

Minutes of Meeting By Conference Call
January 28, 2005
10:00 – 12:00 P.M. (CST)

The South Dakota State Board of Accountancy met by conference call at 10:00 p.m. (CST) on Friday, January 28, 2005. Board members present were Mary Day, John Graham, Marty Guindon, John Mitchell, Dave Olson, and John Peterson. Also present were, Executive Director, Bobbi Barnhill, and Legal Counsel, Sherri Sundem Wald.

Chair, John Graham called the meeting to order and asked if there were any additional agenda items. The 150 hour discussion was tabled until the next face to face meeting scheduled in April 05, PCAOB Agreement and Department of Labor Travel Policy were both tabled for the next scheduled conference call meeting to be held March 25, 05. Additions to the agenda were as follows: Certificates and firm permits issued through January 27, 2005, minutes from conference call meeting with Shannon Clark-Larson on January 26, 2005, Legislative Audit approval of board audit, letter from licensee John W. Boever and recommendation for nomination of Samuel K. Cotterell for NASBA's Vice Chair.

Marty Guindon gave a report to the board on the current legislative session. The uniform sales tax agreement submitted by the Department of Revenue may affect the accounting profession. There is a current re-writing of the tax facts, this rewriting is expected to simplify the present bill.

A motion was made, and seconded to approve the November 19, 2004 board meeting minutes, with one correction noted to be amended. A roll call was taken and the motion was unanimously carried.

A motion was made, and seconded to approve the financial statements through December 2004. A roll call was taken and the motion was unanimously carried.

A motion was made and seconded to approve the monthly expenditure reports for November and December 2004. A roll call was taken and the motion was unanimously carried.

A motion was made, and seconded to approve the board's audit report for the 2003 and 2004 fiscal years. A roll call was taken and the motion was unanimously carried.

The board requested direction from legal counsel on the proper procedure for action taken as a result of peer review, specifically in cases where the licensee is expected to meet certain conditions proscribed by the board prior to board approval of the licensee/firm's peer review. In the case of a peer review subject to certain conditions prior to approval by the board, how should the board's actions be reflected in the minutes based on careful consideration of SDCL 36-20B-36?

A motion was made, and seconded to enter into executive session for the purpose of peer review. A motion was made and seconded to come out of executive session. A roll call was taken and the motion was unanimously carried.

The board members reviewed a request from Mr. Boever regarding the present agreement with the board to provide for pre-issuance reviews of all attest engagements. A motion was made, seconded and a roll call was taken to discontinue the requirement of a continued agreement between Mr. Boever and Harold Wilde for the performance of pre-issuance reviews of all attest engagements, based on Mr. Boever's assertion that he will no longer perform attest engagements. However, should Mr. Boever resume performing attest engagements he will be subject to peer review after the first year for which work is completed, and thereafter every three years. The motion was unanimously carried. The board directed the Executive Director to draft a letter notifying Mr. Boever of the board's action.

A motion was made, and seconded to recommend to NASBA the nomination of Samuel Cotterell for Vice Chair. A roll call was taken and the motion was unanimously carried. The Executive Director will draft the appropriate letter on behalf of the board.

A motion was made, and seconded to approve all certificates and firm permits issued through January 27, 2005. A roll call was taken and the motion was unanimously carried.

The board agreed there were no disciplinary actions to report for the January-December 2004 calendar year. The Executive Director will ensure the disciplinary link on the board's website reflects the absence of any disciplinary actions from January 2004 to present.

The Executive Director shared the state changes to travel reimbursement with the board members.

A discussion was held regarding the increase in fees to candidates for seat time related to the computerized Uniform CPA Examination. The Prometric seat time will increase from \$17 per hour to 22.50 per hour, as a result of lower than expected volumes. The \$17 /hr. fee for seat time was contingent on an estimated volume of 250,000 for the first year of computerized testing. The actual testing volume has not exceeded 160,000. The contract between Prometric/AICPA/NASBA authorizes Prometric increases/decreases in seat time testing fees based on testing volume. The increase will apply to candidates applying to sit for the Uniform CPA Examination, beginning July 1, 2005.

Future board meetings were discussed and are scheduled as follows:

March 25, 2005 by Conference Call

April 29, 2005 to be held in Rapid City in the conference room of Casey Peterson & Associates

May 27, 2005 by Conference Call.

All business having come before the board was concluded and the meeting was adjourned at 12:00 P.M. (CST).

John D. Graham, Chair

Attest: _____
Bobbi Barnhill, Executive Director

John M. Mitchell, CPA
Secretary-Treasurer