



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

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South Dakota Board of Accountancy
Minutes of Board Meeting
Capitol Building, Fourth Floor, Room 412
Pierre, SD
April 30, 2007

The Board of Accountancy held a meeting on Monday, April 30, 2007, at the Capitol Building, Fourth Floor, Room 412 in Pierre, SD. Chair John Mitchell called the meeting to order at 8:30 a.m. Other Board members present were Dave Olson, John Graham, and John Linn, Jr. A quorum was present.

Also present were Legal Counsel Sherri Sundem Wald, Executive Director Nicole Olson, and Secretary Tricia Nussbaum.

John Mitchell asked if there were any additions to the agenda. The following items were added to the agenda:

Additions to AICPA Information
Additions to NASBA Information
Information on SEC Litigation Release
Additions to Peer Review/Complaint Compliance

The additions to the agenda were noted by John Mitchell.

A motion was made by Dave Olson and seconded by John Graham to approve the March 26, 2007, meeting minutes. The motion unanimously carried.

A motion was made by John Graham and seconded by John Linn, Jr. to approve the issuance of individual certificates through April 20, 2007. The motion unanimously carried.

A motion was made by Dave Olson and seconded by John Graham to approve the issuance of firm permits through April 20, 2007. The motion unanimously carried.

A motion was made by John Linn, Jr. and seconded by Dave Olson to approve the financial statements through March 31, 2007. The motion unanimously carried.

A report to the Board on grades was explained by Executive Director Olson.

A motion was made by John Graham and seconded by Dave Olson to accept the revised report on grades for the 11th window and to approve all grades in the 12th window through March 2007. The motion unanimously carried.

A report to the Board, on the 25th Annual NASBA Executive Director's & Board Staff meeting in Las Vegas, Nevada, March 11-14, 2007, was given by Executive Director, Nicole Olson. She explained issues with boards that are looking into and have implemented back to 120 hours to sit for the CPA exam and 150 hours for licensure. A brief discussion took place regarding this issue. It was noted that Board Member, John Peterson, was attending a joint panel discussion on education in regards to this concern today. Thus, the Board wished to table this issue until the June meeting when they can hear from Board Member, John Peterson.

A report to the Board on CPE Audits was discussed by the Board. Executive Director Olson noted that Administrative Assistant, Julie Iverson has completed the CPE Audits for the fiscal year 2007. The Board did not have any concerns.

The board discussed information on lapsed licenses and an oratory discussion was led by Legal Counsel, Sherri Wald. Sherri wants the Board to publicly release a notice of intent to revoke to possibly draw out lapsed licensees. The Board agrees with what Sherri recommends.

The report on the Audit for two years ended June 30, 2006 by Don Finstad was discussed by the Board. Executive Director Olson noted that all of the issues addressed by Mr. Finstad have been addressed. John Mitchell would like to see a procedures manual made up for the Board office staff. Dave Olson noted that the limited staff size is an ongoing internal control issue that most likely will continue to be a concern in future audits. The Board agrees that having a disclosure with a limited staff size will most likely accompany the acceptance of audits to come.

A motion was made by John Linn Jr. and seconded by John Graham to enter into executive session for the purpose of discussing peer reviews. The motion unanimously carried.

A motion was made by John Mitchell and seconded by Dave Olson to come out of executive session. The motion unanimously carried.

A motion was made by John Graham and seconded by John Linn Jr. to accept peer reviews in executive session. The motion unanimously carried.

A motion was made by Dave Olson and seconded by John Graham to accept and acknowledge that the Board had a SEC violation investigation report on Jana Quam, and are taking no action at this time; however, the violation report will be reviewed at such a time as when Jana Quam applies for active status. The motion unanimously carried.

The Board discussed the AICPA's announcement of new to the position Director of Examinations Strategy, the AICPA's report on the status of the 2008 Practice Analysis, and the AICPA Exposure Draft Executive Summary of the Peer Review Program. The Board further discussed concern with the AICPA Exposure Draft Executive Summary of the Peer Review Program. Nicole Olson noted that the Executive Director of the South Dakota CPA Society,

Laura Coome, requested to have a special task force set up to discuss this Peer Review Program. The Board acknowledged and accepted the request to create a special task force. Board member, Marty Guindon, and Executive Director, Nicole Olson are planning to represent the board on the special task force discussing the AICPA's Peer Review Program. Board members are encouraged to send Executive Director Olson any points they would like to see discussed at the meetings.

The Board read over the information reports regarding the PCAOB; they included notice of the Deputy Chief Auditor leaving PCAOB, the second year Implementation of Auditing Standard No. 2, and Chairman, Mark Olson's Testimony Concerning the Sarbanes Oxley Act of 2002 and Its Impact on Small Businesses.

The Board discussed NASBA's highlights of Recent Regulatory Developments for 2006-2007 by proceeding through each highlight. The Board acknowledged and read the information reports regarding the nominations of Theodore W. Long, Jacob Cohen, CPA and Gaylen Hansen, CPA for NASBA's Director at Large position.

Future meeting dates were discussed and set as follows:

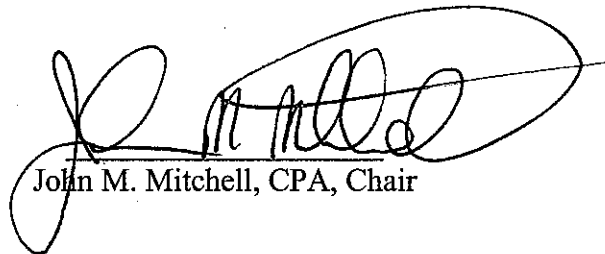
June 4th, 2007-Board Meeting by Conference Call 10:00 a.m.


July 10th, 2007-Board Meeting by Conference Call 10:00 a.m.

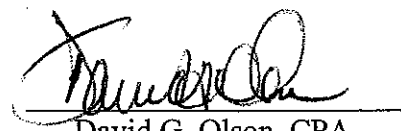
August 13th, 2007-Board Meeting in Sioux Falls at 8:30 a.m.-Eide Bailly Board Room

A motion was made by John Linn, Jr. and seconded by Dave Olson to adjourn the meeting. The motion unanimously carried.

All business having come before the board was concluded and the meeting was adjourned at 12:15 P.M.


John M. Mitchell, CPA, Chair

Attest: 
Nicole Olson
Executive Director


David G. Olson, CPA
Secretary/Treasurer