

Minutes of Meeting By Conference Call
March 25, 2005
10:00 – 12:00 P.M. (CST)

The South Dakota State Board of Accountancy met by conference call at 10:00 a.m. (CST) on Friday, March 25, 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. There were no additions to the agenda. The following items, 150 hour discussion, the PCAOB Confidentiality Agreement and Department of Labor Travel Policy, previously tabled at the January 28, 2005 meeting were tabled for discussion at the next scheduled face to face meeting to be held April 28-29, 2005.

A discussion was held regarding the streamlining of the board's present bookkeeping to facilitate a more accurate reconciliation between the state's cash basis accounting and the board's accrual basis accounting procedures. Donald Finstad, CPA will provide a proposal for consulting services to the board staff for implementation of the new accounting program for review by the board at the April 28-29, 2005 board meeting.

A motion was made, and seconded to approve the January 28, 2005 board meeting minutes. A roll call was taken and the motion was unanimously carried.

A motion was made, and seconded to approve the financial statements, to include the monthly expenditure reports through February 28, 2005. A roll call was taken and the motion was unanimously carried.

A motion was made, and seconded to approve the issuance of certificates and firm permits. A roll call was taken and the motion was unanimously carried. A request was made to include an additional column identifying the state in which the licensee or firm practices, on the issuance report. The Executive Director will ensure the column is incorporated in the report by the next board meeting.

A report was given to the board on the amended passing of HB 1212.

A report was given to the board by the Executive Director on the pass rates related to the computer based testing (CBT) for the Uniform CPA Examination, both locally and nationally. A cumulative pass rate was given for the first three windows of CBT. South Dakota's cumulative pass rate is comparable to the national pass rate for all four sections of CBT.

A discussion was held regarding the issuance of certificates to individuals who meet the board's requirement for licensure based on education and experience, who do not reside in South Dakota. It was the opinion of the board that absent any residency requirement in our statutes or regulations, individuals applying for a South Dakota certificate (license) whose education and experience requirements are verified to be equivalent with the board's requirements for licensure may be issued a license, regardless of whether they live in this state or country.

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 reviewed letters written by the Maryland and New York Boards of Accountancy regarding fee increases associated with the Uniform CPA Examination. A discussion ensued regarding the proposed increases to the Uniform CPA Examination. The board is committed to keeping exam costs affordable to candidates and will continue to make every effort to communicate to the three party provider of the examination, the importance of containing costs to candidates associated with the newly computerized Uniform CPA Examination.

The board reviewed a request from the National Association of State Boards of Accountancy to provide a legal opinion in regards to providing licensee's social security numbers to NASBA, for use as identifiers, as part of South Dakota's future participation in NASBA's Accountancy Licensing Database (ALD). Sherri Sundem Wald, Legal Counsel for the board, advised against providing SSNs to NASBA, pursuant to current Federal Privacy laws.

The Executive Director shared the exposure draft for NASBA's proposed amendments to the UAA's rules governing accounting education. The exposure draft was sent to Accounting Professors at all South Dakota universities and colleges offering an accounting program with a request for feedback to the board in time for further discussion at our April 28-29, 2005 meeting in Rapid City.

The Executive Director, having been appointed to NASBA's Compliance Assurance Committee, shared the minutes from the first meeting of the committee held in December 2004. The Committee's objective is to have NASBA become more involved in the peer review process. "Compliance Assurance" was selected as the title to indicate the licensees are complying with the standards of services they are performing. The goal is to move the boards of accountancy into having primary responsibility for conducting what are presently referred to as "peer reviews." This includes affirming NASBA is interested in taking over the peer review process, in standard setting, in determining what constitutes qualified peer reviewers, and in defining what constitutes a review.

Future Board Meetings

April 28-29, 2005 to be held in Rapid City in the conference room of Casey Peterson & Associates
May 27, 2005 by conference call at 10:00 (CST)
June 29, 2005 by conference call at 10:00 (CST)

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