

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

LCB File No. R046-13

Effective December 23, 2013

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

AUTHORITY: §§1, 3, 6, 8, 9, 11-15 and 23, NRS 628.120; §2, NRS 628.120, 628.250, 628.340, 628.343, 628.345, 628.360, 628.363, 628.365 and 628.380; §4, NRS 628.120, 628.190 and 628.230; §5, NRS 628.120 and 628.230; §7, NRS 628.120 and 628.310; §10, NRS 628.120, 628.380 and 628.386; §16, NRS 628.120 and 628.380; §17, NRS 628.120 and 628.410; §§18-22, NRS 628.120 and 628.160.

A REGULATION relating to accountants; revising the amounts and applicability of certain fees charged by the Nevada State Board of Accountancy; establishing administrative penalties for failure to comply with continuing education requirements; authorizing the Board to charge a fee for providing a copy of a public record; amending provisions concerning the examination of certified public accountants; removing authorization for the Board to grant a certificate as a certified public accountant by temporary permit; amending certain reporting and notification requirements for persons engaged in the practice of public accounting; amending the requirements for reinstatement of a certificate of certified public accountant; authorizing certain persons engaged in the practice of certified public accounting to use a fictitious name not registered with and approved by the Board under certain circumstances; establishing the procedure to be followed if a licensee is incapacitated, disappears or dies; and providing other matters properly relating thereto.

Section 1. NAC 628.010 is hereby amended to read as follows:

628.010 As used in this chapter, unless the context otherwise requires:

1. “Board” means the Nevada State Board of Accountancy.
2. *“Firm” means any partnership, corporation, limited-liability company or sole proprietorship.*
3. *“Practice privileges” means the privileges granted a natural person in accordance with the provisions of NRS 628.315.*

4. "Practitioner" means:

(a) A certified public accountant or ~~the~~ *firm of certified* public ~~accountant~~ *accountants* licensed *or registered* by the Board to engage in the practice of public accounting; ~~or~~

(b) A certified public accountant ~~for firm of certified public accountants which~~ *who* does not hold a live permit and does not have a registered office or residence in this State, but has been ~~issued, or has applied for, a temporary permit pursuant to NRS 628.440.~~ *granted practice privileges pursuant to NRS 628.315 or 628.335; or*

(c) A firm of certified public accountants that does not have an office in this State, but is registered with the Board pursuant to NRS 628.335.

Sec. 2. 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.~~ *100.*

(b) For an application for registration of a ~~corporation, limited liability company or partnership~~ firm, the Board will establish each year a fee that will not exceed..... ~~[\$200]~~ \$250

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~~ firm, the Board will establish each year a fee that will not exceed..... ~~[\$125]~~ \$200

~~(c)~~ (b) For the late filing of an annual report of a ~~corporation, limited liability company or partnership~~ firm, the Board will establish each year a fee that will not exceed ~~[\$100]~~ \$200

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

~~(e)~~ (d) For the late filing of the annual renewal of a permit to practice public accounting, after January 31 of each year , the Board will establish each year a fee that will not exceed ~~[\$100]~~ \$200

~~(f)~~ (e) For an individual evaluation of experience pursuant to subsection 2 of NAC 628.060, in addition to any reasonable costs of travel actually incurred by the Board and imposed pursuant to subsection 3 of NAC 628.060\$1,000

~~(g)~~ (f) For registering a fictitious name\$100

~~(h)~~ (g) For the late completion of continuing education requirements, an administrative fine in the following amounts:

- (1) If completed 1 calendar month late.....\$100*
- (2) If completed 2 to 3 calendar months late.....\$350*
- (3) If completed 4 to 5 calendar months late.....\$850*
- (4) If completed 6 to 7 calendar months late.....\$1,600*

(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.

(i) The Board will charge a fee of 50 cents per page, up to 100 pages, for providing a copy of a public record to a requester pursuant to NRS 239.052. For a public records request that exceeds 100 pages, the Board may use a bulk copy center for copying the public record. If the Board uses a bulk copying center to copy a public record, the Board may charge a fee that must not exceed the actual cost to the Board to provide the copy of the public record. The copy of the requested public record may be provided electronically as deemed appropriate by the Board.

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

Sec. 3. NAC 628.020 is hereby amended to read as follows:

628.020 1. Applications to take the examination for certification as a certified public accountant must be made on a form provided by the Board and filed with the Board. The examinations will be held at locations designated by the Board.

2. Each applicant must submit the names of at least three persons, one of whom must be a resident of Nevada and none of whom may be related by blood or marriage to the applicant, who can vouch for the applicant’s character. No person may take the examination until the Board is

satisfied that the person is of fiscal integrity and without any history of acts involving dishonesty or moral turpitude.

3. An application is not considered filed until the fee for the examination and all required supporting documents, including official transcripts ~~that~~ *that indicate all required education has been completed*, have been received by the Board.

4. An applicant who fails to appear for an examination forfeits the fees charged for the examination unless the Board determines, based on information supplied by the applicant, that there existed reasonable cause beyond the applicant's control for the failure to appear.

5. Notice of the acceptance of the application will be ~~mailed~~ *provided* to each applicant.

Sec. 4. NAC 628.030 is hereby amended to read as follows:

628.030 1. The examination required by NRS 628.190 is the Uniform Certified Public Accountant Examination ~~or~~ *or an examination approved by the Board pursuant to NRS 628.230.*

2. In addition to the ~~Uniform Certified Public Accountant Examination,~~ *examination described in subsection 1*, no earlier than 3 years before filing the application for certification as a certified public accountant, an applicant must pass an examination in professional ethics which is prescribed by or acceptable to the Board.

Sec. 5. NAC 628.040 is hereby amended to read as follows:

628.040 1. ~~On or after January 1, 2004, the examination will be conducted on a computer.~~ The passing grade for each section of the examination is 75.

2. ~~Except as otherwise provided in this section, an~~ *An* applicant who at one sitting receives a passing grade on any section of the examination is entitled to receive conditional credit for each section passed. Any conditional credit granted pursuant to this section expires if all

unpassed sections of the examination have not been completed within 18 months after the applicant passes a section of the examination. An applicant may not be reexamined on any section for which he or she did not receive a passing grade during the calendar quarter in which he or she failed to receive a passing grade for that section.

3. ~~¶An applicant who receives conditional credit before January 1, 2004:~~

~~—(a) Is entitled to receive conditional credit for the corresponding section of the examination conducted on or after January 1, 2004.~~

~~—(b) May take the examination conducted on or after January 1, 2004, as many times as the applicant would have been entitled to take the examination conducted before January 1, 2004.~~

~~—(c) And fails to pass the remaining sections of the examination within the number of examinations authorized for an applicant before January 1, 2004:~~

~~——(1) Forfeits any conditional credit he or she received for any section of the examination he or she passed before January 1, 2004; and~~

~~——(2) Does not forfeit any conditional credit he or she received for any section passed on the examination conducted on or after January 1, 2004.¶~~ *At the discretion of the Board, an*

extension of time to complete the examination may be granted to an applicant who has demonstrated personal hardship and is unable to complete the examination in the required time frame.

Sec. 6. NAC 628.070 is hereby amended to read as follows:

628.070 The Board may grant a certificate by reciprocity ~~¶or a temporary permit¶~~ to practice to any person who is the holder of:

1. A certificate as a certified public accountant then in effect issued pursuant to the laws of any state or other jurisdiction of the United States; or

2. An equivalent certificate then in effect issued by a foreign country pursuant to the provisions of NRS 628.310.

Sec. 7. NAC 628.080 is hereby amended to read as follows:

628.080 1. The examination for a certificate as a certified public accountant will not be waived for an applicant whose certificate as a certified public accountant was based in whole or in part on the entitlement of the applicant to practice public accounting in a foreign country unless the applicant has passed an equivalent examination approved by the Board.

2. ~~Every applicant for a certificate as a certified public accountant who wishes to obtain a waiver of the examination must file the application upon a form provided by the Board, accompanied by the prescribed fee.~~

~~3.~~ The Board may accept the scores of an applicant from the Uniform Certified Public Accountant Examination *or any other examination approved by the Board* taken in another state and waive the manner in which the scores were obtained.

~~4.~~ 3. An applicant must submit proof that he or she has completed at least 20 hours of continuing education within 12 months before the date of filing the application for the issuance of a certificate.

Sec. 8. NAC 628.100 is hereby amended to read as follows:

628.100 Every holder of a permit *and every firm registered with the Board* must notify the Board in writing within 30 days after any change in his or her mailing address ~~+~~, *electronic mail address, telephone number or any other contact information on file with the Board.*

Sec. 9. NAC 628.110 is hereby amended to read as follows:

628.110 1. The certificate of a certified public accountant ~~for the registration of a public accountant~~ who holds a live permit and is in good standing may, upon application to ~~the Board~~

~~by the holder thereof,]~~ *and approval by the Board*, be placed ~~[by the Board]~~ on retired or inactive status.

2. A certified public accountant ~~[or a registered public accountant]~~ whose certificate ~~[or registration]~~ is placed on retired status pursuant to subsection 1 must, if he or she thereafter includes any reference to his or her certification ~~[or registration]~~ on a business card, letterhead or similar document or device, include the word “retired” immediately following each such reference.

3. Any ~~[employment related to the financial functions of business or government, including, without limitation, the supervision of such functions,]~~ *of the following activities* will be considered as active involvement in the accounting profession, and the holder of the certificate ~~[or registrant does]~~ *will* not qualify for *retired or* inactive status ~~[]~~ :

(a) Any employment related to the financial functions of any business, governmental entity or nonprofit organization;

(b) Any supervision of the financial functions of any business, governmental entity or nonprofit organization;

(c) Any preparation of tax returns or schedules in support of a tax return for compensation except when prepared for family members;

(d) Any volunteer position related to the financial functions of an entity, except financial oversight required by law in a fiduciary capacity for the volunteer position; or

(e) Any work as a trustee that includes the preparation of financial information for the trust except for a family trust.

4. A former holder of a certificate ~~[or a former registrant]~~ may be reinstated into the practice of public accounting from retired or inactive status by submitting an application to the Board

accompanied by the fee prescribed in NAC 628.016. The applicant must show that he or she has completed at least 40 hours of continuing education, *including 4 hours of continuing education relating to ethics*, during the 12 months immediately preceding the application.

5. A former holder of a certificate whose certificate has been voluntarily surrendered to the Board must submit:

(a) A new application for licensing accompanied by:

- (1) The application fee;
- (2) The fee for annual renewal of the permit for any year the fee was not paid before he or she surrendered the certificate; and
- (3) The penalty for late filing for any year fees were not paid before he or she surrendered the certificate as prescribed in paragraph ~~(e)~~ (d) of subsection 3 of NAC 628.016; and

(b) Proof that he or she has completed at least 40 hours of continuing education during the 12 months immediately preceding the application.

6. A former holder of a certificate whose certificate has been revoked ~~for nonpayment of fees~~ *or, in lieu of receiving disciplinary action, voluntarily surrendered to the Board*, must submit:

(a) A new application for licensing accompanied by:

- (1) The application fee;
- (2) The fee for annual renewal of the permit for any year that the fee was not paid before the certificate was revoked ~~;~~ *or surrendered*; and
- (3) The penalty for late filing prescribed in paragraph ~~(e)~~ (d) of subsection 3 of NAC 628.016 for any year that a fee was not paid before the certificate was revoked ~~;~~ *and or surrendered*;

(b) Proof that he or she has completed at least 80 hours of continuing education ~~{programs approved by the Board}~~, *including 8 hours of continuing education relating to ethics*, during the 12 months immediately preceding the filing of the new application ~~{}~~; *and*

(c) Evidence that any outstanding issues that are related to disciplinary action which caused the revocation or voluntary surrender have been addressed to the satisfaction of the Board.

7. For the purposes of this section:

(a) “Inactive status” means the voluntary ~~{reversion}~~ *termination* by a holder of a certificate ~~{or a registrant to a nonprofessional status outside}~~ *of all activities in* the fields of public, private or governmental accounting before reaching the age of retirement . ~~{}~~; *and*

(b) “Retired status” means the voluntary termination by a holder of a certificate ~~{or a registrant}~~ of all activities in the profession of public , ~~{or}~~ private *or governmental* accounting upon the attainment of at least 60 years of age or upon becoming permanently disabled and no longer gainfully employed.

Sec. 10. NAC 628.130 is hereby amended to read as follows:

628.130 1. ~~{Applications for registration or any other required document or report must be filed with the Board at its office.~~

~~—2.~~ A ~~{corporation, limited liability company or partnership}~~ *firm* must file with the Board an application for registration ~~{on a form furnished by the Board.}~~ *as provided in NRS 628.335.*

The application must be accompanied by the prescribed fee.

~~{3.}~~ *2. Before a certified public accountant, or a firm composed of certified public accountants with an office in this State, engages in the practice of public accounting in this State under a fictitious name, the certified public accountant or firm must first obtain the*

approval of the Board. An application for registration of a fictitious name must be filed ~~on a form furnished by~~ *with* the Board. The application must be accompanied by the prescribed fee ~~—4.~~ *in accordance with NAC 628.016.*

3. The Board, within a reasonable time after the submission of an application for registration, will either approve the application and issue a certificate of registration or refuse approval and notify the applicant of the reasons for refusal and the procedure for requesting a hearing on the disapproval.

Sec. 11. NAC 628.140 is hereby amended to read as follows:

628.140 1. The name under which a ~~proprietorship, partnership, limited liability company or professional corporation~~ *firm* engages in the practice of public accounting may not be misleading or deceptive.

2. The name of a firm is misleading or deceptive if the name of the firm:

(a) Implies the existence of a corporation, when the firm is not a corporation, by the use of the abbreviations “P.C.,” “Ltd.” or similar abbreviations.

(b) Implies the existence of a partnership, when the firm is not a partnership, by the use of a designation similar to “Smith & Jones” or “C.P.A.’s.”

(c) Implies the existence of a limited-liability company, when the firm is not a limited-liability company, by the use of the abbreviations “Ltd.,” “L.L.C.,” “LLC” or “LC.”

(d) Includes the name of a proprietor, partner, member or shareholder , *without the written consent of the person first being obtained by the firm and filed with the Board*, who has ~~withdrawn~~ :

(1) *Withdrawn* from the firm ; or ~~in the case of a corporation, has terminated~~

(2) Terminated his or her employment other than by retirement from public practice , *Board-approved inactive status* or by death . ~~[-without the written consent of the person who has withdrawn being first obtained by the firm and filed with the Board.]~~ The name of the proprietor, partner, member or shareholder must be removed from the name of the firm ~~for corporation]~~ within 120 days after the withdrawal or termination.

(e) Implies more than one principal, when there is only one shareholder, one member or one proprietor, by the use of a designation similar to “Smith & Co.,” “Smith & Assoc.” or “Smith Group.”

(f) Contains a misrepresentation of fact.

(g) Creates or is likely to create false or unjustified expectation of favorable results.

(h) Includes the name of a person who is not registered as a certified public accountant in any state or other jurisdiction of the United States or a foreign country.

3. A fictitious name must not be formulated in such a manner that the initials or parts of the name form a term or phrase that is misleading or deceptive.

4. A ~~proprietorship, partnership, limited liability company or corporation]~~ *firm* engaged in the practice of public accounting may not render professional services using:

(a) A name other than that which is stated in its certificate of registration; or

(b) A fictitious name unless ~~the]~~ :

(1) The fictitious name has been registered with and approved by the Board ~~H]~~ ; *or*

(2) The firm is performing services under practice privileges granted pursuant to NRS 628.315 or 628.335 and the fictitious name is approved by the state in which the firm’s principal place of business is located.

Sec. 12. NAC 628.150 is hereby amended to read as follows:

628.150 1. ~~{Proprietorships, partnerships, limited liability companies and corporations}~~ *Firms* holding certificates of registration to practice as certified public accountants may affiliate with other partnerships, partnerships of partnerships, limited-liability companies or corporations for the practice of public accounting if all *sole* proprietors, partners, members or shareholders of the affiliated firms in the practice of public accounting in the United States or its territories are:

(a) Certified public accountants in good standing in some other state or territory of the United States;

(b) Persons who are the holders of an equivalent certificate then in effect issued by a foreign country who meet the requirements set forth in subsection 2 of NRS 628.310; or

(c) Persons who meet the requirements set forth in subsection 5 of NRS 628.325.

2. ~~{Proprietorships, partnerships, limited liability companies and corporations}~~ *Firms* holding permits to practice as public accountants may affiliate with other partnerships, partnerships of partnerships, limited-liability companies or corporations for the practice of public accounting if all *sole* proprietors, partners, members or shareholders of affiliated firms regularly engaged in the practice of public accounting in this State are public accountants or certified public accountants holding a live permit in this State and all other proprietors, partners, members or shareholders of the affiliated firms in the practice of public accounting in the United States or its territories are:

(a) Certified public accountants in good standing in some other state or territory of the United States;

(b) Persons who are the holders of an equivalent certificate then in effect issued by a foreign country who meet the requirements set forth in subsection 2 of NRS 628.310; or

(c) Persons who meet the requirements set forth in subsection 5 of NRS 628.325.

Sec. 13. NAC 628.160 is hereby amended to read as follows:

628.160 1. The personal representative or estate of a practitioner who has died or become legally incompetent or a practitioner who is disqualified from practicing public accounting must sell his or her interest in a ~~[partnership, limited liability company or corporation]~~ ***firm*** to the remaining owners or to the legal entity not later than 6 months after the death or incompetency of the practitioner or not later than 120 days after the practitioner becomes disqualified.

2. All restrictions on the ownership and transfer of the interest described in subsection 1 must be set forth in the articles of incorporation or the bylaws of the corporation or in the operating agreement or articles of organization of the limited-liability company or partnership agreement.

3. Each practitioner shall designate a partner, personal representative or other responsible party to assume responsibility for client files in the case of incapacity, disappearance or death of the practitioner.

4. In the event that a practitioner is incapacitated, disappears or dies, and no responsible party is known to exist, the Board may petition the court for an order appointing one or more practitioners to make an inventory of the files and to take actions, as appropriate, to protect the interests of the clients. The order of appointment must be public.

5. An appointed practitioner shall:

(a) Take custody of the practitioner's files and trust or escrow accounts.

(b) Notify each client of the practitioner in a pending matter and, in the discretion of the appointed practitioner, notify any other client of the practitioner, by first-class mail to the address of the client that is on file with the appointed practitioner of:

(1) Any right of the client to obtain any papers, money or other property to which the client is entitled;

(2) The time and place at which the papers, money or other property may be obtained; and

(3) Any deadline by which the papers, money or other property must be obtained.

(c) Publish in a newspaper of general circulation in the county or counties in which the practitioner resided or engaged in any substantial practice of accounting, once a week for 3 successive weeks, notice of the discontinuance or interruption of the practitioner's practice.

The notice must include:

(1) The name and address of the practitioner whose practice has been discontinued or interrupted;

(2) The time, date and location where a client may pick up his or her file; and

(3) The name, address and telephone number of the appointed practitioner.

(d) Release to each client the papers, money or other property to which the client is entitled.

(e) With the consent of the client, file notices or petitions on behalf of the client in tax or probate matters where notices or petitions are required to be filed by a certain date and other representation has not yet been obtained.

(f) Perform any other acts directed in the order of appointment issued pursuant to subsection 4.

6. The notice required by paragraph (c) of subsection 5 must be mailed, by first-class mail, to any insurer covering liability for errors or omissions or any other entity having reason to be informed of the discontinuance or interruption of the practitioner's practice.

Sec. 14. NAC 628.180 is hereby amended to read as follows:

628.180 1. A ~~{corporation, limited liability company or partnership}~~ *firm registered pursuant to NRS 628.335* shall, on or before January 31 of each year, file with the Board an annual report on a form provided by the Board reflecting its status and containing such information as the Board may require.

2. Each ~~{corporation, limited liability company or partnership}~~ *firm* shall ~~{file a special report}~~ *notify the Board* within 30 days after any occurrence relating to the requirements of the law and the regulations of the Board, including changes in officers, directors, members, shareholders, *proprietors* and amendments to bylaws and articles of incorporation.

~~{3. Each report filed pursuant to this section must be accompanied by the prescribed fee, including any prescribed penalty for late filing.}~~

Sec. 15. NAC 628.190 is hereby amended to read as follows:

628.190 Every permit ~~{, except temporary permits for nonresidents, may}~~ *and registration must* be renewed by payment of the prescribed renewal fee on or before January 31 of each year. After that time, a certificate holder or ~~{registrant}~~ *firm* may not lawfully practice public accounting in this State until all delinquent fees and penalties have been paid.

Sec. 16. NAC 628.430 is hereby amended to read as follows:

628.430 1. A complaint issued by the Board will include:

- (a) A short and plain statement of the matters which are asserted or charged; and
- (b) References to any particular sections of chapter 628 of NRS, the rules of professional conduct or the regulations of the Board which are asserted to have been involved in the complaint.

2. A notice served pursuant to NRS 628.410 will be accompanied by:

- (a) ~~{A copy of this regulation;~~
- ~~—(b) A copy of chapter 628 of NRS; and~~
- ~~—(c) A brief statement of the rights of the respondent to examine reports and evidence in advance of the hearing, to appear with counsel at the hearing, to present evidence and to appeal an adverse decision {; and~~

(b) Notice that a copy of this chapter and chapter 628 of NRS may be obtained at the Internet addresses <http://www.leg.state.nv.us/nac> and <http://www.leg.state.nv.us/nrs>, respectively.

3. A respondent has the right in advance of the hearing to examine and copy any report of an investigation and documentary or testimonial evidence and summaries of evidence in the Board's possession relating to the subject of the complaint. The right of examination may be exercised by the respondent or his or her attorney or agent at the Board's office where the records are kept, during regular business hours, if written notice is given 3 days in advance. Copies of any documents designated for copying will be promptly furnished. The Board may charge a fee for the copying.

Sec. 17. NAC 628.500 is hereby amended to read as follows:

628.500 1. The Board hereby adopts by reference the *Code of Professional Conduct* adopted by the American Institute of Certified Public Accountants, as that code existed on ~~June 1, 2003,~~ *October 23, 2013*, with the following exceptions:

- (a) References to "member" are amended to refer to "practitioner."
- (b) The definition of "financial statements" in ET Section 92 is amended to read as follows:
 - (1) "Financial statements" means:

(I) Any statements or footnotes related thereto that purport to demonstrate the financial condition of a person at a particular time or the change in a person's financial condition during a particular period; or

(II) Any statements prepared using a cash or other comprehensive basis of accounting.

(2) The term includes balance sheets, statements of income, statements of retained earnings, statements of cash flows and statements of changes in equity.

(3) The term does not include incidental financial data that is included in reports concerning advisory services for management made to support recommendations to a client, tax returns or schedules in support of a tax return, or the statement, affidavit or signature of the person who prepares a tax return.

(c) The definition of ~~“practice of public accounting”~~ *“public practice”* in ET Section 92 is amended to have the meaning ascribed to ~~it~~ *the definition of “practice of public accounting”* in NRS 628.023.

(d) The disclosure required pursuant to Section B of Rule 503 must:

(1) Include the amount of the commission expressed in dollars or the method, described in plain language, used to calculate the commission;

(2) Include the name of the person or entity paying the commission;

(3) Be written;

(4) Be made on or before the date of referral or recommendation; and

(5) Be signed and dated.

(e) The statement, affidavit or signature of the preparer of a tax return does not constitute an opinion on a financial statement, and the preparer of the tax return is not required to make a disclaimer of such an opinion.

(f) The Board does not adopt by reference pursuant to this section Appendix B of the ET Appendixes of the *Code of Professional Conduct*.

2. A copy of the *Code of Professional Conduct* may be obtained:

(a) By mail from the American Institute of Certified Public Accountants, Attn: Order Department, Harborside Financial Center, 201 Plaza Three, Jersey City, New Jersey 07311 ; ~~at a cost of \$13.75 for a printed copy;~~ or

(b) On-line from the American Institute of Certified Public Accountants at its *Internet* website ~~at , <http://www.aicpa.org/about/code/index.html>;~~ , <http://www.aicpa.org>, free of charge.

3. The Board will periodically review the standards adopted by reference 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. 18. NAC 628.510 is hereby amended to read as follows:

628.510 1. The provisions of this section and the provisions adopted by reference pursuant to NAC 628.500 apply to all persons who are engaged in the practice of public accounting in this State.

2. The provisions of this section and the provisions adopted by reference pursuant to NAC 628.500 do not apply to a practitioner who engages in the practice of public accounting outside this State unless the practitioner's name is included in a financial statement and the manner in which the statement is written would cause a reasonable person to believe that the statement was prepared pursuant to the laws of this State ~~+~~ ***or under practice privileges granted pursuant to NRS 628.315 or 628.335.***

3. A practitioner may be held responsible for compliance with the provisions of this section and the provisions adopted by reference pursuant to NAC 628.500 by all persons associated with him or her in the practice of public accounting who are under the practitioner's supervision or are the partners or shareholders of the practitioner.

4. A practitioner shall not permit another person to perform on his or her behalf, with or without compensation, actions which, if performed by the practitioner, would result in a violation of any of the provisions adopted by reference pursuant to NAC 628.500.

Sec. 19. NAC 628.520 is hereby amended to read as follows:

628.520 A practitioner *or firm* shall report to the Board ~~on a form prescribed by the Board,~~ not more than ~~45~~ **30** days after:

1. The practitioner *or firm* receives ~~an adverse~~ a peer review or inspection report ~~with identified deficiencies.~~

2. ~~The practitioner receives the second of two consecutive modified peer reviews or inspection reports.~~

~~3.~~ The decision against the practitioner *or firm* for the imposition of a disciplinary action, including, without limitation, a censure, a reprimand, a sanction, probation, a civil penalty, a fine, a consent decree or an order for the suspension, revocation or modification of a license, certificate, permit or right to practice by:

(a) The Securities and Exchange Commission;

(b) The Internal Revenue Service;

(c) Any agency of another state authorized to regulate the practice of accountancy in that state for any cause except:

(1) The failure to pay by the date due a fee for a license, certificate, permit or right to practice; or

(2) The failure to comply with a requirement for continuing education;

(d) Any other federal or state agency for conduct of the practitioner *or firm* relating to the provision of professional services; or

(e) Any agency of this State, another state or territory, or any agency of the Federal Government authorized to regulate taxes, insurance or securities.

~~14.~~ **3.** Except as otherwise provided in this subsection, any *settlement*, award or judgment of \$150,000 or more against the practitioner *or firm* for a claim of or action for gross negligence, violation of a specific standard of practice, fraud or misappropriation of money in the practice of accounting. If the practitioner is a firm of certified public accountants, the practitioner shall notify the Board, pursuant to this subsection, ~~only~~ of ~~an~~ *any settlement*, award or judgment involving the practice of public accounting in this State.

~~15.~~ **4.** The practitioner *or firm* is charged with, is convicted of or pleads nolo contendere to, or has an order of deferred prosecution entered in a case involving the practitioner *or firm* for:

(a) A felony under the laws of any state or of the United States; or

(b) A crime, an element of which is dishonesty or fraud, *or any crime involving moral turpitude*, under the laws of any state or of the United States ~~+~~ *or any foreign country*.

Sec. 20. NAC 628.575 is hereby amended to read as follows:

628.575 1. The Board will review the reports submitted by practitioners pursuant to NAC 628.550 to 628.590, inclusive, to determine whether the practitioners have complied with applicable standards of reporting on a 3-year cycle and will assign one-third of the practitioners *who hold a live permit or current certificate* in this State to each year of the cycle.

2. ~~{During the month of April of each}~~ *Each* calendar year, the Board will notify each practitioner who is required for that year to submit to the Board a copy of the practice-monitoring findings or a transmittal form indicating that no audit, review, full disclosure compilation or attestation reports were issued by the practitioner in the previous year.

3. The 3-year cycle established pursuant to this section does not affect the requirements for the annual renewal of office registrations or permits contained in NRS 628.370 and 628.380.

Sec. 21. NAC 628.580 is hereby amended to read as follows:

628.580 1. Except as otherwise provided in ~~{subsections}~~ *subsection 4*, ~~{and 5}~~, a practitioner who performs audit, review, full disclosure compilation or attestation services shall engage in a practice-monitoring program, which is approved by the Board, to ensure that he or she is maintaining the standards of the profession.

2. If a practitioner engages in a practice-monitoring program, the practitioner shall submit to the Board the practice-monitoring findings of the practice-monitoring program ~~{on or before May 1 of each}~~ *during the* year in which he or she is assigned to submit the practice-monitoring findings pursuant to NAC 628.575. The Board may extend the deadline for the submission of practice-monitoring findings to the Board by a practitioner.

3. The Board may verify the validity of the practice-monitoring findings submitted by the practitioner.

4. A practitioner who does not perform audit, review, full disclosure compilation or attestation services shall report these facts to the Board on a transmittal form. The form must be accompanied by an affirmation by the practitioner that the statements contained in the form are true. The practitioner is exempt from the requirements of NAC 628.550 to 628.590, inclusive, only for that period during which the practitioner does not perform audit, review, full disclosure

compilation or attestation services. If a practitioner who is exempt from engaging in a practice-monitoring program pursuant to this subsection enters into an engagement to perform audit, review, full disclosure compilation or attestation services, the practitioner must notify the Board not more than 60 days after the date of entering into such engagement and must engage in a practice-monitoring program not more than 18 months after the date upon which he or she enters into the engagement.

~~{5.—A practitioner licensed by the Board for the first time is not required to submit practice-monitoring findings to the Board until the application for the renewal of his or her annual permit is submitted for the next year.}~~

Sec. 22. NAC 628.090 is hereby repealed.

TEXT OF REPEALED SECTION

628.090 Temporary permits. (NRS 628.120, 628.440)

1. Pursuant to the provisions of NRS 628.310, an applicant whose certificate as a certified public accountant was issued by another state or jurisdiction of the United States approved by the Board or who holds an equivalent certificate then in effect issued by a foreign country pursuant to the provisions of NRS 628.310 is eligible for the issuance of a temporary permit if the applicant passes an examination approved by the Board that is substantially equivalent to the examination for a certificate as a certified public accountant that is conducted by the Board.

2. An application for a temporary permit must be in the name of the firm proposing to conduct the engagement and must be executed by the proprietor, partner, member or shareholder responsible for the conduct of the engagement. The person executing the application must have completed at least 80 hours of continuing education in a qualified program during the 2 calendar years immediately preceding the commencement of the engagement.

3. If the applicant is a partnership, a limited-liability company or a corporation of certified public accountants, the applicant must comply with the applicable requirements of NRS 628.325 to 628.370, inclusive.

4. The application must specify the name of the client, the nature of the service to be provided and the anticipated duration of the engagement. A temporary permit is valid for the duration of the engagement or for 6 months, whichever is less. If the engagement is longer than 6 months, new permits must be obtained for each subsequent 6-month period or portion thereof.

5. An agent designated pursuant to subsection 3 of NRS 628.440 shall serve for all future engagements of the applicant until the Board is advised to the contrary by the agent or by the applicant.

6. Within 30 days after the expiration of a temporary permit, the applicant shall report to the Board the names of all persons present in the State and employed in the conduct of the engagement during the period of the permit and shall pay any additional fees prescribed by the Board. If reports or fees are delinquent from any prior engagement, the Board will not issue any further temporary permits to the applicant for any purpose. Delinquent reports must be accompanied by a delinquency penalty of 25 percent of the sum due for each 30-day period or part thereof during which the reports are delinquent, but a delinquency penalty must not exceed \$500 per report. The Board may waive such penalties in whole or in part if there is reasonable

cause. All reports made pursuant to this section are subject to audit by the Board or its representatives.

7. Applicants, their partners, members, shareholders, employees and affiliates, while practicing under a temporary permit, must comply with the regulations adopted by the Board which are effective during the term of the engagement.

AMENDED INFORMATIONAL STATEMENT FOR ADOPTED REGULATIONS
AS REQUIRED BY NRS 233B.066
R046-13

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 628.120 to adopt regulations reasonably necessary and expedient for the orderly conduct of its affairs and for the administration of Nevada Revised Statutes (“NRS”) Chapter 628. It has been approximately 10 years since the Board last amended its regulations. The purpose of the proposed amendments to the regulations is to reflect statutory amendments made to NRS Chapter 628 in recent years and other administrative changes the Board deemed reasonably necessary and expedient for the orderly conduct of its affairs and for the administration of NRS Chapter 628.

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, 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 to solicit additional comments regarding the proposed regulation changes. An additional meeting was held on October 2, 2013 adopting the proposed regulation. A total of 17 people attended the meetings and the Board did not receive any comments regarding the proposed language, or any opposition from licensees to the proposed fee changes.

At its meeting on October 22, 2013, the Legislative Commission deferred action on the regulation and referred the regulation back to the Board expressing concern about proposed increases to certain fees in NAC 628.016. On November 12, 2013 at its regularly scheduled and noticed meeting, the Board voted to amend the proposed fee increases in NAC 628.016 to address the concerns of the Legislative Commission.

(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

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 meetings adopting and amending the regulation was 0
- (b) The number of persons who testified at:
 - 1. the workshop was 0
 - 2. the hearing was 0
 - 3. the Board meetings adopting and amending the regulation was 0
- (c) The number of submitted statements to the agency was 0

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.

Not applicable as no one provided comments to the proposed regulations.

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 included all of the changes suggested by the Board members at the workshop and public hearing. The changes included only minor clean up and clarification language. On November 12, 2013 at its regularly scheduled and noticed meeting, the Board voted to amend the proposed fee increases in NAC 628.016 to address the concerns of the Legislative Commission.

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 public accounting services.

(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 provide for certain existing fees and administrative penalties not to exceed a certain amount; however, there will be no fee increase at this time. There is a new fee for providing a copy of a public record. Public record requests to the Board do not occur often and the Board Staff attempts to provide public records in response to the request electronically if possible so there is no cost to the requester. The Board expects to collect little, if any, revenue annually from this fee and if the fee is collected it will cover the costs incurred by the Board to provide the public record.

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 coincides with previously made

legislative statute changes and in addition, clarifies and cleans up administrative processes and provisions of the Board. There are no additional requirements on any private business as a result of this proposed regulation and no comments were received regarding the proposed regulation.