

CHAPTER.....

AN ACT relating to accounting; providing for the retention and changing of documentation related to attestations; eliminating the annual register maintained and distributed by the Nevada State Board of Accountancy; requiring the Board to post certain information on its website; revising provisions relating to the experience needed to be eligible for a certificate of certified public accountant; eliminating the requirement that the Board conduct an examination at least once each year; revising the circumstances under which a candidate for a certificate as a certified public accountant may receive conditional credit for passing a section of the examination for the certificate; revising the fees charged by the Board; repealing provisions relating to the validity of certain certificates; providing a penalty; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** Chapter 628 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Except as otherwise provided in this section, a practitioner shall retain all documentation related to an attestation for not less than 7 years after the date on which the practitioner delivers the attestation to the client.*

*2. Documentation related to an attestation that, at the end of the retention period set forth in subsection 1, is a part of or subject to a pending investigation of, or disciplinary action against, a practitioner must be retained and must not be destroyed until the practitioner has been notified in writing that the investigation or disciplinary action has been closed or concluded.*

*3. Any change in documentation related to an attestation must set forth the identity of each person making the change, the identity of each person approving the change, the date on which the change is made and the reason for the change if the reason is other than the assembling of preexisting documents. Any documentation related to an attestation which is changed must contain sufficient detail to enable a person reviewing the changed documentation who has relevant knowledge and experience but no previous connection with the attestation, to understand the nature, timing, reasoning for and extent of the change.*

*4. During the 60 days immediately after the date on which a practitioner delivers an attestation to a client, documents may be added to the file for assemblage and documentation of work*

*previously performed. The provisions of this subsection do not authorize the deferral of procedures related to attestations that are otherwise required to be performed before the date of issuance of the attestation.*

*5. Each practitioner shall establish a policy for the retention and destruction of documentation related to any attestation made by the practitioner. The policy must provide for the preservation of documentation related to an attestation for the period required pursuant to subsection 1 and for the authorized custody, security, access, retention and destruction of the documentation. The policy must be in writing and must include, without limitation, procedures for:*

*(a) Maintaining back-up copies of electronic documentation related to attestations at secure locations;*

*(b) Maintaining documentation related to attestations;*

*(c) Approving any changes to documentation related to attestations; and*

*(d) Approving the destruction of documentation related to attestations after that documentation is no longer required to be maintained. The procedures must provide for the identification of those persons, by name or position, who are authorized to approve the destruction of the documentation.*

*6. As used in this section:*

*(a) "Change in documentation related to an attestation" includes any addition, removal, deletion, substitution or editing of documentation related to an attestation, including, without limitation, physical or electronic additions to any file containing documentation related to an attestation or to any preexisting documentation related to an attestation, if the addition, removal, deletion, substitution or editing:*

*(1) Occurs after the date on which the attestation is delivered to the client; and*

*(2) Is supported by the documentation related to the attestation.*

*(b) "Documentation related to an attestation" includes, without limitation:*

*(1) All documentation relating to consultations and resolutions of any differences of professional opinion regarding the exercise of professional judgment relating to an attestation; and*

*(2) Documentation of the findings or issues related to the attestation that, based on the judgment of the practitioner after an objective analysis of the facts and circumstances, are determined to be significant, regardless of whether the documentation includes information or data that is inconsistent with the final conclusions of the practitioner.*

(c) “Practitioner” means:

(1) A holder of a certificate issued pursuant to NRS 628.190 to 628.310, inclusive, any registration or license granted to a registered public accountant pursuant to NRS 628.350 or a permit issued pursuant to NRS 628.380; or

(2) A certified public accountant or registered public accountant or a partnership, corporation or limited-liability company composed of certified public accountants or registered public accountants which 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.

**Sec. 2.** NRS 628.029 is hereby amended to read as follows:

628.029 “Registered public accountant” means a person who was registered or licensed as a public accountant:

1. On or before May 1, 1973; or

2. After May 1, 1973, pursuant to NRS 628.190 . ~~and 628.210.~~

**Sec. 3.** NRS 628.130 is hereby amended to read as follows:

628.130 The Board shall:

1. Have a seal of which judicial notice must be taken.

2. Keep records of its proceedings. In any proceedings in court, civil or criminal, arising out of or founded upon any provision of this chapter, copies of those records certified as correct under the seal of the Board are admissible in evidence as tending to prove the contents of the records.

3. ~~Have printed and published for public distribution in April of each year an annual register which must contain:~~ *Maintain a website on the Internet or its successor and post on its website:*

(a) The names arranged alphabetically by classifications of all accountants *and business entities* holding *licenses, certificates, registrations or* permits ~~to practice~~ under this chapter.

(b) The names of the members of the Board.

(c) Such other matter as may be deemed proper by the Board.

~~Copy of the register must be mailed to each person who holds a live permit.~~

**Sec. 4.** NRS 628.200 is hereby amended to read as follows:

628.200 1. Except as otherwise provided in subsection 4, the requirement of education for a certificate of certified public accountant is at least 150 semester hours or an equivalent number of quarter hours and includes a baccalaureate degree or an equivalent degree from a college or university recognized by the Board:

(a) With a major in accounting, or what the Board determines to be substantially the equivalent of a major in accounting; or

(b) With a major other than accounting supplemented by what the Board determines to be substantially the equivalent of an

accounting major, including related courses in other areas of business administration.

2. The requirement for experience for a certificate of certified public accountant is:

(a) Two years of public accounting experience ~~in~~ *in a partnership, corporation, limited-liability company or sole proprietorship engaged in the practice of public accounting under the direct supervision of a person who is a certified public accountant;* or

(b) Experience in internal auditing work or governmental accounting and auditing work of a character and for a length of time sufficient in the opinion of the Board to be substantially equivalent to the requirements of paragraph (a).

3. The Board:

(a) Shall adopt regulations concerning:

(1) The number of semester hours or an equivalent number of quarter hours in accounting and other courses required by an applicant to satisfy the requirements of subsection 1.

(2) The public accounting experience, internal auditing work, and governmental accounting and auditing work required by an applicant to satisfy the requirements of subsection 2.

(b) May provide by regulation for the substitution of qualified programs of continuing education to satisfy partially the requirement of experience described in paragraph (b) of subsection 2 or may add any program to the requirement of experience.

4. Notwithstanding any provision of this section to the contrary, an applicant for a certificate of certified public accountant who has received conditional credit pursuant to NRS 628.260 for passing ~~sections~~ *a section* of the examination required for a certificate, and who applies that credit to his subsequent passage of the examination, is subject to the educational requirements to receive a certificate that were in effect on the date on which he first received the conditional credit.

**Sec. 5.** NRS 628.230 is hereby amended to read as follows:

628.230 ~~[1.—The examination prescribed by the Board must be conducted by the Board not less than once each year.~~

~~—2.]~~ The Board shall prescribe by regulation the methods of applying for and ~~[conducting the]~~ *completing an* examination, including ~~[the grading of papers]~~ *grading* and the ~~[determination of passing grades.]~~ *requirements to pass the examination.* The Board may use all or any part of the Uniform Certified Public ~~[Accountants']~~ *Accountant* Examination and Advisory Grading Service *of the American Institute of Certified Public Accountants* as it deems appropriate to assist it in performing its duties hereunder.

**Sec. 6.** NRS 628.260 is hereby amended to read as follows:

628.260 1. The Board may by regulation prescribe the terms and conditions under which a candidate:

(a) Must pass all sections of the examination prescribed by the Board pursuant to NRS 628.190 to qualify for a certificate.

(b) Who, at any given examination, passes ~~[two or more sections.]~~ **at least one section**, but not all sections, may receive conditional credit for ~~[the sections]~~ **each section** passed, and need not sit for reexamination in those sections. The Board may by regulation ~~[-~~

~~—— (1) Provide minimum grades for each section not passed in order to receive credit for those passed;~~

~~—— (2) Provide]~~ **provide** a limit on the time in which each candidate must pass all sections of the examination or lose any credit received. ~~[- and~~

~~—— (3) Require a candidate to sit for all sections of the examination which he did not pass in a previous examination.]~~

2. The Board may give credit to a candidate who has passed all or part of the examination in another state or other jurisdiction of the United States ~~[- if the certified public accountant members of]~~ **if** the Board ~~[have determined]~~ **determines** by regulation that the standards under which **credit is granted for** the examination ~~[was held]~~ are as high as the standards established for the examination required by this chapter.

**Sec. 7.** NRS 628.280 is hereby amended to read as follows:

628.280 1. The Board shall charge each candidate for a certificate of certified public accountant a fee , to be determined by the Board by regulation , for ~~[-~~

~~—— (a) The initial]~~ **the** examination prescribed by the Board . ~~[pursuant to NRS 628.190 or for each section of the examination in which the candidate is reexamined; and~~

~~—— (b) The review and inspection of his examination paper.]~~

2. The applicable ~~[fees]~~ **fee** must be paid by the candidate at the time he applies for examination . ~~[or reexamination-~~

~~—— 3. The Board shall charge a fee to be determined by the Board by regulation for administering the examination prescribed by the Board pursuant to NRS 628.190 to a person who is a candidate for a certificate as a certified public accountant in another state or jurisdiction of the United States and requests that the Board administer the examination to him in this State.]~~

**Sec. 8.** NRS 628.310 is hereby amended to read as follows:

628.310 1. The Board may waive the examination, the requirements for education or the requirements for experience, or any combination thereof, required under NRS 628.190, and may issue a certificate as a certified public accountant to any person who is the holder of a certificate as a certified public accountant then in

effect issued under the laws of any state or other jurisdiction of the United States approved by the Board, constituting a recognized qualification for the practice of public accounting comparable to that of a certified public accountant of this State, if:

(a) The person has passed an examination that is substantially the same as the examination conducted pursuant to NRS 628.230 with a grade that would have been a passing grade in this State on the date on which he received his original certificate;

(b) The person has experience in the practice of public accountancy, either as a certified public accountant or as a staff accountant employed by ~~for~~ *a partnership, corporation, limited-liability company or sole proprietorship engaged in the practice of public accounting and working* under the direct supervision of a person who is a certified public accountant, while holding a certificate as a certified public accountant for more than 4 of the 10 years immediately preceding his making application pursuant to this chapter; and

(c) The requirements for education of the state or other jurisdiction from which the person received his original certificate are determined by the Board to satisfy the requirements for education of this State.

2. The Board may waive the examination, the requirements for education or the requirements for experience, or any combination thereof, under NRS 628.190, and may issue a certificate as a certified public accountant to any person who is the holder of an equivalent certificate then in effect issued by a foreign country if:

(a) Persons who are certified as public accountants in this State are granted similar privileges by the foreign country in which the applicant is certified;

(b) The applicant's certificate:

(1) Was issued by the appropriate authority that regulates the practice of public accountancy in the foreign country in which the certificate was issued;

(2) Has not expired or been revoked or suspended; and

(3) Authorizes the applicant to issue reports upon financial statements;

(c) The requirements for education and examination of the regulatory authority of the foreign country were substantially equivalent to the requirements for education and examination of this State on the date on which the applicant received his certificate;

(d) The applicant:

(1) Complied with requirements for experience in the foreign country in which the certificate was issued that are substantially equivalent to the requirements set forth in NRS 628.200; or

(2) Has completed in ~~this~~ *any* state at least 4 years of public accounting experience, or equivalent experience determined to be

appropriate by the Board, within the 10 years immediately preceding his making application for certification in this State;

(e) The applicant has passed a written examination on national standards for public accounting and ethics that is acceptable to the Board; and

(f) The applicant submits with his application a list of all jurisdictions in which he has applied for and received a certificate to practice public accounting.

3. A person who is granted a certificate as a certified public accountant pursuant to subsection 2 shall notify the Board, in writing, within 30 days after:

(a) He is issued an equivalent certificate to practice public accounting by another jurisdiction or is denied the issuance of such a certificate;

(b) A certificate to practice public accounting issued to him by another jurisdiction is revoked or suspended; or

(c) Another jurisdiction in which he is certified to practice public accounting commences any type of disciplinary action against him.

**Sec. 9.** NRS 628.350 is hereby amended to read as follows:

628.350 A license as a public accountant may be issued only to persons who have met the requirements of NRS 628.190 . ~~and 628.210.~~

**Sec. 10.** NRS 628.570 is hereby amended to read as follows:

628.570 Whenever in the judgment of the Board any person has engaged, or is about to engage, in any acts or practices which constitute, or will constitute, a violation of NRS 628.450 to 628.550, inclusive, *or section 1 of this act*, the Board may make application to an appropriate court for an order enjoining ~~{such}~~ *the* acts or practices, and upon a showing by the Board that ~~{such}~~ *the* person has engaged, or is about to engage, in any ~~{such}~~ *of those* acts or practices, an injunction, restraining order or such order as may be appropriate ~~{shall}~~ *must* be granted by ~~{such}~~ *the* court without *a* bond.

**Sec. 11.** NRS 628.580 is hereby amended to read as follows:

628.580 1. Any person who violates any provision of NRS 628.450 to 628.550, inclusive, *or section 1 of this act* is guilty of a misdemeanor.

2. Whenever the Board has reason to believe that any person is liable to punishment under this section it may certify the facts to the Attorney General or other appropriate enforcement officer, who may, in his discretion, cause appropriate proceedings to be brought.

**Sec. 12.** NRS 628.210 and 628.300 are hereby repealed.

**Sec. 13.** This act becomes effective on July 1, 2005.