

# NEVADA STATE BOARD OF ACCOUNTANCY

Minutes  
May 13, 2020

## 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.

## NOTICE

*On March 22, 2020, Governor Sisolak signed Declaration of Emergency Directive 006, which suspends the requirement that public bodies in Nevada provide a physical location for members of the public to attend and participate in meetings open to the public. In accordance with Declaration of Emergency Directive 006, the Nevada State Board of Accountancy (“Board”) is providing other methods for the public to provide comment. Members of the public may submit written comments electronically before, during or after the meeting by email to [cpa@nvaccountancy.com](mailto:cpa@nvaccountancy.com). You may also mail written comments to 1325 Airmotive Way, Suite 220, Reno, Nevada 89502 or fax comments to (775) 786-0234. Members of the public may provide public comment telephonically during Board meetings. The Board has reserved the following number for the public’s telephonic participation: (877) 873-8018 / Access ID 2972156#. Members of the public providing comments telephonically should dial the telephone number above approximately five (5) minutes before the meeting starts to provide their names to Board personnel. Those participating telephonically are asked to mute their telephones when not speaking. To resolve any issues related to dialing in to provide public comment, please call (775) 786-0231.*

An open meeting of the Nevada State Board of Accountancy was called to order at 9:00 A.M. by President, Candace Johnson, May 13, 2020 by Teleconference, 1-877-873-8018, Access ID 2972156#

### Board Members Present:

|                            |                                       |
|----------------------------|---------------------------------------|
| Candace Johnson, President | Michael E. Davis, Secretary/Treasurer |
| Kerry Eaton                | Nicola Neilon Rachael Thomsen         |
| 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.  
*Note: No comments were made during this section of the public comment agenda*

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◆ ◆ ◆ ◆ 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 March 4, 2020 Board Meeting Minutes *(For Possible Action)*
- \*2. Approval of Applications for Certified Public Accountant – Non-Appearance *(For Possible Action)*:

|               |                |                   |                 |
|---------------|----------------|-------------------|-----------------|
| Robert Allan  | Ruth Bailey    | Annie Bellorin    | Lisa Davis      |
| Charlie Ezuma | Kayla Forte    | Johnathan Herrera | Jeffrey High    |
| Danny Luu     | Jocelyn Mendez | Sheila Rhinehart  | Kiera Rumsey    |
| Eric Talbot   | Todd Valli     | Austin Ward       | Martin Williams |
- \*3. Approval of Change to License Status *(For Possible Action)*:

|                        |                |                |              |
|------------------------|----------------|----------------|--------------|
| <u>Retired Status:</u> | David Nelson   | Arthur Roberto | Ronald Smith |
|                        | Nancy Tutera   |                |              |
| <u>Return Active:</u>  | Michael Paglia |                |              |
- \*4. Approval of Finances *(For Possible Action)*
  - A. Monthly Income & Expense
- \*5. Board Approval of Fictitious Name Use: *(For Possible Action)*
  - A. Battle Born and Raised LLC
  - B. Truebooks
- \*6. Board Approval of CPA Exam Scores – January 1, 2020 – March 11, 2020 *(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. The following Board Members abstained from voting on Applications for Certified Public Accountant, based on personal interest. Rachel Thomsen for Annie Bellorin and Danny Luu.

◆ ◆ ◆ ◆ 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 I2020.001 based on the license being surrender in lieu of disciplinary action.

Motion was made, seconded and carried to close complaint matter I2016.002 and I2018.017 based on the license being surrendered in lieu of disciplinary action.

Motion was made, seconded and carried to close complaint matters I2020.005, I2020.006, I2020.007, I2020.008 based on lack of jurisdiction and pending civil complaint matter.

Motion was made, seconded and carried to dismiss the following formal complaints that were issued for failure to renew the 2020 license and submit CPE based on the following:

|           |           |                               |
|-----------|-----------|-------------------------------|
| R2020.007 | 5/13/2020 | Dismiss - Compliance          |
| R2020.008 | 5/13/2020 | Dismiss - Compliance          |
| R2020.009 | 5/13/2020 | Dismiss - Compliance          |
| R2020.010 | 5/13/2020 | Dismiss - Compliance          |
| R2020.011 | 5/13/2020 | Dismiss - Deceased            |
| R2020.012 | 5/13/2020 | Dismiss - Voluntary Surrender |
| R2020.013 | 5/13/2020 | Dismiss - Compliance          |
| R2020.014 | 5/13/2020 | Dismiss - Retired             |
| R2020.015 | 5/13/2020 | Dismiss - Compliance          |
| R2020.016 | 5/13/2020 | Dismiss - Compliance          |
| R2020.018 | 5/13/2020 | Dismiss - Deceased            |
| R2020.019 | 5/13/2020 | Dismiss - Voluntary Surrender |
| R2020.020 | 5/13/2020 | Dismiss - Retired             |
| R2020.022 | 5/13/2020 | Dismiss - Retired             |
| R2020.023 | 5/13/2020 | Dismiss - Voluntary Surrender |
| R2020.024 | 5/13/2020 | Dismiss - Compliance          |

Motion was made, seconded and carried to close F2020.004 based on assurances provided.

Motion was made, seconded and carried to close NL2020.001 Charles Mahoney based on resolution and assurances provided.

Motion was made, seconded and carried to proceed with a formal complaint in complaint matter R2020.025 for failure to comply with peer review.

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.

## May 13, 2020 Board Meeting Minutes

### 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 documents.

#### **Miscellaneous Items:**

##### C. Board Staff Direction for CPE Shortage, CPE Audit & Peer Review Delays due to COVID19

Executive Director indicated that the normal time for CPE Audit would be April 15<sup>th</sup>. However, based on the disruption to normal business from COVID19 recommended that the CPE Audit be postponed for the 2020 calendar year. The Board is currently monitoring 25 individuals for shortage of their 2019 CPE. Staff recommends waiving the monetary penalties and applying the extension to July 31<sup>st</sup>.

Peer review delays discussed under agenda item 10I. The Board discussed the matters and motion was made, seconded and carried to cap CPE shortage penalties at \$350 per person and authorize staff to waive any monetary penalties that are necessary based on personal or medical hardship, on a case by case basis. All outstanding CPE is due by July 31, 2020. Motion was made, seconded and carried to postpone the CPE Audit for 2020 until 2021.

##### D. Board Discussion of the 4 in 10 Rule NRS 628.310

Executive Director provided the Board with information regarding the current 4 in 10 rule that states the Board can waive certain requirements for licensure if an applicant has been licensed and in public accounting for 4 out of the last 10 years. This particular requirement is not relevant based on today's CPA work environment. Many states do not require public accounting which would make it difficult for the Board to apply such a waiver. Board discussion was held regarding substantial equivalency and possible changes to the rule as it is currently written.

##### E. Governor COVID19 Update

Executive Director provided the Board with a brief update regarding the Governor's Emergency Orders as it relates to COVID19. Board staff continues to operate remotely while entering the office on separate days to pick up and process mail. Board staff has responded to the Governor's request for information regarding its website and communication to licensees.

##### F. NASBA Executive Director & Legal Counsel Virtual Conference Follow Up

Executive Director and Legal Counsel provided the Board with an update of NASBA's virtual Executive Director and Legal Counsel conference. Many of the updates that took place during the March 18<sup>th</sup> conference have since changed based on COVID19.

Agenda Item 10 Continued

G. NASBA CPA Evolution Webinar Follow Up

Executive Director provided the Board with an update following the March 24<sup>th</sup> webinar on CPA Evolution. On April 24<sup>th</sup> the NASBA Board approved the draft UAA Model Rule requirements on education to be exposed for comments. This was deferred until AICPA Council has approved the release for comment which will take place at their May meeting. NASBA indicates that the proposed model will include 3 core sections of the examination with 1 section for disciplines that include Business Reporting & Analysis, Information Systems & Controls and Tax Compliance & Planning. NASBA Chair has indicated that they are reaching their target dates with an anticipated new examination launch in January 2024.

H. NASBA Legislative Webinar Update

Executive Director provided the Board with information following NASBA's Legislative Update Webinar held on March 31<sup>st</sup>. The information provided focused on Anti-Regulation and the efforts of the Alliance for Responsible Professional Licensing (ARPL). Additional information shows what the licensing schemes and hierarchy of the recommendations being made by the groups that are heading the Anti-Regulatory efforts. In addition, Executive Director indicated that she been invited to participate in a roundtable discussion with the Governor's Office of Workforce Innovation to be held on May 26<sup>th</sup> which may include components of these topics.

I. AICPA Peer Review Update

Executive Director provided the Board with updated information following the AICPA Peer Review Board (PRB) meeting held on May 7<sup>th</sup>. The PRP has indicated that many firms are having hardships due to COVID19. This also includes issues related to the pool of peer reviewers available during this time to complete scheduled peer reviews. Based on these issues the PRB has approved extensions for reviews, corrective actions and implementation plans for firms with an original due date between January 2020 through September 30, 2020. The Board discussed its Peer Review program for 2020 which normally takes place in July. Motion was made, seconded and carried to approve a Peer Review extension of 6 months.

J. Legislative Sunset Committee Follow Up

Executive Director provided the Board with an update following the Legislative Sunset Subcommittee's virtual zoom meeting held on May 4<sup>th</sup>. The Board was requested to provide an update regarding its Reserve Policy that was approved in July 2018 after the prior session had ended. Additional information was also requested in connection with reciprocity, mobility and the issuance of licenses. The Board office has also received the survey from the Sunset Committee in connection with SCR6, Required Information from AB319 regarding criminal history of applicants, and additional information that includes license by endorsement, reciprocity agreements, and applications for military spouses. The response by the Board is required by May 22, 2020.

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### Agenda Item 11: Board approval to request CPA Examination Credit Extensions (For Possible Action)

Board staff provided an update regarding the CPA Examination and closures of test centers in response to COVID19. NASBA has been diligent in communicating with candidates throughout the process. Which includes recommendations for extensions of both Notice to Schedule (NTS) and CPA Examination Credit. The recommendation for NTS with expiration dates of April 1, 2020 to December 30, 2020 to be extended until December 31, 2020. The recommendation for Examination Credit that will expire between April 1, 2020 to December 30, 2020 to be extended until December 31, 2020.

Staff requests Board approval of the recommendations outlined above and the list of individuals as provided. Motion was made, seconded and carried to approve the recommendations for extensions as provided.

### Agenda Item 12: Approval of Application for Certified Public Accountant – Board Determination (For Possible Action):

#### A. William Broadfoot

This item was deferred until the July 15, 2020 Board meeting.

#### B. Jennifer Burns

The Board reviewed the application for Certified Public Accountant for Ms. Burns. Motion was made, seconded and carried to approve the license subject to license verification from the licensing boards where previous licensure was obtained.

### Agenda Item 13: Board approval of amendments to Board Policies (For Possible Action):

#### A. Personnel Salary & Benefit Policy

Legal Counsel Karen Peterson summarized the changes that have been made to the Board's Personnel Salary & Benefit Policy. These changes are based on discussion held during the Boards March 2020 meeting. Motion was made, seconded and carried to approve the amended policy as provided.

### Agenda Item 14: Board review & approval of Contract for Auditor of Board's Financial Statements (For Possible Action)

Executive Director summarized the request for proposal process. The Board received two proposals to provide audited financial services to the Board. The Board was provided with a copy of both proposals for consideration. Motion was made, seconded and carried to approve HRC as the Board's Auditor, subject to discussions by staff and Board Treasurer of the fee structure agreement.

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Agenda Item 15: Election of Board Officers (*For Possible Action*)

Election of Officers for the Nevada State Board of Accountancy was held. Nominations were opened for President. Michael Davis was nominated. There being no other nominations, a motion was made, seconded and carried that the nominations be closed. Michael Davis will be elected by acclamation. The record reflects Michael Davis as President of the Board for a one-year term effective July 1, 2020 – June 30, 2021.

Nominations were opened for Secretary/Treasurer. Kerry Eaton was nominated. There being no other nominations, a motion was made, seconded and carried that the nominations be closed. Kerry Eaton will be elected by acclamation. The record reflects Kerry Eaton as Secretary/Treasurer of the Board for a one-year term effective July 1, 2020 – June 30, 2021.

Board Member Jannet Vreeland was appointed to the Board's Enforcement Committee for a one-year term effective July 1 2020 – June 30, 2021.

Agenda Item 16: President's Report (*For Possible Action*)

Nothing discussed under this agenda item.

Agenda Item 17: Next Board Meeting: July 15, 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 comments were made during this section of the public comment agenda*

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 | January February 18th 2020 | March April 2020   |
|---------------------------|--|-------------------------------|-------------|----------------|--------------|-----------------------------|---------------|----------------------------|--------------------|
| <b>Administration</b>     |  |                               |             |                |              |                             |               |                            |                    |
|                           | Website Hits                           | 209,408 (July)                | 313,390     | 196,017        | 404,491      | 222,388                     | 560,035       | 586,291<br>216,151         | 842,873<br>184,818 |
| <b>Examination</b>        |  |                               |             |                |              |                             |               |                            |                    |
|                           | Initial Applications                   | 119                           | 27          | 31             | 14           | 15                          | 14            | 31                         | 34                 |
|                           | Re-Exam Applications                   | 294                           | 52          | 53             | 40           | 38                          | 44            | 45                         | 81                 |
| <b>Licensing</b>          |  |                               |             |                |              |                             |               |                            |                    |
|                           | Original Certification Applications    | 44                            | 18          | 3              | 10           | 4                           | 14            | 15                         | 10                 |
|                           | Reciprocal Applications                | 47                            | 7           | 6              | 3            | 6                           | 5             | 6                          | 4                  |
|                           | Licenses Issued                        | 89                            | 0           | 45             | 0            | 23                          | 0             | 30                         | 21                 |
|                           | Individual Experience Reviews          | 2                             | 1           | 0              | 1            | 0                           | 0             | 1                          | 0                  |
|                           | Return Active Status                   | 3                             | 0           | 1              | 0            | 1                           | 1             | 0                          | 1                  |
|                           | Retired Status                         | 24                            | 1           | 1              | 0            | 2                           | 19            | 20                         | 13                 |
|                           | Inactive Status                        | 13                            | 2           | 3              | 0            | 2                           | 9             | 9                          | 5                  |
|                           | Voluntary Surrender                    | 50                            | 1           | 5              | 0            | 1                           | 1             | 15                         | 13                 |
|                           | Practice Privilege Applications        | 28                            | 2           | 2              | 0            | 2                           | 5             | 6                          | 4                  |
|                           | In State Firm Applications             | 19                            | 1           | 3              | 2            | 7                           | 1             | 4                          | 1                  |
|                           | Fictitious Name Applications           | 6                             | 2           | 2              | 0            | 3                           | 2             | 2                          | 1                  |
|                           | Criminal History Petitions (AB319)     | 0                             | 0           | 0              | 0            | 0                           | 0             | 0                          | 0                  |
| <b>Enforcement</b>        |  |                               |             |                |              |                             |               |                            |                    |
|                           | Complaints - Licensee                  | 15                            | 1           | 4              | 5            | 0                           | 0             | 1                          | 7                  |
|                           | Complaints - Non-Licensee              | 10                            | 1           | 0              | 0            | 0                           | 0             | 1                          | 2                  |
|                           | Complaints - Firms                     | 8                             | 1           | 1              | 6            | 2                           | 0             | 3                          | 1                  |
|                           | CPE Shortage Complaints                | 111                           | 4           | 0              | 0            | 8                           | 0             | 0                          | 33                 |
|                           | Stipulated Agreements/Formal Complaint | 1                             | 0           | 1              | 1            | 0                           | 0             | 1                          | 24                 |
|                           | Disciplinary Hearings                  | 4                             | 0           | 0              | 0            | 2                           | 0             | 0                          | 0                  |
|                           | Peer Review Compliance Monitoring      | 39                            | 62          | 58             | 50           | 42                          | 24            | 24                         | 17                 |
|                           | Pending Litigation Monitoring          | 26                            | 26          | 26             | 26           | 25                          | 25            | 28                         | 18                 |
|                           | Fingerprint/Background Processing      | 88                            | 26          | 9              | 8            | 12                          | 13            | 39                         | 19                 |
| <b>Peer Review</b>        |  |                               |             |                |              |                             |               |                            |                    |
|                           | Submissions                            |                               |             |                | 225          |                             |               |                            |                    |
|                           | Exemptions                             |                               |             |                | 923          |                             |               |                            |                    |
| <b>CPE Audit</b>          |  |                               |             |                |              |                             |               |                            |                    |
|                           | Submissions                            | 172                           |             |                |              |                             |               |                            |                    |
|                           | Exemptions                             | 19                            |             |                |              |                             |               |                            |                    |
|                           | Out of State                           | 47                            |             |                |              |                             |               |                            |                    |
| <b>Renewals</b>           |  |                               |             |                |              |                             |               |                            |                    |
|                           | Individual CPA Renewal                 | 3321                          |             |                |              |                             | 1725          | 1634                       | 5                  |
|                           | Firm Renewal                           | 695                           |             |                |              |                             | 404           | 302                        | 1                  |
| <b>Meetings/ Training</b> |  |                               |             |                |              |                             |               |                            |                    |
|                           | FARB Executive Director Training       | 1                             |             |                |              |                             |               |                            |                    |
|                           | FARB Board Member Training             | 1                             |             |                |              |                             |               |                            |                    |
|                           | Combined Occup/Prof Boards Meetings    | 7                             | 1           | 1              | 1            | 1                           | 1             | 1                          |                    |
|                           | Board of Accountancy Mtgs              | 4                             | 0           | 1              | 1            | 1                           | 0             | 1                          |                    |
|                           | Certified Contract Manager Course      | 1                             |             |                | 1            |                             |               |                            |                    |