

NEVADA STATE BOARD OF ACCOUNTANCY
Minutes
January 15, 2020

An open meeting of the Nevada State Board of Accountancy was called to order at 9:00 A.M. by President, Candace Johnson, January 15, 2020 at the offices of Snell & Wilmer, 3883 Howard Hughes Pkwy, Suite 1100, Las Vegas, 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 the registered CPA firms.

Board Members Present:

Candace Johnson, President	Michael E. Davis, Secretary/Treasurer	
Kerry Eaton	Nicola Neilon	L. Ralph Piercy
Jannet Vreeland	Brian Wallace	

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.

Anna Durst, CPA, COO Nevada Society of CPAs was present and provided an update on open Board Member positions waiting for appointment by Governor Sisolak.

◆ ◆ ◆ ◆ 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 November 13, 2019 Board Meeting Minutes *(For Possible Action)*

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- *2. Approval of Applications for Certified Public Accountant – Non-Appearance
(For Possible Action):
- | | | | |
|-------------------|-------------------------|-------------------|-----------------|
| Sher Eilyn Amay | Katrina Black | Brian Brucklacher | Eric Cosselman |
| Kathryn Dinneen | Dawn Harada | Tyler Harris | Sheila Jannusch |
| Katherine Kennedy | Maricela Martinez-Coria | | Krista McCarthy |
| William McCauley | Tanner McCaw | Jesse Menor | Yuri Naito |
| Ronald O'Neil | Jil Phinicharomna | Marissa Piccinini | Justin Sherman |
| Ana Smith | Amanda Sturgeon | Yili Sun | Frederick Terry |
| Michael Tobiason | Matthew Weller | Joshua Wright | Nga Sze Yau |
| Himanshu Zaveri | Zachary Zimbile | Gayna Zubko | |
- *3. Approval of Change to License Status *(For Possible Action):*
- Retired Status:
- | | | |
|-----------------|-------------------|-------------------|
| Michael Arata | Patricia Braganza | Karl Brunner |
| Cara Cantrell | Jeffrey Carter | Rocky Cooper |
| John Gardner | Sheila Grain | Laurie Johnson |
| Wade Johnson | Martin Jones | LuAnn Kutch |
| Ella Laden | Donald Nauss Jr. | Douglas Patterson |
| Nelson Peterson | Sherrie Rose | Narendra Shukla |
| Kris Thomas | Rebecca Shuirman | |
- Inactive Status:
- | | | |
|--------------------|-----------------|-------------------|
| Nicholas Abdelnour | Alan Bourassa | Frederick Hipwell |
| Linh Ly | Tierney McClary | Richard Neil |
| James Nyberg | Robert Reed | Audrey Richardson |
| Jihye Yoo | | |
- Return Active:
- | | | |
|---------------|--|--|
| Deanna Remark | | |
|---------------|--|--|
- *4. Approval of Finances *(For Possible Action)*
- A/B. Monthly Income & Expense (November/December)
C. Board Financial Statements FY 19/20
- *5. Board Approval of Fictitious Name Use: *(For Possible Action)*
- A. dubmac
B. Mammoth & Margin Co., Ltd.
- *6. Board Approval of CPA Examination Scores *(For Possible Action)*
- *7. No items scheduled under this agenda item

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)*

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Agenda Item 8 Continued:

Motion was made, seconded and carried to close complaint matter I2019.010 based on compliance and resolution of the matter.

Motion was made, seconded and carried to close complaint matter I2019.012 based on the matter considered to be a dispute over fees.

Motion was made, seconded and carried to close complaint matter I2019.013 based on lack of cause.

Motion was made, seconded and carried to close complaint matter F2019.003 based on the out of state firm's surrender of registration in lieu of further discipline.

Motion was made, seconded and carried to close the following complaint matters based on assurances provided by the firms: F2019.007, F2019.010, F2019.015

Board member Brian Wallace abstained from all matters under this agenda item because he is a member of the Board's enforcement committee.

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 Items:

A. Review of Monthly Board Statistics

Executive Director provided the Board with a report of the monthly Board office administrative detail statistics 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.

Miscellaneous Items:

C. Board Update Compliance with AB319

Executive Director provided the Board with an update regarding the implementation of AB319. The Board received a letter from the Department of Public Safety indicating the language in AB319 is not in compliance with Federal Law 92-544. The Board cannot request an individual to obtain a background check without an application. The Board can rely on information provided by the individual that is requesting an opinion on future licensure; however, fingerprinting cannot be performed under the current language as approved by the legislature during the 2019 session for petitions for prior criminal history opinions. Per the Department of Public Safety, the Board does not need to amend its language under Chapter 628 requiring background checks for applications for licensure. Per the Department of Public Safety, the Legislative Counsel Bureau is aware of the issue with AB319 language.

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Agenda Item 10 Continued:

D. Update required financial statements under NRS 218G.400
Executive Director provided the Board with an update regarding the issue with current language provided in NRS 218G.400 that requires professional licensing boards to obtain an audited financial statement. There is a discrepancy in Nevada Revised Statutes that requires Boards to have their audits performed under the basis of special revenue funds which require they be accounted for and presented as governmental funds. Whereas the professional standards require the audited financial reports be accounted for and presented as proprietary or enterprise funds. Contact has been made with the Legislative Auditor to suggest guidance with respect to this issue with the recommendation for possible revision to the statute so that Boards and their auditors are not placed in a position to be out of compliance with statute or the professional standards.

E. Beta Alpha Psi (UNR) Luncheon Update
Executive Director provided the Board with information regarding their prior support of Beta Alpha Psi which included a professional lunch. This includes an opportunity for the Board to provide a 40-minute presentation which includes question & answer period for attendees. Beta Alpha Psi would like to schedule the Board lunch for the spring semester. The Board was provided with a list of dates for the lunch presentation.

F. Legislative Sunset Review Committee January 10th Meeting Update
Executive Director provided the Board with an update regarding the January 10, 2020 Legislative Sunset Review Committee meeting. The meeting included a presentation by the EBAC committee where recommendation for Board consolidation was provided. The Committee also heard presentations from the Legislative Auditor, Nevada's participation in the Occupational Licensing Policy Learning Consortium and an update on the State Occupational Licensing Review and Reform Grant by the Office of Workforce Innovation. The committee selected six licensing Boards and several commissions for further review during the interim session.

G. Local Government Finance Committee – Member Appointments
The Department of Taxation has requested the re-appointment of the Certified Public Accountants that are serving on the Local Government Finance committee in accordance with NRS 354.105. The terms of Mary Walker and Beth Kohn-Cole are due to expire on March 31, 2020. Motion was made, seconded and carried to re-appointment Ms. Walker and Ms. Kohn-Cole for another three-year term to the Local Government Finance Committee.

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- 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).

This matter was previously considered at the Board's November 13, 2019 Board Meeting and was deferred to the January meeting for further information. Mr. Peters appeared at the November 13, 2019 Board meeting. Mr. Peters voluntarily did not appear for this agenda item at this meeting however Mr. Peters was available via telephone if the Board had questions.

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

Upon resumption of the open session, motion was made, seconded and carried to resolve the current court case with Richard Peters with the following proposed stipulated agreement provisions:

1. Mr. Peters to apply for a certificate and meet requirements for licensure as required by NRS 628.190 and NAC 628.110, i.e., application, fingerprints, letters of recommendation, CPE, etc. and compliance with the Board's November 16, 2016 revocation order which requires if Mr. Peters seeks to become relicensed, he will be required to provide proof to the Board of compliance with the Board's practice monitoring program, payment of civil penalty of \$1,000, payment of Board's attorney's fees of \$500 and court reporter's fees of \$150.00. The completed Application is due February 19, 2020 so the Board can consider it at the Board's March 4, 2020 meeting.
2. Mr. Peters to apply for appropriate registration for firm if applicable.
3. If a certificate and/or registration are issued, they are subject to the following terms based upon a Consent Order to be entered into between Mr. Peters and firm if applicable and the Board:
 - a. 3 years' probation. During the probation period, Mr. Peters and firm will not perform any attest work defined as audits, reviews and full disclosure compilations.
 - b. Within 10 days of Consent Order, Mr. Peters and firm to provide a list of clients and work performed for each client. The list will be maintained as confidential by the Board. Mr. Peters will provide an updated list to the Board on a quarterly basis during the probation period.

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Agenda Item 11 Continued

- c. After the probation period, Mr. Peters and firm to notify Board within 10 days of entering into any attest engagements. All attest engagements subject to pre-release review until a clean peer review is obtained. Mr. Peters and firm to pay all costs associated with pre-release review. Pre-release reviewer must be a Nevada CPA in good standing, subject to prior written approval of the Board. Mr. Peters and firm shall submit engagement quality review reports to the Board within 10 days of the issuance of each report.
 - d. After probation period, Mr. Peters and firm to comply with the Board's Peer Review requirements. If no attest engagements, agree to timely provide exemption form to the Board; if Mr. Peters and firm engage in attest work, will enroll in Peer Review within 30 days after completion of the engagement. Mr. Peters and firm to provide copies of all peer review correspondent, results, etc. to the Board within 10 days of the date of correspondence.
 - e. Mr. Peters and firm will respond promptly to all communications from the Nevada Society of CPAs and the Board during the probation period.
 - f. Normal boilerplate in the Consent Order, such as automatic revocation if violation of terms of the Consent Order, publication of discipline, etc.
 - g. Discipline binding on any successor or assigns of Mr. Peters' firm.
 - h. Payment of \$5,000 fine.
4. Resolution of issues with MGSD audits and confirmation of MGSD resolution and Mr. Peters in good standing and in compliance with the MGSD resolution to the Board's counsel by February 19, 2020.
 5. Payment of Board's attorney's fees for the Court case in the sum of \$4,358.75 and fees incurred since November 13, 2019 and service costs of \$65.00.
 6. If this is agreeable, Mr. Peters and the Board agree to continue the hearing set for January 31, 2020 to a date after March 4, 2020.
 7. If Mr. Petters agrees to the revised settlement and Consent Agreement is entered into with Mr. Peters and firm, court case will be dismissed with prejudice.

Board member Nicola Neilon was not present for the discussion of this matter and abstained from the vote because she has a conflict.

Agenda Item 12: Board Staff Personnel Performance & Compensation Review:
Viki Windfeldt and Leslie Walsh (For Possible Action)
(Closed session may be held to consider character, alleged misconduct, professional competence or physical or mental health pursuant to NRS 241.030 but no action will be taken in closed session).

The Board reviewed and discussed the staff personnel policy and the work being performed by staff. The policy is outdated in certain areas. Motion was made, seconded and carried to revise the staff personnel salary policy and provide a revised policy for Board discussion, review and possible approval at a future meeting.

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◆ ◆ ◆ ◆ W O R K S H O P - 10:00 AM ◆ ◆ ◆ ◆

Agenda Item 13: **Proposed Regulation Amendment Workshop** – The purpose of the workshop is to solicit comments from interested persons on the following general topics that may be addressed in the proposed regulations.

- A. Amendment of Nevada Administrative Code Chapter 628 required as a result of recent changes to NRS Chapter 622 by the Nevada Legislature in Assembly Bill 319 effective July 1, 2019. In addition, the proposed regulation adds certain provisions for submitting petitions for declaratory orders, advisory opinions and for the proposed adoption, amendment or repeal of regulations and provides the Board may authorize its staff or a committee of members of the Board and staff to grant certificates of certified public accountant or firm registrations to qualified individuals or public accounting firms subject to Board ratification at its next regularly scheduled Board meeting and provides for other matters properly related thereto.

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.

No individuals attended the proposed regulation amendment workshop and the Board received no comments prior to the workshop regarding the proposed regulations. The hearing on the proposed regulation will be conducted on March 4, 2020 at the Board's next regularly scheduled Board meeting if the .regulation language can be reviewed by the LCB and the Board receives the approved and revised text of the proposed regulation from LCB in time to provide the required notice prior to the hearing.

Agenda 14: President's Report (*For Possible Action*)

No items were discussed under this agenda item.

Agenda Item 15: Next Board Meeting: March 4, 2020 Reno

- 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

NEVADA STATE BOARD OF ACCOUNTANCY
STATISTICS INFORMATION

	Board Statistics	January 2019 to July 31, 2019	August 2019	September 2019	October 2019	November 2019 as of 11/6/19	December 2019
Administration							
	Website Hits	209,408 (July)	313,390	196,017	404,491	222,388	560,035
Examination							
	Initial Applications	119	27	31	14	15	14
	Re-Exam Applications	294	52	53	40	38	44
Licensing							
	Original Certification Applications	44	18	3	10	4	14
	Reciprocal Applications	47	7	6	3	6	5
	Licenses Issued	89	0	45	0	23	0
	Individual Experience Reviews	2	1	0	1	0	0
	Return Active Status	3	0	1	0	1	1
	Retired Status	24	1	1	0	2	19
	Inactive Status	13	2	3	0	2	9
	Voluntary Surrender	50	1	5	0	1	1
	Practice Privilege Applications	28	2	2	0	2	5
	In State Firm Applications	19	1	3	2	7	1
	Fictitious Name Applications	6	2	2	0	3	2
Enforcement							
	Complaints - Licensee	15	1	4	5	0	0
	Complaints - Non-Licensee	10	1	0	0	0	0
	Complaints - Firms	8	1	1	6	2	0
	CPE Shortage Complaints	111	4	0	0	8	0
	Stipulated Agreements	1	0	1	1	0	0
	Disciplinary Hearings	4	0	0	0	2	0
	Peer Review Compliance Monitoring	39	62	58	50	42	24
	Pending Litigation Monitoring	26	26	26	26	25	25
	Fingerprint/Background Processing	88	26	9	8	12	13
Peer Review							
	Submissions				225		
	Exemptions				923		
CPE Audit							
	Submissions	172					
	Exemptions	19					
	Out of State	47					
Renewals							
	Individual CPA Renewal	3321					1725
	Firm Renewal	695					404
Meetings/ Training							
	FARB Executive Director Training	1					
	FARB Board Member Training	1					
	Combined Occup/Prof Boards Meetings	7	1	1	1	1	1
	Board of Accountancy Mtgs	4	0	1		1	0
	Certified Contract Manager Course	1			1		