

Chapter 628 of NAC

ADOPTED TEMPORARY REGULATION OF THE
NEVADA STATE BOARD OF ACCOUNTANCY

LCB File No. T013-13

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

AUTHORITY: §§1-3 and NRS 628.120 and 628.200; §4 NRS 628.120 and 628.386; §§5-7 NRS 628.120, 628.200 and 628.386; §8 NRS 628.120, 628.380 and 628.386.

A REGULATION relating to accountants; revising the requirements for experience; revising the provisions for verification of experience and continuing professional education; and providing other matters properly relating thereto.

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

Sec. 2.

1. An applicant for a certificate of certified public accountant must complete:

(a) 2 years or equivalent experience in the practice of public accounting as required by NRS 628.200(2)(a), that consists of the use of skills in accounting or auditing, finance, advising or consulting with clients on matters relating to management, the preparation of tax returns or the furnishing of advice on matters relating to taxes. The experience must be verified by one or more certified public accountants who have sufficient knowledge of and can certify the applicant's work; or

(b) 4 years or equivalent experience in internal auditing work or governmental accounting and auditing work considered substantially equivalent in the Board's judgment. The experience must be verified by one or more certified public accountants who have sufficient knowledge of and can certify the applicant's work.

2. The Board will not accept work experience combined between the two requirements for experience. All experience must be completed from either subsection 1 (a) or subsection 1 (b).

3. To qualify, experience shall have been performed in accordance with applicable professional standards.

Sec. 3.

1. An applicant shall complete and submit the applicable verification of experience forms to the Board as proof of his experience. The form must be signed under penalty of perjury by one or more certified public accountants who supervised or have sufficient knowledge of and can certify the nature and extent of the applicant's work.

2. An applicant shall keep a record of his work experience, including supporting documentation, for review by the Board. The applicant shall permit the Board to inspect and

review the records and supporting documentation of the applicant's experience in connection with issuing a certificate to the applicant and maintain the records and supporting documentation of the applicant's work experience for three years after obtaining a certificate for purposes of the Board's random certificate of experience review.

3. A certified public accountant who signs the experience form shall keep a record of the applicant's work experience, including supporting documentation, for inspection and review by the Board in connection with issuing a certificate to the applicant for three years after signing the applicant's experience form.

Sec. 4. NAC 628.060 is hereby amended to read as follows:

1. An applicant for a certificate of certified public accountant who has obtained 4 years or equivalent experience in internal auditing work or governmental accounting and auditing work and has not met the provisions set forth in subsection 1(b) of Section 2, may satisfy the requirements of subsection 2(b) of NRS 628.200 by requesting an individual evaluation of his or her experience.

2. The Board shall, upon receipt of an application, evaluate the character, extent and nature of experience obtained by an applicant employed by a specific governmental agency or an internal audit department of a business to assure the applicant's experience is substantially equivalent to 2 years of experience in the practice of public accounting.

3. An applicant for a certificate who has requested an individual review must pay an additional fee for the evaluation by the Board as provided in NAC 628.016 subsection 3. 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.

~~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:~~

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

~~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.]~~

Sec. 5. NAC 628.210 is hereby amended to read as follows:

1. Except as otherwise provided in subsection 4 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~~];~~ *and*

(c) Eight hours must be completed in courses that focus on accounting and auditing in each year in which a practitioner planned, directed, or performed a substantial portion of work or reported on an audit, review, full disclosure compilation or attestation service of a non-governmental agency.

2. If a practitioner planned, directed, or conducted a substantial portion of the field work or reported on a financial or compliance audit of a government agency or performed other services for which professional standards require additional continuing education, then such practitioner must complete the additional continuing education required by such professional standards in each year in which such service is performed.

3. As provided in NAC 628.580, a practitioner who does not perform audit, review, full disclosure compilation or attestation services shall report these facts to the Board on his annual renewal form. The practitioner is exempt from the requirements of NAC 628.210 subsection (1)(c) and (1)(d) 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 these services 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 comply with the continuing education requirements for the period in which he enters into the engagement.

~~4]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.

~~5]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.

~~6]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. 6. NAC 628.220 is hereby amended to read as follows:

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 Statement on Standards for Continuing Professional Education (CPE) Programs published by the National Association of State Boards of Accountancy ~~[-, as it existed on October 17, 2001,]~~ 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 Internet from the website of the National Association of State Boards of Accountancy at <http://www.nasba.org/>.

Sec. 7. NAC 628.230 is hereby amended to read as follows:

1. Qualified programs of continuing education dealing with the following general subjects are acceptable:

(a) Accounting and auditing;

(b) Taxation;

(c) Management;

(d) Computer science;

(e) Communication arts;

(f) Mathematics, statistics, probability and quantitative applications in business;

(g) Economics;

(h) Business law;

(i) Functional fields of business, including finance, production, marketing, personnel relations, and business management and organization;

(j) Specialized areas of industry, including the film industry, real estate and farming; and

(k) Administrative practice, including engagement letters and personnel.

2. Subjects other than those listed in subsection 1 may be acceptable if the applicant can demonstrate that they contribute to his or her professional competence. The applicant is responsible for demonstrating that a particular program is acceptable.

3. Programs for independent study or self-study are acceptable if they are approved by the Board.

4. The following group programs are acceptable if they meet the standards specified in NAC 628.220 and deal with the subjects listed in subsection 1:

(a) Professional educational and developmental programs of national, state and local accounting organizations;

(b) Technical sessions at meetings of national, state and local accounting organizations and their chapters;

(c) Courses offered by a university or college, credit and noncredit;

(d) Formal educational programs of a firm;

(e) Programs of other accounting, industrial or professional organizations;

(f) Meetings of committees of professional societies which are structured as formal educational programs;

(g) Dinner, luncheon and breakfast meetings which are structured as formal educational programs; and

(h) Meetings of firms for staff groups or management groups, or both, which are structured as formal educational programs. The portions of these meetings which are devoted to the communication and application of general professional policy or procedure may qualify, but those portions which are devoted to administrative, financial and operating matters of firms generally do not qualify.

5. Acceptable accounting and auditing course subject matter, as required in NAC 628.210 subsection (1)(c), includes financial statement preparation and/or reporting, audits, reviews, compilations, industry accounting, attestation or assurance services.

Sec. 8. NAC 628.250 is hereby amended to read as follows:

1. An applicant for the renewal of a permit to practice 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.

4. The Board may issue an Administrative Complaint and may impose civil penalties against a practitioner in accordance with NAC 628.016 based upon the additional time required for the continuing education deficiencies to be corrected.

NAC 628.061 to NAC 628.068 inclusive are hereby repealed.

NAC 628.061 Experience in function of attesting: Supplemental educational program.

~~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..... (Staff Training—Semi-Senior) 24
Professional Training for Public Accountants—Level III..... (Staff Training—Beginning In-Charge) 24
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.]~~

NAC 628.062 Experience as internal auditor: General requirements.

~~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.]~~

NAC 628.0622 Experience as internal auditor: Educational requirements.

~~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..... (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.~~

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

~~{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.~~

NAC 628.0626 Experience as internal auditor: External quality control review of qualified internal audit department. ~~{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.~~

NAC 628.0628 Experience as internal auditor: Maintenance and destruction of record of experience.

~~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.]~~

NAC 628.063 Experience as internal auditor: Acceptability of experience earned before July 6, 1992.

~~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.]~~

NAC 628.064 Experience as auditor of State Gaming Control Board: "Audit Division" defined. ~~{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.}~~

NAC 628.0642 Experience as auditor of State Gaming Control Board: General requirements.

~~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.]~~

NAC 628.0644 Experience as auditor of State Gaming Control Board: Educational requirements.

~~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
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.]

NAC 628.0646 Experience as auditor of State Gaming Control Board: Quality control review of Audit Division.

~~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.]~~

NAC 628.065 Experience as auditor of Legislative Counsel Bureau: ~~["Audit Division" defined. 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].~~

NAC 628.0652 Experience as auditor of Legislative Counsel Bureau: General requirements.

~~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.~~

NAC 628.0654 Experience as auditor of Legislative Counsel Bureau: Educational requirements.

~~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.~~

NAC 628.0656 Experience as auditor of Legislative Counsel Bureau: Quality control review of Audit Division.

~~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.~~

NAC 628.066 Experience as agent of Internal Revenue Service: General requirements.

~~{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.}~~

NAC 628.0662 Experience as agent of Internal Revenue Service: Conditions for acceptance of qualified audit hours. ~~{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.}~~

NAC 628.0664 Experience as agent of Internal Revenue Service: Appointment and duties of internal review committee.

~~{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.}~~

NAC 628.0666 Experience as agent of Internal Revenue Service: Maintenance of record of experience. ~~[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.]~~

NAC 628.0668 Experience as agent of Internal Revenue Service: Educational requirements.

~~[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.]~~

NAC 628.067 Experience as agent of Internal Revenue Service: Quality control.

~~[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.~~

NAC 628.068 Experience in internal auditing work or governmental accounting and auditing work: Additional means of satisfying requirements. ~~[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

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

A. 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.

1. Copies of the proposed regulations, notice of intent to act upon the proposed temporary 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 temporary 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.

2. Summary of Public Response

A workshop was held on May 16, 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 May 24, 2013 in Reno and additional comments were heard regarding the proposed regulation changes. Additional comments were received at the Board’s meeting on June 12, 2013 adopting the temporary regulation. The public response was split regarding the proposed changes. Some individuals 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 just as many individuals 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 one of the last states left that requires 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.

3. 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

B. The number of persons who: (1) Attended each hearing; (2) Testified at each hearing; and (3) Submitted to the agency written statements.

1. The number of persons who attended:
 - a. the workshop was 16
 - b. the hearing was 6
 - c. the Board meeting adopting the regulation was 6
2. The number of persons who testified at:
 - a. the workshop was 16
 - b. the hearing was 6
 - c. the Board meeting adopting the regulation was 1
3. The number of submitted statements to the agency was 12

C. For each person identified in subsection B (2) and (3) above, the following information if provided to the agency conducting the hearing (1) Name; (2) Telephone number; (3) Business address; (4) Business telephone number; (5) Electronic mail address; and (6) Name of entity or organization represented.

See attached Spreadsheet with the requested information.

D. 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 temporary 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 A above and may be obtained as instructed in the response to question A.

E. 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 temporary regulation was adopted on June 12, 2013 and included all of the changes suggested at the workshop and public hearing. The changes included only minor clean up and clarification language.

F. 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:

1. Both Adverse And Beneficial Effects

This regulation should not have an economic impact on businesses that provide Certified Public Accountant experience. The public will not be economically affected.

2. Both Immediate And Long Term Effects

This regulation should not have an economic impact on businesses that provide Certified Public Accountant experience. The public will not be economically affected.

G. 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.

H. 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 overlapping 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.

I. 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.

J. 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.

K. 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.