

# Nevada State Board of Accountancy

*Making Nevada a Better Place to Do Business*



## STRATEGIC PLAN 2019

1325 AIRMOTIVE WAY, SUITE 220 | RENO, NEVADA 89502  
Phone: (775) 786-0231/Fax: (775) 786-0234 | [cpa@nvaccountancy.com](mailto:cpa@nvaccountancy.com)

## **STATE BOARD OF ACCOUNTANCY**

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This document contains the Strategic Plan for the Nevada State Board of Accountancy, a self-governing regulatory board authorized under Chapter 628 of Nevada Revised Statutes. All costs of operating the Board are paid from fees collected by the Board. The Board consists of seven members, appointed by the Governor, five of whom hold current certified public accountant licenses and practice in public accounting, one who is a licensed certified public accountant practicing in industry, and one who is a public member not engaged in the practice of accounting. Appointments are for two terms totaling six years.

The Board is charged with the following:

- To protect the interests of the public by requiring licensees to be qualified and licenses issued by the Board are reserved to persons who have demonstrated the ability and fitness to observe and apply the standards of the accounting profession.
- To provide for the dependability of information used for guidance in financial transactions or for accounting and assessing the status or performance of public and private entities.
- To adopt and enforce rules of professional standards, ethics and conduct to be observed by certified public accountants and public accounting firms.
- To determine and review the qualifications of applicants for the Uniform CPA exam and to oversee the exam application process.
- To grant CPA certificates to those who have met the legal requirements.
- To annually renew licenses.
- To monitor compliance with Continuing Professional Education requirements.
- To register public accounting firms.
- To monitor compliance with Peer Review requirements.
- To initiate or receive complaints, cause them to be investigated, initiate proceedings, conduct administrative hearings, and proceed with disciplinary actions as deemed appropriate.
- To protect confidential information provided to the Board office.
- To administer other provisions of Nevada's laws as applicable in NRS Chapter 628, NAC Chapter 628 and the provisions governing the Title 54 Occupational Professional Boards.

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## 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.

## VISION

The Nevada State Board of Accountancy is committed to the protection of the public by enhancing the integrity of the profession through fair, impartial, effective and efficient governance. The Board, through its purpose, assures the competency of CPAs through examination, certification, licensure, registration, continuing professional education, quality review and investigation/enforcement of standards and disciplinary action against licensees if necessary.

## EXTERNAL FACTORS AND CHALLENGES

National and international concerns about accounting and auditing practices are paramount to the profession. The Nevada State Board of Accountancy needs to position itself to act effectively to protect the public. The Board actively participates with germane national and state professional organizations, seeking leadership positions, if appropriate, to stay abreast of relevant issues. The economic events, rapid changes in technology and past financial crises have increased the awareness and need surrounding the reliability of financial information.

The Board must continually update its information technology plans and strategies that anticipate potentially disastrous situations and how to handle them, while maintaining confidentiality and continuity in office functions. Technological advances will require knowledgeable staff and available funds to maintain a level of excellence in the future.

The Board must also be actively engaged in reviewing and analyzing its administrative regulations codified in the Nevada Administrative Code in compliance with the required State oversight directives and continue to monitor the overall regulation and legislative activity at the state and national level involving professional licensing boards.

## GOALS

There are six functional areas addressed in the Board's goals:

- Examination
- Licensing
- Licensee Regulation and Oversight
- Continued Technology Improvements
- Board Continued Compliance with State Oversight including Legislative and Executive Branch Policies
- Reporting to the Board

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## GOALS

### 1. EXAMINATION

To administer the Uniform Certified Public Accountant Examination process in a manner that meets all requirements of the law and national standards, while promoting efficiency and economy.

#### Objective 1.1

To provide for a competent and well administered Uniform CPA examination.

#### ▪ **Strategies:**

- Process exam applications within the 1- 5 days receipt of application and educational transcripts.
- Process re-exam applications within 1-5 days of receipt.
- Provide for the safe-keeping of all exam applications.
- Oversee the test delivery centers for compliance with requirements.
- Provide timely feedback to National Association of State Boards of Accountancy (NASBA), American Institute of Certified Public Accountants (AICPA) and Prometric on exam issues.
- Contract with NASBA to electronically maintain candidate records and scores.
- Qualitative publishing of university exam pass rates.
- Work with the Nevada Society of CPAs around recruitment of candidates.
- Cultivate relationships with the colleges and universities in Nevada.

#### ▪ **Outcome:**

- Persons entering the profession as licensed CPAs will have successfully completed the Uniform CPA Examination.

#### ▪ **Performance Measures and Applicant Statistics:**

- Number of days to grant Authorization To Test (ATT).
- Number of Authorizations To Test (ATTs) issued.
- Number of candidates who pass the fourth section of the Uniform CPA Exam during a year.

#### ▪ **Performance Targets:**

- Grant an Authorization To Test (ATT) within 1 - 5 days of a completed application.
- Continue to process Authorizations to Test within a 1-2 days from receipt.
- Continue to work with educators to promote the CPA profession.

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## GOALS

### 2. LICENSING

To issue licenses to those applicants who meet all requirements and conditions.

#### Objective 2.1

To review all applications for licensure and process applications in as an effective and efficient manner as possible.

#### ▪ **Strategies:**

- Review applications upon receipt within an average of 1 – 5 days from the date of receipt.
- Approve completed applications at the next scheduled Board meeting.  
Note: Reviewing requirements for the issuance of licenses with Board ratification at meetings.
- Continue with software project technology that would allow the agency to accept initial license applications online.
- Continue issuing annual license renewal notices to licensees no later than the first week of December.

#### ▪ **Outcome:**

- Applicants meet all requirements for licensure both initially and on renewal.

#### ▪ **Performance Measures and Applicant Statistics:**

- Number of renewal applications filed online.
- Number of days for initial licensure application processing.
- Number of new licenses issued each year.
- Number of licensees under Board regulation.

#### • **Performance Targets:**

- Continue with Board statistics of over (99) percent of licensees annually renewing via the online renewal system to remain consistent with prior years.
- To maintain an average of thirty (30) days for complete processing of applications for initial licensure.
- Maintain regulation over thirty-four hundred (3,400) Nevada certified public accountants and approximately seven hundred forty-eight (748) registered public accounting firms.

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## GOALS

### 2. **LICENSING** (continued)

#### Objective 2.2

To monitor compliance with Continuing Professional Education requirements.

#### ▪ **Strategies:**

- Review one hundred (100) percent of CPE information submitted online with renewals for deficiencies or CPE shortage information.
- Review all CPE for individuals identified with a shortage of hours due and monitor for compliance throughout extension periods as provided by the Board's CPE Policy.
- Conduct CPE audits of approximately 10% of all licensees who file an annual report and fall within Board audit policy parameters.
- Issue annual license renewal notices to licensees no later than December 1<sup>st</sup>.
- Utilize automated reporting system to remain efficient and reduce costs.

#### ▪ **Outcome:**

- Licensee competence will be enhanced by promotion and compliance with continuing education requirements and compliance with standards of practice.

#### ▪ **Performance Measures and Licensee Statistics:**

- Number of CPE reports monitored, and audits conducted.
- Number of licensees who complete the required hours of CPE.
- Number of licensees who request an extension of time.
- Number of licensees who request an exemption.

#### ▪ **Performance Targets:**

- Conduct a formal audit on ten (10) percent of all CPE reports submitted for the year.
- Excluding those who apply and are granted a hardship exemption by the Board, the target is one hundred (100) percent of all active licensees complete their CPE to be eligible for license renewal.
- To have less than two (2) percent of all active licensees make a request for an extension of time to complete their CPE.

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## GOALS

### 3. LICENSEE REGULATION AND OVERSIGHT

To provide effective regulation and oversight of all certified public accountants and registered public accounting firms under the Board's jurisdiction.

#### Objective 3.1

To monitor and respond to all complaints within 1-5 days of notification and management of the complaint process.

#### ▪ **Strategies:**

- Provide complaint forms outlining the complaint process on the Board's website.
- Provide a licensee database that has public access to verify a licensee's status
- Plan and execute the Project that will provide disciplinary history on the Board's website.
- Utilize the professional expertise of past and current Board members and investigators as appropriate for guidance and investigation of complaints involving technical accounting standards and issues.
- Take additional appropriate action in a reasonable timeframe.
- Work as necessary with other regulatory agencies to carry out enforcement proceedings.

#### ▪ **Outcomes:**

- The act and rules governing the professional conduct of CPAs will be enforced in a timely and effective manner to protect the public and facilitate provision of sufficiently trained and trustworthy certified public accountants.

#### ▪ **Performance Measures and Complaint Statistics:**

- Number of valid verified complaints received and investigated.
- Number of complaints closed due to dismissal or the issuance of a disciplinary final order.
- Number of hearings held.
- Number of Stipulated Disciplinary Agreements.
- Number of Non-Licensee matters reviewed and resolved.

#### ▪ **Performance Targets:**

- Investigate 100% of all verified complaints received throughout the year.
- To close a minimum of seventy-five (75) percent of verified complaints during the year within one hundred eighty (180) days by either a dismissal of the complaint or the issuance of a disciplinary final order.

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## GOALS

### 3. LICENSEE REGULATION AND OVERSIGHT (continued)

#### Objective 3.2

To monitor Peer Review compliance of individuals that perform attest engagements.

- **Strategies:**
  - Identify individuals and/or firms that are subject to Peer Review.
  - Track firm completion of Peer Review.
  - Bring firms or individuals that did not complete a Peer Review into compliance.
  - Firms with repeat negative findings in Peer Reviews may be referred by staff to the Enforcement Committee.
  
- **Outcome:**
  - Firms required to undergo Peer Review will adhere to professional standards.
  - The public will be provided with additional assurance on reliability of financial information produced.
  
- **Performance Measures and Statistics:**
  - Number of individuals that are being monitored for Peer Review compliance.
  - Number of individuals/firms registered.
  - Number of individuals/firms that successfully complete a Peer Review.
  - Number of individuals/firms with negative or repeat negative findings in Peer Reviews.
  
- **Performance Targets:**
  - To ensure registration of in-state actively practicing firms with the Board.
  - One-third of all registered individuals/firms to successfully respond to the Board's practice monitoring program through submission of an exemption form or submission of Peer Review each year.
  - Each registered individual/firm that provides attest engagements shall be subject to peer review every three years.
  - Less than two (2) percent of firms undergoing a Peer Review in a given year will have repeat findings in their Peer Review which is consistent with industry averages.



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## GOALS

### 4. CONTINUED TECHNOLOGY IMPROVEMENTS

#### Objective 4.1

To continue to stay ahead of technology through system improvements to keep staff job duties efficient and effective while maintaining continued ease of access for licensees and the public.

- **Strategies:**
  - Identify technology improvements to help achieve the outlined objective.
  - Implement on-line initial CPA Applications.
  - Implement Board forms and attachments through an automated batch process.
  - Implement disciplinary history marker on Board website.
  - Implement process for new licensees to pay their pro-rated fees on the Board's website.
  - Continue to modify existing software for better functionality.
- **Outcome:**
  - Board staff will be able to better fulfill its charge through the automation of certain job functions.
  - Applicants, licensees, other interested parties and the public will have availability to submit and obtain information faster than the previous manual processes.
  - Continued improvement to allow for quicker dissemination of information.
- **Performance Measures and Statistics:**
  - Number of applications received and completed.
  - Number of forms received by the Board through Exam, Licensure, CPE Audit, Peer Review and License Renewal no longer required to manual push of forms information into the database.
  - Number of individuals for initial licensure that can make their payments sooner via the online system.
- **Performance Targets:**
  - Continue working with current Website Developer to ensure the projects outlined in the strategies are accomplished within the specified time period.
  - Continue monitoring tasks and projects within the Board's GL Solutions licensing system, through the Portal with identified timelines.
  - Monthly monitoring of improvement tasks for the current GLS system.
  - Prepare for future tasks and projects for system improvement.

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## GOALS

### 5. **BOARD CONTINUED COMPLIANCE WITH STATE OVERSIGHT INCLUDING LEGISLATIVE AND EXECUTIVE BRANCH POLICIES**

#### Objective 5.1

To continue to comply with the State oversight through the Executive Branch Audit Committee and the Legislative Branch Sunset Review Committee. To establish best practices of the Board's operations and policies to confirm the Board is performing its duties as outlined in Statute. To continue to educate state officials and legislative members regarding the work performed by the State's Professional Licensing Boards.

- **Strategies:**
  - Review and Update the Board's strategic plan.
  - Develop annual and quarterly reporting to the Governor's office.
  - Develop and finalize the Board's Mission Statement
  - Send Board meeting agenda and minutes to the Executive Branch Committee Members and Legislative Sunset Committee Members.
  - Provide statistical information of what the Board office has processed in between Board meetings.
  - Develop reporting document for all training provided to Board Members and Staff.
  - Develop document that addresses the areas of concern in SCR-6.
  - Modify and adopt any additional policies the coincide with the Board's duties.
  - Modify the State Required Reporting list to include additional reporting.
  - Continue work in development of the Board's Procedure Manual.
  - Continue to work with the leaders of the Executive Branch and Legislative Branch of government to ensure transparency of Board information is provided.
  - Identify best practices through collaboration with other Professional Licensing Boards within the State.
  
- **Outcome:**
  - The Board of Accountancy will continue to operate efficiently under its current model while meeting its charge of protecting the public and licensing and regulating qualified certified public accountants and firms.
  
- **Performance Measures & Targets:**
  - Completion of the outlined Strategies.
  - Transparency of the work that is provided by the Board.

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## GOALS

### 6. **REPORTING TO THE BOARD**

#### Objective 6.1

To continue to comply with the various performance measures of the Board for continued transparency to the Board, State, licensees and the public.

- **Strategies:**
  - Performance measures, statistics and goal reporting
  - Continued review and updates to the Strategic Plan
  - Continued new member orientation
  - Continued Board member and staff training
  - Continued review of the Statutes and Regulations for amendments as needed
  - Continued monitoring of the required State Reporting
  
- **Outcome:**
  - Reporting to the Board at each meeting is informative, timely, succinct and efficient.
  - Board is informed of progress under the Strategic Plan.
  
- **Performance Measures & Targets:**
  - Strategic Plan to be reviewed and updated every 3 years.