive Director and members of the Board discussed the topics that were outlined during the NASBA Annual Meeting.

H. Board Approval for Compliance with AB319
Executive Director provided information to the Board regarding the Boards plan for compliance with AB319 that includes draft regulatory language as discussed under agenda item 13. Motion was made, seconded and carried to approve the policy for Petition of Criminal History.

Agenda Item 11: Board Review and Determination on possible settlement in Case No. 19-CV-0258 In the Ninth Judicial District Court of the State of Nevada, In and For the County of Douglas, entitled *Nevada State Board of Accountancy vs. Richard J. Peters, Jr., and Richard J. Peters, Jr. & Co., CPA's* which may include approval of proposed Stipulated Findings of Fact, Conclusions of Law, Disciplinary and Consent Order for possible Licensure as a Certified Public Accountant for Richard Peters, Jr. *(For Possible Action)*

(Closed Session may be held pursuant to NRS 241.015(3)(b)(2) to receive information from the Board's attorney and to deliberate toward a decision on the matter but no action will be taken in closed session)

Appearance 10:00 AM

Mr. Peters appeared before the Board to offer an explanation and answer a variety of questions asked by Board members. This matter was deferred to the January 15, 2020 Board meeting. Board member Nicola Neilon was not present for the discussion of this matter.

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Agenda Item 12: National Association of State Boards of Accountancy (NASBA)
Update
Daniel J. Dustin, CPA, Vice President, State Board Relations
Appearance 8:00 AM

Daniel Dustin, Vice President Stat Board Relations of NASBA attended the Board meeting and provided information regarding the various issues being addressed at the national level concerning the regulation of certified public accountants.

Agenda Item 13: Approval of proposed amendments to Nevada Administrative Code for submission to the Legislative Counsel Bureau and Scheduling of Public Workshop/Hearings (*For Possible Action*)

Legal Counsel Karen Peterson provided the Board with draft regulatory language for updates to Nevada Administrative Code Chapter 628. The updates include authorization of staff to issue licenses with formal ratification at the Board's meetings. Additional update includes language for compliance with AB319 which requires the Board to develop a process for individuals requesting review of their background prior to submitting an application. And lastly, a process for petition of declaratory orders. Motion was made, seconded and carried to approve the draft language for submission to the Legislative Counsel Bureau.

Agenda Item 14: Approval of Fiscal Year End 2019 Financial Statements as Prepared by Eide Bailly LLP (*For Possible Action*)
Beth Farley, auditor
Appearance 8:30 AM

The Board was provided with a draft of the Fiscal Year End 2019 Financial Statements as prepared by the auditing firm Eide Bailly LLP. Beth Farley, CPA provided additional information and answered questions relating to the audit. Following the Boards review, motion was made, seconded and carried to approve the financial statements with any amendments identified following review by Michael Davis, Treasurer.

Agenda Item 15: President's Report (*For Possible Action*)

No items were discussed under this agenda item.

Agenda Item 16: Next Board Meeting: January 15, 2020 Las Vegas

C. **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.

D. Adjournment