

**ADOPTED REGULATION OF  
THE NEVADA STATE BOARD OF ACCOUNTANCY**

**LCB File No. R031-13**

Effective October 23, 2013

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1 and 6, NRS 628.120; §2, NRS 628.120 and 628.200; §3, NRS 628.120 and 628.386; §4, NRS 628.120, 628.200 and 628.386; §5, NRS 628.120, 628.380 and 628.386.

A REGULATION relating to accountants; revising the requirements for the experience of an applicant for a certificate of certified public accountant; revising the continuing education required for the renewal of a permit to engage in the practice of public accounting; revising the educational standards which must be met for a program of learning to qualify as a program of continuing education; reducing the number of years an applicant must retain records relating to continuing education; and providing other matters properly relating thereto.

**Section 1.** NAC 628.016 is hereby amended to read as follows:

628.016 1. The following fees for examinations are prescribed by the Board:

(a) For an initial examination for a certificate as a certified public accountant, the Board will establish each year a fee that will not exceed \$500.

(b) For reexamination, the Board will establish each year a fee for each section that will not exceed \$100.

(c) For the transfer of the examination grades of an applicant to another state or jurisdiction of the United States..... \$50

2. The following fees for applications are prescribed by the Board:

(a) For an application for a certificate as a certified public accountant by reciprocity or pursuant to passing the Uniform Certified Public Accountant

Examination administered in this State or in another jurisdiction ..... \$200

plus the actual cost of the investigation required pursuant to NAC 628.019,  
which will not exceed \$75.

(b) For an application for registration of a corporation, limited-liability  
company or partnership..... \$200

3. The following other fees are prescribed by the Board:

(a) For a temporary permit to a nonresident accounting firm:

The proprietor, partner, member or shareholder responsible for the conduct of  
the engagement..... \$200

Each additional person employed in the conduct of the engagement during  
the period of the permit ..... \$25

(b) For filing an annual report for a corporation, limited-liability company or  
partnership..... \$125

(c) For the late filing of an annual report of a corporation, limited-liability  
company or partnership..... \$100

(d) For reinstatement into public practice from retired or inactive status..... \$250

(e) For the late filing of the annual renewal of a permit to practice public  
accounting, after January 31 of each year..... \$100

(f) For an individual evaluation of experience pursuant to subsection ~~12~~ 45 of  
NAC 628.060, in addition to any reasonable costs of travel actually incurred by the  
Board and imposed pursuant to subsection ~~13~~ 6 of NAC 628.060 ..... \$1,000

(g) For registering a fictitious name..... \$100

(h) A uniform fee for an annual permit or an annual renewal of a permit to practice public

accounting will be established by the Board each year. The fee will not exceed \$200 and will be prorated if an initial annual permit is obtained during the year.

4. Any fee paid pursuant to this section must be paid in the currency of the United States.

**Sec. 2.** NAC 628.060 is hereby amended to read as follows:

628.060 ~~1. Except as otherwise provided in NAC 628.061, the minimum requirements of experience in the function of attesting in the practice of public accounting, professionally known as the attest function, are as follows:~~

~~—(a) An applicant for a certificate of certified public accountant must have at least 1,000 hours of experience in the attest function, of which not more than 300 hours may consist of reviews or full disclosure compilations. This includes the planning, management and execution of such engagements.~~

~~—(b) An applicant may acquire this experience by participating in the planning, management and performance of such engagements for at least 600 hours, of which no more than 180 hours may consist of reviews or full disclosure compilation, if the applicant has also completed formal programs of training of a character and magnitude which are, when considered with the experience obtained in the function of attesting, substantially equivalent in the Board's judgment to 1,000 hours of attesting experience as described in paragraph (a).~~

~~—2. The Board will, upon receipt of an application, evaluate the character of experience obtained under the supervision of a certified public accountant by persons employed by specific agencies of the government or an internal audit department of a business and define the duration and the character of that work with specified programs of training that are substantially equivalent to 2 years of experience in the practice of public accounting. The Board will allow 1/2~~

~~of the number of months of experience earned by the person as a credit toward the requirements set forth in subsection 1 of NRS 628.200.~~

~~—3.— An applicant for a certificate who has requested an individual review must pay an additional fee for the evaluation by the Board of the extent and nature of a person's experience or the extent and nature of the experience provided by any specific governmental agency or an internal audit department of a business. The Board may require an applicant to reimburse the Board for reasonable costs of travel actually incurred in evaluating the character of an applicant's experience.~~

~~—4.— A person who has passed the examination for a certificate as a certified public accountant will not be held to a higher standard in the evaluation of his or her experience than the standard defined by the Board on the date he or she passed the examination.~~

~~—5.— An applicant must submit a certificate of attest experience to the Board as proof of his or her attest experience. The certificate must:~~

~~—(a) Be signed, under penalty of perjury, by the certified public accountant who supervised the applicant's work.~~

~~—(b) Identify separately the number of hours of attest experience in each of the following areas:~~

~~—(1) Audit.~~

~~—(2) Review.~~

~~—(3) Full disclosure compilation.~~

~~—6.— The attest experience described in subsection 5 must include experience relating to:~~

~~—(a) The evaluation of internal control as a basis for reliance thereon for the determination of the extent of the tests to which auditing procedures in the program of audit are to be applied;~~

~~—(b) The planning of the program of audit work, including the selection of the procedures to be followed;~~

~~—(c) The preparation and indexing of audit work papers relating to the audits of financial statements;~~

~~—(d) The application of various auditing procedures and techniques to the usual and customary financial transactions;~~

~~—(e) The preparation of the auditor's report and the preparation of written explanations and comments relating to the findings of the audit and the content of the accounting records; and~~

~~—(f) The preparation and analysis of financial statements.~~

~~7. The applicant shall keep a record of his or her work experience, including related work papers, for review by the Board.~~

~~8. Except as otherwise provided in subsection 12, an applicant who has requested an individual review pursuant to this section must complete at least 120 hours of credit in the following subject areas:~~

<del>—Subject Area</del>	<del>—Hours of Credit</del>
<del>—Professional Training for Public Accountants—Level I.....</del>	<del>24</del>
<del>—(Staff Training—Basic)</del>	
<del>—Designing Audit Programs for Small</del>	
<del>—Business Engagements.....</del>	<del>8</del>
<del>—Professional Training for Public Accountants—Level II.....</del>	<del>24</del>
<del>—(Staff Training—Semi-Senior)</del>	

<del>Financial Accounting Standards Board Accounting</del>	
<del>Principles Board Review (FASB APB)</del>	<del>16</del>
<del>Professional Training for Public Accountants – Level III</del>	<del>24</del>
<del>(Staff Training – Beginning In Charge)</del>	
<del>Preparing Financial Statements</del>	<del>8</del>
<del>Financial Statement Disclosures</del>	<del>16</del>

~~9. The number of hours of credit designated for each subject area listed in subsection 8 is the minimum number of hours required for that subject area.~~

~~10. An applicant may take more than one course in any subject area.~~

~~11. An applicant is entitled to receive credit for any course he or she completes in the program, regardless of the title of the course, if the content of the course is within one of the subject areas listed in subsection 8.~~

~~12. The Board may waive any course required by subsection 8 if it finds that the applicant has demonstrated sufficient knowledge of that course.]~~

*1. The requirement of experience must be satisfied by an applicant for a certificate of certified public accountant as set forth in paragraph (a) or (b) of subsection 2 of NRS 628.200.*

*2. To satisfy the requirement of paragraph (a) of subsection 2 of NRS 628.200, the experience of an applicant must consist of one, but not a combination of some portion of each, of the following:*

*(a) Two years of public accounting experience in a partnership, corporation, limited-liability company or sole proprietorship engaged in the practice of public accounting which includes using skills in accounting or auditing, finance, and advising or consulting with*

*clients on matters relating to management or the preparation of tax returns or the furnishing of advice on matters relating to taxes.*

*(b) Four years of experience in internal auditing work or governmental accounting and auditing work of a character, extent and nature sufficient in the opinion of the Board to be substantially equivalent to 2 years of experience in the practice of public accounting.*

*3. To satisfy the requirement for experience, all work must have been performed in accordance with all applicable professional standards.*

*4. An applicant must complete and submit a form for the verification of experience to the Board as proof of his or her experience. The form must be signed, under penalty of perjury, by one or more certified public accountants who supervised, or have sufficient knowledge of, the applicant's work and can certify the character, extent and nature of that work.*

*5. An applicant who has obtained the experience which the applicant believes may satisfy the requirement described in paragraph (b) of subsection 2 but is unable to provide the verification of experience required by subsection 4 may request an individual evaluation by the Board of the character, extent and nature of his or her experience to determine whether the experience satisfies the requirement of paragraph (b) of subsection 2 of NRS 628.200.*

*6. An applicant who has requested an individual evaluation pursuant to subsection 5 must pay an additional fee as provided in paragraph (f) of subsection 3 of NAC 628.016 for the evaluation by the Board of the character, extent and nature of the applicant's experience. The Board may require an applicant to reimburse the Board for reasonable costs of travel actually incurred in evaluating the character of an applicant's experience.*

*7. The applicant shall maintain, for 3 years after obtaining a certificate of certified public accountant, the records and supporting documentation of the applicant's experience for inspection and review by the Board.*

*8. A certified public accountant who signs an applicant's form for the verification of experience pursuant to subsection 4 shall maintain, for 3 years after signing the form, any records and supporting documentation of the experience of the applicant for inspection and review by the Board.*

**Sec. 3.** NAC 628.210 is hereby amended to read as follows:

628.210 1. Except as otherwise provided in subsection ~~2~~ 3 and NAC 628.110, an applicant for the renewal of a permit to engage in the practice of public accounting must complete at least 80 hours of continuing education during the 2 years immediately preceding the date for renewal of the permit, of which:

(a) At least 20 hours must be completed in each year; ~~and~~

(b) Four hours must be in professional ethics ~~H~~; *and*

*(c) Eight hours must be in courses that focus on accounting and auditing in each year in which the applicant participated in any audit, review, full disclosure compilation or attestation services.*

*2. In addition to the requirements set forth in subsection 1, an applicant for the renewal of a permit to engage in the practice of public accounting must be in compliance with the requirements for continuing education established by applicable professional standards.*

*3. An applicant seeking the first annual renewal of an initial permit is exempt from the requirements of NAC 628.210 to 628.250, inclusive.*



~~13.1~~ 4. If an applicant for the renewal of a permit to engage in the practice of public accounting is permitted, certified or licensed to engage in the practice of public accounting in another state and resides in that state, the applicant must demonstrate compliance with the continuing education requirements of that state by signing a statement to that effect on his or her application to the Board for the renewal of a permit to engage in the practice of public accounting. If the state in which the applicant resides does not have continuing education requirements, the applicant must comply with the requirements set forth in this section.

~~14.1~~ 5. The requirements of NAC 628.210 to 628.250, inclusive, may be waived by the Board for reasons of personal hardship, including, without limitation, health problems, military service, foreign residence, retirement or other good cause.

**Sec. 4.** NAC 628.220 is hereby amended to read as follows:

628.220 1. A program qualifies as a program of continuing education if it:

(a) Is a formal program of learning which contributes to a growth in professional knowledge and the competence of a person engaged in the practice of public accounting; and

(b) Meets the minimum standards of quality of development, presentation, measurement and the reporting of credits set forth in the *most current version of the Statement on Standards for Continuing Professional Education (CPE) Programs* published *jointly* by the *American Institute of CPAs and the* National Association of State Boards of Accountancy, ~~as it existed on October 17, 2001,~~ *which is hereby adopted by reference*, or other educational standards which may be established by the Board.

2. A copy of the statement may be obtained at no cost from the National Association of State Boards of Accountancy, 150 Fourth Avenue North, Suite 700, Nashville, Tennessee 37219-

2417, or on ~~the~~ *its* Internet ~~from the~~ website ~~of the National Association of State Boards of Accountancy~~ at ~~http://www.nasba.org/~~ [www.learningmarket.org](http://www.learningmarket.org).

*3. The Board will periodically review the standards adopted in this section and determine within 30 days after the review whether any change made to the standards is appropriate for application in this State. If the Board does not disapprove a change to the standards within 30 days after the review, the change is deemed to be approved by the Board.*

**Sec. 5.** NAC 628.250 is hereby amended to read as follows:

628.250 1. An applicant for the renewal of a permit to *engage in the* practice *of public accounting* issued pursuant to NRS 628.380 must list on the application the number of hours of continuing education completed by the applicant during the previous calendar year. The applicant shall maintain a record of the classes of continuing education completed by the applicant for ~~4~~ **3** years after the applicant files the application. The application must include, without limitation:

- (a) The name of the sponsoring organization;
- (b) The location of the program;
- (c) The title of the program or a description of its content;
- (d) The dates attended; and
- (e) The number of hours of credit claimed by the applicant.

2. In addition to the record required to be maintained pursuant to subsection 1, the applicant is responsible for documenting the acceptability of the program and the validity of the credits. The documentation must be retained for ~~4~~ **3** years after the applicant files an application for the renewal of a permit to practice issued pursuant to NRS 628.380. The documentation must consist of one of the following:

(a) A certificate of completion.

(b) A copy of the outline of the course prepared by the sponsor of the course along with the information required by subsection 1.

(c) For courses taken for academic credit at accredited universities and colleges, evidence of the satisfactory completion of the course. For noncredit courses, a statement of the hours of attendance signed by the instructor.

(d) For formal programs for independent study or self-study, written evidence of completion.

(e) Any other documentation acceptable to the Board.

3. The Board will verify information submitted by an applicant for a permit on the basis of a test. If the Board determines that the requirement for continuing education has not been met, the Board may grant additional time for the deficiencies to be corrected.

**Sec. 6.** NAC 628.018, 628.061, 628.062, 628.0622, 628.0624, 628.0626, 628.0628, 628.063, 628.064, 628.0642, 628.0644, 628.0646, 628.065, 628.0652, 628.0654, 628.0656, 628.066, 628.0662, 628.0664, 628.0666, 628.0668, 628.067 and 628.068 are hereby repealed.

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### TEXT OF REPEALED SECTIONS

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**628.018 Definitions. (NRS 628.120)** As used in NAC 628.018 to 628.110, inclusive, unless the context otherwise requires:

1. “Qualified audit hour” means:

(a) An hour spent performing an operational audit, financial audit, compliance audit, management audit or any other audit; or

(b) For determining the internal audit experience or governmental experience of an applicant for a certificate of certified public accountant, an hour spent performing an audit which is substantially similar to audits required in the practice of public accounting.

↪ The term does not include an hour spent performing work typically performed by a controllership or assisting an independent auditor in preparing schedules.

2. “Qualified internal audit department” means an audit department which complies with the requirements set forth in NAC 628.0624.

**628.061 Experience in function of attesting: Supplemental educational program. (NRS 628.120, 628.200)**

1. If an applicant for a certificate of certified public accountant has at least 600 hours of experience in the attest function, including at least 420 audit hours, but less than 1,000 hours of experience in the attest function, including at least 700 audit hours, the applicant must supplement his or her experience in the function of attesting by successfully completing the educational program described in subsection 2 which is offered by the American Institute of Certified Public Accountants or a substantially equivalent program approved by the Board.

2. To comply with the requirements set forth in subsection 1, an applicant must complete at least 80 hours of credit in the following subject areas:

Subject Area	Hours of Credit
Professional Training for Public Accountants - Level II	24

(Staff Training - Semi-Senior)	
Professional Training for Public Accountants - Level III	24
(Staff Training - Beginning In-Charge)	
Internal Control: The Auditor's Responsibilities	8
Audits of Small Businesses	8
Financial Accounting Standards Board-Accounting	
Principles Board Review (FASB-APB)	16

3. The number of hours of credit designated for each subject area listed in subsection 2 is the minimum number of hours required for that subject area.

4. An applicant may take more than one course in any subject area.

5. An applicant is entitled to receive credit for any course he or she completes in the program, regardless of the title of the course, if the content of the course is within one of the subject areas listed in subsection 2.

**628.062 Experience as internal auditor: General requirements. (NRS 628.120, 628.200)**

1. An applicant who submits an application to the Board for a certificate of certified public accountant may satisfy the requirements of subsection 2 of NRS 628.200 if he or she:

(a) Completes at least 2,000 qualified audit hours while employed as an internal auditor with a qualified internal audit department;

(b) Has at least 4 years of work experience employed as an internal auditor with a qualified internal audit department under the supervision of a certified public accountant; and

(c) Successfully completes the educational program described in NAC 628.0622 which is offered by the American Institute of Certified Public Accountants or a substantially equivalent program approved by the Board.

2. An applicant must comply with each of the requirements set forth in subsection 1 before submitting the application to the Board. The Board will not accept work experience, including experience in public accounting or governmental experience, other than that which is required by this section.

**628.0622 Experience as internal auditor: Educational requirements. (NRS 628.120, 628.200)**

1. To comply with the requirements of paragraph (c) of subsection 1 of NAC 628.062, an applicant must complete at least 120 hours of credit in the following subject areas:

Subject Area	Hours of Credit
Professional Training for Public Accountants - Level I (Staff Training - Basic)	24
Designing Audit Programs for Small Business Engagements	8
Professional Training for Public Accountants - Level II (Staff Training - Semi-Senior)	24
Financial Accounting Standards Board-Accounting Principles Board Review (FASB-APB)	16
Professional Training for Public Accountants - Level III	24

(Staff Training - Beginning In-Charge)

Preparing Financial Statements	8
Financial Statement Disclosures	16

2. The number of hours of credit designated for each subject area listed in subsection 1 is the minimum number of hours required for that subject area.

3. An applicant may take more than one course in any subject area.

4. An applicant is entitled to receive credit for any course he or she completes in the program, regardless of the title of the course, if the content of the course is within one of the subject areas listed in subsection 1.

5. An applicant may complete the requirements of the three levels of professional training described in subsection 1 by completing internal courses which have been previously approved by the Board as being substantially the equivalent of the three levels of professional training described in subsection 1.

**628.0624 Experience as internal auditor: Qualification of internal audit department.**

**(NRS 628.120, 628.200)** The Board will designate the internal audit department of a business as a qualified internal audit department if:

1. The department submits an application for designation as a qualified internal audit department;

2. The director of the department is:

(a) A certified public accountant; and

(b) Directly responsible to and reports directly to the audit committee of the board of directors of the business, the board of directors of the business or an equivalent organizational body of the business which is approved by the board;

3. The department is sufficiently independent to allow it to be objective and to provide impartial and unbiased judgments essential to the proper conduct of its audits;

4. The department has received an external quality control review which is acceptable to the Board and an external quality control review of the department is conducted every 3 years pursuant to a program approved by the Board; and

5. The department establishes and maintains policies and procedures concerning quality control which are appropriately documented and comply with professional standards of auditing or accounting.

**628.0626 Experience as internal auditor: External quality control review of qualified internal audit department. (NRS 628.120, 628.200)** The director of a qualified internal audit department shall:

1. Notify the Board of each external quality control review conducted pursuant to subsection 4 of NAC 628.0624. The Board may observe the final conference for that review.

2. Submit the report of the external quality control review, letter of comments and responses thereto to the Board within 30 days after they are received by the qualified internal audit department.

**628.0628 Experience as internal auditor: Maintenance and destruction of record of experience. (NRS 628.120, 628.200)**



1. A qualified internal audit department or an applicant earning work experience employed as an internal auditor with the department shall keep a record of the applicant's work experience, including related work papers, for review by the Board.

2. A qualified internal audit department may establish a policy concerning the destruction of the records of an applicant's work experience, including related work papers. The policy established by the department must provide for:

(a) The notification of an applicant concerning the destruction of the records of his or her work experience, including related work papers; and

(b) An opportunity for the applicant to obtain a copy of those records before they are destroyed.

**628.063 Experience as internal auditor: Acceptability of experience earned before July 6, 1992. (NRS 628.120, 628.200)**

1. Except as otherwise provided in subsection 2, the Board will accept experience earned by an applicant while working as an internal auditor in a qualified internal audit department before July 6, 1992, for the purposes of complying with the requirements set forth in NAC 628.062, if at the time the hours of experience were earned, the qualified internal audit department complied with the requirements set forth in NAC 628.0624 and 628.0626, except the requirement for an external quality control review.

2. The Board will not accept any experience which was earned by an applicant more than 5 years before July 6, 1992.

**628.064 Experience as auditor of State Gaming Control Board: "Audit Division" defined. (NRS 628.120, 628.200)** As used in NAC 628.0642 and 628.0646, unless the context

otherwise requires, “Audit Division” means the Audit Division of the State Gaming Control Board.

**628.0642 Experience as auditor of State Gaming Control Board: General requirements. (NRS 628.120, 628.200)**

1. An applicant employed as an auditor by the Audit Division who submits an application to the Board for a certificate of certified public accountant may satisfy the requirements of subsection 2 of NRS 628.200 if he or she:

(a) Has at least 4 years of experience as an auditor with the Audit Division under the supervision of a certified public accountant; and

(b) Successfully completes the educational program described in NAC 628.0644 which is offered by the American Institute of Certified Public Accountants or a substantially equivalent program approved by the Board.

2. An applicant must comply with each of the requirements set forth in subsection 1 before submitting the application to the Board. The Board will not accept work experience, including experience in public accounting, internal audit experience or other governmental experience, other than that which is required by this section.

**628.0644 Experience as auditor of State Gaming Control Board: Educational requirements. (NRS 628.120, 628.200)**

1. To comply with the requirements of paragraph (b) of subsection 1 of NAC 628.0642, an applicant must complete at least 120 hours of credit in the following subject areas:

Subject Area	Hours of Credit
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Professional Training for Public Accountants - Level I (Staff Training - Basic)	24
Designing Audit Programs for Small Business Engagements	8
Professional Training for Public Accountants - Level II (Staff Training - Semi-Senior)	24
Financial Accounting Standards Board-Accounting Principles Board Review (FASB-APB)	16
Professional Training for Public Accountants - Level III (Staff Training - Beginning In-Charge)	24
Preparing Financial Statements	8
Financial Statement Disclosures	16

2. The number of hours of credit designated for each subject area listed in subsection 1 is the minimum number of hours required for that subject area.

3. An applicant may take more than one course in any subject area.

4. An applicant is entitled to receive credit for any course he or she completes in the program, regardless of the title of the course, if the content of the course is within one of the subject areas listed in subsection 1.

5. An applicant may complete the requirements of the three levels of professional training described in subsection 1 by completing internal courses which have been previously approved by the Board as being substantially the equivalent of the three levels of professional training described in subsection 1.

**628.0646 Experience as auditor of State Gaming Control Board: Quality control review of Audit Division. (NRS 628.120, 628.200)**

1. A quality control review of the Audit Division must be conducted every 3 years pursuant to a program approved by the Board.

2. The Audit Division shall:

(a) Notify the Board of each final conference for the quality control review. The Board may observe the conference.

(b) Submit the report of the review, letter of comments and responses thereto to the Board within 30 days after they are received by the Audit Division.

**628.065 Experience as auditor of Legislative Counsel Bureau: “Audit Division” defined. (NRS 628.120, 628.200)** As used in NAC 628.0652 and 628.0656, unless the context otherwise requires, “Audit Division” means the Audit Division of the Legislative Counsel Bureau.

**628.0652 Experience as auditor of Legislative Counsel Bureau: General requirements. (NRS 628.120, 628.200)**

1. An applicant employed as an auditor by the Audit Division who submits an application to the Board for a certificate of certified public accountant may satisfy the requirements of subsection 2 of NRS 628.200 if he or she:

(a) Has at least 4 years of experience as an auditor with the Audit Division under the supervision of a certified public accountant; and

(b) Successfully completes the educational program described in NAC 628.0654 which is offered by the American Institute of Certified Public Accountants or a substantially equivalent program approved by the Board.

2. An applicant must comply with each of the requirements set forth in subsection 1 before submitting the application to the Board. The Board will not accept work experience, including experience in public accounting, internal audit experience or other governmental experience, other than that which is required by this section.

**628.0654 Experience as auditor of Legislative Counsel Bureau: Educational requirements. (NRS 628.120, 628.200)**

1. To comply with the requirements set forth in paragraph (b) of subsection 1 of NAC 628.0652, an applicant must complete at least 120 hours of credit in the following subject areas:

Subject Area	Hours of Credit
Professional Training for Public Accountants - Level I (Staff Training - Basic)	24
Designing Audit Programs for Small Business Engagements	8
Professional Training for Public Accountants - Level II (Staff Training - Semi-Senior)	24
Financial Accounting Standards Board-Accounting Principles Board Review (FASB-APB)	16
Professional Training for Public Accountants - Level III (Staff Training - Beginning In-Charge)	24
Preparing Financial Statements	8
Financial Statement Disclosures	16

2. The number of hours of credit designated for each subject area is the minimum number of hours required for that subject area.

3. An applicant may take more than one course in a subject area.

4. An applicant is entitled to receive credit for any course he or she completes in the program, regardless of the title of the course, if the content of the course is within one of the subject areas listed in subsection 1.

5. An applicant may complete the requirements of the three levels of professional training described in subsection 1 by completing internal courses which have been previously approved by the Board as being substantially the equivalent of the three levels of professional training described in subsection 1.

**628.0656 Experience as auditor of Legislative Counsel Bureau: Quality control review of Audit Division. (NRS 628.120, 628.200)**

1. A quality control review of the Audit Division must be conducted every 3 years pursuant to a program approved by the Board.

2. The Audit Division shall:

(a) Notify the Board of each final conference for the quality control review. The Board may observe the conference.

(b) Submit the report of the review, letter of comments and responses thereto to the Board within 30 days after they are received by the Audit Division.

**628.066 Experience as agent of Internal Revenue Service: General requirements. (NRS 628.120, 628.200)**

1. An applicant employed as an agent by the Internal Revenue Service who submits an application to the Board for a certificate of certified public accountant may satisfy the requirements of subsection 2 of NRS 628.200 if he or she:

(a) Completes at least 2,000 qualified audit hours as an agent of the Internal Revenue Service;

(b) Has at least 4 years of experience as an agent of the Internal Revenue Service, under the supervision of a certified public accountant, of which at least 2 years must have been at a grade of not less than GS-11; and

(c) Successfully completes the educational program described in NAC 628.0668 which is offered by the American Institute of Certified Public Accountants or a substantially equivalent program approved by the Board.

2. An applicant must comply with each of the requirements set forth in subsection 1 before submitting the application to the Board. The Board will not accept work experience, including experience in public accounting, internal audit experience or other governmental experience, other than that which is required by this section.

**628.0662 Experience as agent of Internal Revenue Service: Conditions for acceptance of qualified audit hours. (NRS 628.120, 628.200)** The Board will not accept qualified audit hours earned by an applicant as an agent employed by the Internal Revenue Service unless:

1. He or she has at least 2 years of experience as an agent of the Internal Revenue Service at a grade of not less than GS-11;

2. He or she has passed the Uniform Certified Public Accountant Examination; and

3. An internal review committee established by the Internal Revenue Service has approved his or her work experience as an agent employed by the Internal Revenue Service.

**628.0664 Experience as agent of Internal Revenue Service: Appointment and duties of internal review committee. (NRS 628.120, 628.200)**

1. If an internal review committee for the Internal Revenue Service is established in this State and if a biographical profile of each member appointed to the committee by the Internal Revenue Service is provided to the Board, the Board will approve or disapprove the members of the committee. The Board will not approve any member of the committee unless he or she is a certified public accountant certified by the Board and exercises supervisory duties as an employee of the Internal Revenue Service.

2. The internal review committee shall review and, if appropriate, approve audit work of each person who submits an application pursuant to NAC 628.066.

3. The committee shall assign a case of sufficient volume and difficulty to each applicant for performance of the applicant's qualified audit hours. The case must:

(a) Consist of not less than \$10,000,000 in assets and be audited in accordance with the procedures for large cases and generally accepted auditing standards; and

(b) Include the preparation of an opinion report concerning related financial information.

↪ The committee shall not assign the same case to more than one applicant.

4. At least two members of the committee shall sign the applicant's certificate of attest experience, if the members of the committee have determined that the applicant has complied with the requirements set forth in the certificate and NAC 628.066 and 628.0662. Any member of the committee who refuses to sign the form shall file a dissenting opinion with the certificate.

**628.0666 Experience as agent of Internal Revenue Service: Maintenance of record of experience. (NRS 628.120, 628.200)** To satisfy the requirements of subsection 2 of NRS 628.200, an applicant earning work experience as an agent employed by the Internal Revenue



Service shall keep a record of his or her work experience, including related work papers, for review pursuant to NAC 628.067.

**628.0668 Experience as agent of Internal Revenue Service: Educational requirements.  
(NRS 628.120, 628.200)**

1. To comply with the requirements set forth in paragraph (c) of subsection 1 of NAC 628.066, an applicant must complete at least 152 hours of credit in the following subject areas:

Subject Area	Hours of Credit
Professional Training for Public Accountants - Level I (Staff Training - Basic)	24
Designing Audit Programs for Small Business Engagements	8
Professional Training for Public Accountants - Level II (Staff Training - Semi-Senior)	24
Audits of Small Businesses: Applying Selected Statements on Auditing Standards (SAS)	8
Financial Accounting Standards Board-Accounting Principles Board Review (FASB-APB)	16
Professional Training for Public Accountants - Level III (Staff Training - Beginning In-Charge)	24
Preparing Financial Statements	8
Standards for Compilation and Review Services	8

Financial Statement Disclosures	16
Internal Control: The Auditor's Responsibilities	8
Audit Risk and Materiality	8

2. The number of hours of credit designated for each subject area listed in subsection 1 is the minimum number of hours required for that subject area.

3. An applicant may take more than one course in any subject area.

4. An applicant is entitled to receive credit for any course he or she completes in the program, regardless of the title of the course, if the content of the course is within one of the subject areas listed in subsection 1.

5. An applicant may complete the requirements of the three levels of professional training described in subsection 1 by completing internal courses which have been previously approved by the Board as being substantially the equivalent of the three levels of professional training described in subsection 1.

**628.067 Experience as agent of Internal Revenue Service: Quality control. (NRS 628.120, 628.200)**

1. The Board will not accept qualified audit hours earned by an applicant as an agent employed by the Internal Revenue Service unless:

(a) An independent quality control review of the Internal Revenue Service is conducted every 3 years pursuant to a program approved by the Board.

(b) The Internal Revenue Service establishes and maintains appropriately documented policies and procedures relating to quality control which comply with professional standards of auditing or accounting.

2. The Internal Revenue Service shall:

(a) Notify the Board of each final conference of the review of the Internal Revenue Service.

The Board may observe the final conference.

(b) Submit the report of the review, letter of comments and responses thereto to the Board within 30 days after they are received by the Internal Revenue Service.

**628.068 Experience in internal auditing work or governmental accounting and auditing work: Additional means of satisfying requirements. (NRS 628.120, 628.200)** An applicant for a certificate of certified public accountant who has not complied with the provisions set forth in NAC 628.061 to 628.067, inclusive, may satisfy the requirements of subsection 2 of NRS 628.200 by requesting an individual evaluation of his or her experience as provided in subsection 2 of NAC 628.060 and paying the fee set forth in paragraph (f) of subsection 3 of NAC 628.016.

**INFORMATIONAL STATEMENT FOR ADOPTED REGULATIONS  
AS REQUIRED BY NRS 233B.066  
R031-13**

The informational statement required by NRS 233B.066 is submitted for the adopted amendments to Nevada Administrative Code (“NAC”) Chapter 628:

**1. A clear and concise explanation of the need for the adopted regulation.**

The Board is required by NRS 628.200(3) to adopt regulations concerning the public accounting experience, internal auditing work, and governmental accounting and auditing work required by an applicant for a certificate of certified public accountant. The proposed regulation amends and updates the experience requirements for certification of a certified public accountant. The proposed regulation also outlines the provisions for verification of experience and continuing professional education required if work is performed in certain areas. The Board’s current temporary regulation expires on November 1, 2013 pursuant to NRS 233B.063(3) and the Board seeks to permanently adopt the temporary regulation previously adopted on June 12, 2013.

**2. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.**

(a) Copies of the proposed regulations, notice of intent to act upon the proposed regulation and notice of workshop and hearing were sent by U.S. mail to all licensees of the Nevada State Board of Accountancy. In addition, copies of the proposed regulations, notice of intent to act upon the proposed regulation and notice of workshop and hearing were sent by U.S. mail and email to persons who were known to have an interest in the Nevada State Board of Accountancy regulations as well as any persons who had specifically requested such notice. These documents were also made available at the website of the Nevada State Board of Accountancy, [www.nvaccountancy.com](http://www.nvaccountancy.com), mailed to all county libraries in Nevada, and posted at the following locations: Clark County Court House, Las Vegas City Hall, Washoe County Court House, and Washoe County Library.

(b) A workshop was held on September 17, 2013 in Las Vegas in conjunction with the regular Nevada State Board of Accountancy (“Board”) meeting to obtain comments in connection with the proposed regulation changes. A hearing was held on September 25, 2013 in Reno and additional comments were heard regarding the proposed regulation changes. The Board held a meeting on October 2, 2013 adopting the proposed regulation with proposed changes based on the comments provided during the workshop and public hearing. The public response was both for and against the proposed changes. Individuals and firms advocated that the requirements for licensure as a CPA were being lowered by the proposed regulation changes. Certified public accountants perform attest engagements and the attest function separates a CPA from other financial advisors or tax preparers. There were other individuals and firms advocating in favor of the change that would allow more individuals to obtain licensure from other areas of experience rather than the attest requirement. Issues that were discussed: (1) Mobility that allows cross border practice; (2) Whether there was increased discipline in other states with no attest experience requirements and observations regarding attest discipline issues

in Nevada; (3) Nevada being one of the last states requiring a minimum of 1,000 hours of attest experience for licensure; (4) Maintaining Board control over the standards for licensure versus others setting those standards; (5) Fewer firms performing audits, making it more difficult to obtain the attest experience currently required.

(c) All interested parties may obtain a summary of public response by written or verbal request to: Nevada State Board of Accountancy, 1325 Airmotive Way, Suite 220, Reno, Nevada 89502 or [cpa@nvaccountancy.com](mailto:cpa@nvaccountancy.com)

**3. The number of persons who: (a) Attended each hearing; (b) Testified at each hearing; and (c) Submitted to the agency written statements.**

(a) The number of persons who attended:

1. the workshop was 15
2. the hearing was 2
3. the Board meeting adopting the regulation was 0

(b) The number of persons who testified at:

1. the workshop was 10
2. the hearing was 1
3. the Board meeting adopting the regulation was 0

(c) The number of submitted statements to the agency was 4

**4. For each person identified in subsection 3 (b) and (c) above, the following information if provided to the agency conducting the hearing (a) Name; (b) Telephone number; (c) Business address; (d) Business telephone number; (e) Electronic mail address; and (f) Name of entity or organization represented.**

See attached Spreadsheet with the requested information.

**5. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected businesses by mailing a copy of the proposed regulation to each licensee of the Board and in the same manner as they were solicited from the public described above. The summary of public response is set forth in response to question 2 above and may be obtained as instructed in the response to question 2.

**6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The proposed regulation was adopted on October 2, 2013 and changes to the proposed regulation were adopted. The changes included those suggested at the workshop as minor clean up and clarification language.

**7. The estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately, and in each case must include:**

**(a) Estimated economic effect on the businesses which they are to regulate**

This regulation should not have an economic impact on businesses that provide Certified Public Accountant experience.

**(b) Estimated economic effect on the public which they are to regulate**

This regulation will not have an economic impact on the public.

**8. The estimated cost to the agency for enforcement of the proposed regulation.**

Enforcement of the regulation will be performed by the Board and there should not be any additional costs associated with enforcement of the adopted regulation.

**9. A description of any regulations of other State or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

The regulation does not overlap or duplicate any federal, state or local regulations.

**10. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

The Board of Accountancy is not aware of any similar regulations of the same activity in which the federal regulation is more stringent.

**11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The regulation does not provide a new fee nor increase existing fees.

**12. Is the proposed regulation likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business? What methods did the agency use in determining the impact of the regulation on a small business?**

The Executive Director has determined that the proposed regulation does not impose a direct and significant economic burden upon a small business or restrict the formation, operation or expansion of a small business. In making this determination, the Executive Director considered the fact that the proposed amendment to existing regulations eliminates the attest experience required for an applicant for licensure and reduces the amount of attest documentation licensees

and applicants for licensure need to retain when certifying experience for licensure. There are no additional requirements on any private business as a result of this proposed regulation.