

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

LCB File No. R068-17

September 20, 2017

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

AUTHORITY: §§1-5, NRS 628.120, 628.170 and 628.386; §6, NRS 628.120 and 628.230; §7, NRS 628.120 and 628.200, as amended by section 11 of Assembly Bill No. 454, chapter 512, Statutes of Nevada 2017, at page 3463; §8, NRS 628.120; §§9-13, NRS 628.120, 628.160 and 628.386.

A REGULATION relating to accountants; providing for the Nevada State Board of Accountancy to create a peer review oversight committee of the practice-monitoring program; establishing powers and duties of the committee; amending provisions concerning the examination for certification as a certified public accountant; revising the requirements for the education and experience of an applicant for a certificate of certified public accountant; revising provisions relating to disciplinary action; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Nevada State Board of Accountancy to adopt regulations reasonably necessary and expedient for the orderly conduct of its affairs and the administration of the provisions of existing law relating to the practice of public accounting. (NRS 628.120) Existing law authorizes the Board to establish committees to assist in the management of its affairs. (NRS 628.170) Existing regulations set forth a practice-monitoring program to monitor the quality of financial reporting of a practitioner of public accounting. (NAC 628.550-628.590) **Section 3** of this regulation provides for the creation of a peer review oversight committee of the practice-monitoring program. **Section 4** of this regulation authorizes the Board to arrange participation in regional peer review oversight committees. **Sections 11 and 12** of this regulation revise other provisions related to the practice-monitoring program.

Existing regulations set forth the requirements to be eligible to take an examination in order to receive a certificate of certified public accountant. (NAC 628.020) **Section 6** of this regulation prescribes the education required to be eligible to apply to take such an examination. **Section 5** of this regulation makes a conforming change.

Existing regulations set forth certain requirements of education and work experience for applicants for a certificate of certified public accountant. (NAC 628.060) **Section 7** of this regulation revises the work experience and tasks relating to such work experience which will satisfy the requirements to obtain a certificate of certified public accountant. **Section 7** also

provides which tasks will not satisfy the requirements to obtain a certificate of certified public accountant.

During the 2017 Legislative Session, the Legislature enacted Assembly Bill No. 454, repealing certain provisions relating to the registration and regulation of public accountants and business entities formed by public accountants. (Section 45 of Assembly Bill No. 454, chapter 512, Statutes of Nevada 2017, at page 3486) **Section 8** of this regulation makes a conforming change by removing language referring to public accountants other than certified public accountants.

Section 9 of this regulation revises the decisions relating to disciplinary action which must be reported to the Board by a practitioner or firm.

Section 1. Chapter 628 of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this regulation.

Sec. 2. *“Sponsoring organization” means an entity which administers a practice-monitoring program.*

Sec. 3. 1. *The Board may establish a peer review oversight committee to:*

(a) Monitor a sponsoring organization to ensure that peer reviews are being conducted and reported in accordance with peer review minimum standards;

(b) Review the policies and procedures of an organization applying to the Board to become a sponsoring organization to ensure that such policies and procedures conform with peer review minimum standards; and

(c) Report to the Board any conclusions or recommendations based on the functions performed pursuant to paragraphs (a) or (b).

2. The peer review oversight committee must consist of three members appointed by the Board, none of whom is a current member of the Board. Each member of the peer review oversight committee serves at the pleasure of the Board and for such a period of time as is set by the Board.

3. *Each member of the peer review oversight committee must be a person engaged in active practice as a certified public accountant, in at least a supervisory position related to accounting or auditing functions. Each member or his or her firm must be engaged in a practice-monitoring program and have received an unmodified or pass report on its most recent peer review.*

4. *At least two members of the peer review oversight committee must satisfy the qualifications of a team captain of a peer review team as set forth in the Standards for Performing and Reporting on Peer Reviews of the American Institute of Certified Public Accountants, which is hereby adopted by reference and may be obtained on-line from the American Institute of Certified Public Accountants at its Internet website, <http://www.aicpa.org>, free of charge.*

5. *A member of the peer review oversight committee must not:*

(a) *Concurrently serve as a member of a peer review committee of the American Institute of Certified Public Accountants or similar body of another state; or*

(b) *Participate in any discussion or have any vote with respect to the review of a practitioner or firm when the committee member lacks independence or has a conflict of interest.*

↪ *The Board may appoint an alternate committee member if an appointed member is unable to serve pursuant to this subsection.*

6. *The peer review oversight committee may:*

(a) *Establish and perform procedures ensuring that peer reviews are performed and reported in accordance with the Standards for Performing and Reporting on Peer Reviews*

adopted by the American Institute of Certified Public Accountants, or other standards approved by the Board and rules promulgated, herein by the Board;

(b) Review remedial and corrective actions prescribed by a sponsoring organization which address the deficiencies of the quality control policies and procedures of a reviewed firm;

(c) Monitor the remedial and corrective actions implemented by a sponsoring organization to determine compliance by a reviewed firm;

(d) Establish a process of accepting a report which facilitates the exchange of viewpoints among committee members and a sponsoring organization; and

(e) Communicate to the Board on a recurring basis:

(1) Problems experienced by a practitioner participating in a practice-monitoring program in the systems of quality control of the practitioner, as noted in the peer reviews conducted by the sponsoring organization;

(2) Problems experienced in the implementation of the practice-monitoring program; and

(3) A summary of the historical results of the practice-monitoring program.

7. The peer review oversight committee shall make periodic recommendations to the Board, as determined by the Board but not less than annually, as to the continuing qualifications of each sponsoring organization as an approved sponsoring organization.

8. Information concerning a specific firm or peer reviewer obtained by the peer review oversight committee during oversight activities must be kept confidential, and the identity of the firm or reviewer must not be reported to the Board. Reports submitted to the Board must not contain information concerning specific registrants, firms or reviewers.

Sec. 4. *The Board may arrange to participate with a regional peer review oversight committee. If the Board makes such arrangements, the regional peer review oversight committee has the authority and shall perform the functions set forth in subsections 6, 7 and 8 of section 3 of this regulation.*

Sec. 5. 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 \$100.

- (b) For an application for registration of a firm, the Board will establish each year a fee that will not exceed.....\$250

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

- (a) For filing an annual report for a firm, the Board will establish each year a fee that will not exceed\$200

- (b) For the late filing of an annual report of a firm, the Board will establish each year a fee that will not exceed.....\$200
- (c) For reinstatement into public practice from retired or inactive status\$250
- (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\$200
- (e) For an individual evaluation of experience pursuant to subsection 5 of NAC 628.060, in addition to any reasonable costs of travel actually incurred by the Board and imposed pursuant to subsection 6 of NAC 628.060.....\$1,000
- (f) For registering a fictitious name.....\$100
- (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. 6. NAC 628.020 is hereby amended to read as follows:

628.020 1. *To be eligible to take the examination for certification as a certified public accountant, an applicant must have been awarded a bachelor's degree by a college or university which is accredited by an organization approved by the Board:*

(a) With a major in accounting; or

(b) With a major other than accounting and the successful completion of at least 18 semester hours in courses above the level of introductory courses and which include 9 hours in financial accounting, 3 hours in auditing, 3 hours in federal income tax and 3 hours in business law.

↪ The semester hours required by this subsection may be satisfied in whole or in part by the equivalent number of quarter hours of college credits from a college or university recognized by the Board.

2. 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.

~~12.1~~ 3. 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.}~~ 4. An application is not considered filed until the fee for the examination and all required supporting documents, including official transcripts ~~{that indicate all required}~~ *indicating that the* education *required by subsection 1* has been completed, have been received by the Board.

~~{4.}~~ 5. 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.}~~ 6. Notice of the acceptance of the application will be provided to each applicant.

Sec. 7. NAC 628.060 is hereby amended to read as follows:

628.060 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}~~ *this section and* subsection 2 of NRS 628.200 ~~{,}~~ *, as amended by section 11 of Assembly Bill No. 454, chapter 512, Statutes of Nevada 2017, at page 3463.*

2. To satisfy the requirement ~~{of paragraph (a)}~~ of subsection 2 of NRS 628.200, *as amended by section 11 of Assembly Bill No. 454, chapter 512, Statutes of Nevada 2017, at page 3463,* 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}~~ *full-time employment performing the tasks set forth in subsection 3* 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.}~~ *and registered with the Board pursuant to NRS 628.335;*

(b) Four years of ~~[experience]~~ *full-time employment performing the tasks set forth in subsection 3* in ~~[internal auditing work or]~~ a 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.]~~ *or other position relating to the practice of public accounting; or*

(c) *Any combination of the experience set forth in paragraphs (a) and (b), except that an applicant who completes any experience described in paragraph (b) is entitled to credit towards any experience required by paragraph (a) in an amount equal to one-half of the amount of the experience completed pursuant to paragraph (b).*

3. *The requirements for experience set forth in subsection 2 must include, without limitation, the preparation, performance, supervision and review of tasks relating to the practice of public accounting that require discretion and judgment with increasing responsibility and levels of complexity and competency. Such tasks must include:*

(a) *Compilation or preparation of historical financial statements or prospective financial information consistent with generally accepted accounting principles;*

(b) *Review of financial statements prepared consistent with generally accepted accounting principles;*

(c) *Auditing of financial statements;*

(d) *Other attestation services relating to historical and prospective financial information in compliance with all applicable controls, laws and regulations and contractual obligations;*

(e) *Operational and other tasks which are frequently referred to as internal auditing activities;*

- (f) Preparation of income tax returns, information returns and other federal, state, local and foreign tax returns for individuals, corporations, partnerships and limited-liability companies, charitable organizations and estates and trusts;*
- (g) Design of internal controls over financial reporting;*
- (h) Testing of compliance with internal controls over financial reporting;*
- (i) Testing of compliance with financial accounting and auditing and income tax laws, regulations and contractual obligations;*
- (j) Testing of financial information and the design and effectiveness of controls as part of internal audit outsourcing and co-sourcing arrangements;*
- (k) Fraud examinations and other forensic accounting;*
- (l) Research relating to the application of professional standards, laws and regulations;*
- (m) Providing professional advice relating to structuring prospective transactions and events to achieve a desired result in compliance with applicable professional standards, laws and regulations; and*
- (n) Completing tasks relating to the tasks provided in paragraphs (a) to (m), inclusive, including, without limitation:*
- (1) Engagement planning, including, without limitation, the identification of significant transactions, accounts and processes, assessment of risks, program design and timing of procedures;*
- (2) File organization and report assembly;*
- (3) Documenting findings and conclusions, including internal working papers, memoranda and reports for external use;*

- (4) Account analysis and verification procedures for all categories of assets, liabilities, equities, revenues, cost and expenses, and related information;*
- (5) Analytical procedures;*
- (6) Inspection and summary of documents;*
- (7) Valuation assertion testing, including, without limitation, the testing of the appropriateness of inputs, related metrics and methods;*
- (8) Confirmation of information with independent parties;*
- (9) Design of sample plans and non sampling selections;*
- (10) Written and verbal inquiry of responsible parties and their advisors;*
- (11) Direct observation of circumstances and events;*
- (12) Reperformance processes and controls initially performed by others;*
- (13) Comparison of expectations and results to industry and other relevant metrics; and*
- (14) Comparison of budgeted amounts to actual and expected results.*

4. Unless performed in connection with a task listed in paragraph (n) of subsection 3, the following tasks must not be considered to satisfy the requirements for experience set forth in subsection 2:

- (a) Administrative and clerical functions that do not require discretion and judgment;*
- (b) Personnel recruiting;*
- (c) Industrial engineering;*
- (d) Actuarial services;*
- (e) Expert testimony or litigation support;*

(f) Valuation services, except those valuation services performed in connection with the valuation assertion testing of financial statements, including, without limitation, real estate and personal property appraisals and business valuations;

(g) Bookkeeping;

(h) Approving and processing of routine accounting transactions, including, without limitation, transactions involving cash receipts and disbursements, the procurement of goods and services, payroll processing and recurring journal entries; or

(i) The development, maintenance and monitoring of electronic systems and tools, software and hardware.

5. To satisfy the ~~requirement~~ requirements for experience ~~+~~ set forth in this section, all work must have been performed *under the direct supervision of a certified public accountant pursuant to chapter 628 of NRS*, in accordance with all applicable professional standards ~~+~~ ~~4.~~, including, without limitation:

(a) The Code of Professional Conduct of the American Institute of Certified Public Accountants, as adopted by reference in NAC 628.500, or, if applicable, the standards set forth by the United States Government Accountability Office or the Public Company Accounting Oversight Board;

(b) Generally accepted accounting principles, including, without limitation, any principles applicable to the selected financial reporting framework which are derived from authoritative standards and certain interpretive nonauthoritative guidance promulgated by the Financial Accounting Standards Board, the United States Securities and Exchange Commission, the Governmental Accounting Standards Board, the International Accounting Standards Board

and the American Institute of Certified Public Accountants and its Financial Reporting Executive Committee;

(c) Generally accepted auditing standards, including, without limitation, those promulgated by the Auditing Standards Board of the American Institute of Certified Public Accountants or, if applicable, the Public Company Accounting Oversight Board, the United States Government Accountability Office, the International Auditing and Assurance Standards Board or the Institute of Internal Auditors; and

(d) Other standards published by the American Institute of Certified Public Accountants, including, without limitation, Statements on Standards for Attestation Engagements (SSAE), Statements on Standards for Accounting and Review Services (SSARS), Statements on Standards for Tax Services (SSTS) and Statements on Standards for Consulting Services (SSCS), each of which is hereby adopted by reference and may be obtained on-line from the American Institute of Certified Public Accountants at its Internet website, <http://www.aicpa.org>, free of charge.

6. An applicant must complete and submit a form *and any records or supporting documentation* 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.

~~15.1~~ 7. 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 *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, as required by subsection ~~44~~ 6, 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†~~ , *as amended by section 11 of Assembly Bill No. 454, chapter 512, Statutes of Nevada 2017, at page 3463.*

8. An applicant who has requested an individual evaluation pursuant to subsection ~~5†~~ 7 must pay an additional fee as provided in paragraph (e) 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†~~ 9. 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†~~ 10. A certified public accountant who signs an applicant's form for the verification of experience pursuant to subsection ~~4†~~ 6 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. 8. NAC 628.460 is hereby amended to read as follows:

628.460 1. A person may not perform or offer to perform tax or management services while holding oneself out to be a certified public accountant ~~for a public accountant~~ if the person doesn't hold a current certificate and a live permit.

2. For the purposes of this section, a person is considered to “hold himself or herself out” as engaged in the practice of public accounting if the person represents to persons other than his or her employer or an affiliate, but for whom the person or the employer is performing or offering to perform services described in NRS 628.023, that he or she is a ~~public accountant or~~ certified public accountant. Such representation occurs with any written or verbal communication which represents the person to be a certified public accountant ~~public accountant~~ or other similar title commonly understood to express expertise in accounting and auditing. The display in a place where services are performed by a person for others than himself or herself or his or her employer of a sign, certificate, diploma or other device whereby the public may reasonably conclude that the person is qualified and currently entitled to practice public accounting, when such person does not hold a live permit, constitutes holding oneself out as engaged in the practice of public accounting.

Sec. 9. NAC 628.520 is hereby amended to read as follows:

628.520 A practitioner or firm shall report to the Board not more than 30 days after:

1. The practitioner or firm receives a peer review or inspection report with identified deficiencies.
2. 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, an order for the suspension, revocation, ~~or~~ modification, *restriction or denial* of a license, certificate, permit or right to practice or the voluntary surrender, *lapse, cancellation or resignation* of a license, certificate, permit or right to practice while under investigation by:

(a) 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;

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

(c) Any agency of this State, another state or territory, ~~for~~ any agency of the Federal Government ~~or~~ *or a foreign country*; or

(d) The American Institute of Certified Public Accountants, the Public Company Accounting Oversight Board or any other similar membership organization or association related to, having oversight of or primarily composed of practitioners.

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, of any settlement, award or judgment involving the practice of public accounting in this State.

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~~ *Any conviction for a criminal offense, other than a minor traffic violation,* 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.

5. The practitioner or firm is named as a defendant in any type of civil or administrative action relating to the practice of public accounting or action based on an allegation of an accounting violation, dishonesty, fraud, misrepresentation or breach of fiduciary duty.

Sec. 10. NAC 628.550 is hereby amended to read as follows:

628.550 As used in NAC 628.550 to 628.590, inclusive, ***and sections 2, 3 and 4 of this regulation***, unless the context otherwise requires, the words and terms defined in NAC 628.555 to 628.570, inclusive, ***and section 2 of this regulation*** have the meanings ascribed to them in those sections.

Sec. 11. NAC 628.560 is hereby amended to read as follows:

628.560 “Practice-monitoring findings” means the determinations and reports developed as the result of an evaluation of a practitioner conducted pursuant to a practice-monitoring program, including, without limitation:

1. A peer review report;
2. A letter of comment;
3. A letter of response;
4. A letter of acceptance; ~~and~~
5. ***A letter of completion; and***
6. Any other report or determination developed as a result of the evaluation of a practitioner conducted pursuant to a practice-monitoring program.

Sec. 12. NAC 628.580 is hereby amended to read as follows:

628.580 1. Except as otherwise provided in subsection 4, 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 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, *and sections 2, 3 and 4 of this regulation* 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 who engages in a practice-monitoring program must opt into the Facilitated State Board Access, as administered by the American Institute of Certified Public Accountants, or other nationally uniform system approved by the Board, which reflects the results of a peer review of the practitioner.

Sec. 13. NAC 628.590 is hereby amended to read as follows:

628.590 1. Any practice-monitoring finding or other documentation submitted to the Board pursuant to NAC 628.550 to 628.590, inclusive, *and sections 2, 3 and 4 of this regulation* is confidential.

2. ~~All documentation submitted to the Board pursuant to NAC 628.550 to 628.590, inclusive, must be destroyed when the process of review is complete.~~

~~3.~~ Any action taken by the Board pursuant to NAC 628.550 to 628.590, inclusive, *and sections 2, 3 and 4 of this regulation* which does not result in the Board's initiating disciplinary action against a practitioner pursuant to NRS 628.390 is confidential.