

South Dakota Board of Accountancy

PUBLIC INFORMATION NEWSLETTER
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WHAT'S NEW IN REGULATION

State Regulation

Effective December 26, 2006, Administrative Rule 20:75:05:10 Client Records was amended to comply with the AICPA ethics interpretation and ruling. It now reads as:

Terms used in this section are as follows:

(1) Client-provided records are accounting or other records belonging to the client that were provided to the licensee on behalf of the client;

(2) Client records prepared by the licensee or firm are accounting or other records such as tax returns, general ledgers, subsidiary journals, and supporting schedules such as detailed employee payroll records and depreciation schedules that the licensee was engaged to prepare for the client;

(3) Supporting records are information not reflected in the client's books and records that are otherwise not available to the client with the result that the client's financial information is incomplete. Supporting records include adjusting, closing, combining, or consolidating journal entries, including computations supporting such entries that are produced by the licensee during an engagement;

(4) Licensee's working papers include audit programs, analytical review schedules, and statistical sampling results, analyses, and schedules prepared by the client at the request of the licensee.

Upon request, a licensee must furnish to a client or former client any requested client-provided records, client records prepared by the member, or supporting records that are in the custody or control of the licensee or firm. A licensee may withhold client records prepared by the licensee if the preparation of such records is not complete or there are fees due the licensee for the engagement to prepare those records. A licensee may withhold supporting records if there are fees due to the member for the specific work product.

Once a licensee has complied with the client's or former client's requests, the licensee need not comply with any subsequent requests to provide the same

information, unless subsequent to complying with a request, a client experiences a loss of records due to a natural disaster or an act of war. In such cases, the licensee shall comply with an additional request to provide such records.

Licensee's working papers are the property of the licensee and need not be provided to the client, unless a contractual agreement exists requiring the licensee to do so.

When a licensee is required to return or provide records to a client, the licensee should comply with the client's request as soon as practicable, but no later than 45 days after the request is made.

A licensee may charge the client a reasonable fee for the time and expense incurred to retrieve and copy such records and require that such fee be paid before the records are provided to the client, provide the requested information in any format usable by the client, and make and retain copies of any records returned or provided to the client.

Source: 29 SDR 16, effective August 14, 2002; 33 SDR 107, effective December 26, 2006.

General Authority: SDCL [36-20B-12\(4\)](#).

Law Implemented: SDCL [36-20B-40](#), [36-20B-41](#).

Other Administrative Rules were also updated or repealed and became effective December 26, 2006. For all current Administrative Rules please visit the website <http://legis.state.sd.us/rules/index.aspx>

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AICPA NEWS

The Statements on Auditing Standards No. 104-111 (SAS 104-111) were approved by the Auditing Standards Board of the AICPA in March 2006. The standards are effective for audits of financial statements for periods beginning on or after December 15, 2006.

Uniform CPA Examination News

The AICPA Recently announced a new diagnostic report effective with the October/November 2006 testing window.

Individuals who sat for the Exam during the fourth quarter of 2006 are encouraged to review the samples of the new diagnostic reports and the diagnostic reports FAQs. This information is available on the AICPA's exam website, www.cpa-exam.org.

UNIFORM ACCOUNTANCY ACT NEWS

Joint efforts with NASBA Uniform Accountancy Act Committee & AICPA Uniform Accountancy Act Committee, have an exposure draft with proposed revisions to Section 23 of the UAA. The proposed revisions are intended to enhance the UAA statutory provisions related to mobility and enforcement. To view the exposure draft and the entire UAA statute you may visit the following websites: www.aicpa.org or www.nasba.org
Comments on the exposure draft will end on May 15, 2007.

CONGRATULATIONS TO OUR TOP CANDIDATES

Congratulations to the following individuals for passing all four sections on their first attempt.

<u>Name</u>	<u>University</u>
Alisa Light	University of South Dakota
Danielle Mikkelson	Black Hills State University
Ryan Simmons	University of North Dakota
Marissa Moore	University of Sioux Falls

NEW LICENSEES

Katie M. Kinney	Amanda F. Horn
Amy M. Brown	Sandra K. Bahnson
Elizabeth I. Frantum	Matthew J. Mueller
Stacia D. Alexander	Erin E. Hanson
Elaine E. Larson	Kathryn M. Fanning
Jennifer L. Konvalin	Dallas D. Fitzgerald
Timothy B. Redetzke	Melanie K. Wagner
Lori L. Larson	Nicholas A. Kortan
Kevin D. Sickels	Donald W. Schultz, Jr.
Terry H. Lauritsen	Lindy T. Fitzsimmons
Janene K. Schmidt	Per M. Ostrem
Laura M. Jones	Lisa M. Boomsma
Alisa A. Light	Sarah J. Hogg
Ashley J. Brandt	Martin T. Appelhof
Jill R. Hegland	Justin L. Reilly
Wolfgang Braun	Lixun Tang
Melissa J. Hamiel-Rupert	David R. Knigge
Susan K. Fitzgibbons	Abbie R. Pickett
Katrina M. Schmidt-Gordon	Jeffery S. Welsh
David G. Root	

NEW FIRM PERMITS ISSUED

Lausten, Florell & Barnhard, PC – Lincoln, NE
Labenz & Associates LLC – Lincoln, NE
Larry E. Westphalen, CPA – Sioux City, IA
Fiebiger, Swanson, West & Co PLLP-Moorhead, MN
BKD, LLP – Kansas City, MO
Ernst & Young LLP – Chattanooga, TN
Larson, Allen, Weishair & Co., LLP – New Ulm, MN
Van Bruggen & Vande Vegte, P.C. – Orange City, IA
Reznick Group, P.C. – Skokie, IL
Donald W. Wood & Associates, Inc – St. Joseph, MO
Schlenner Wenner & Co. – St. Cloud, MN
Ernst & Young LLP – Chicago, IL
Ernst & Young LLP – Atlanta, GA
Janene K. Schmidt, CPA – Spearfish, SD
Janene K. Schmidt, CPA – Goose Creek, SC
Kent W. Boadwine, CPA – Sioux Falls, SD
Weber & Deegan, LTD. – Edina, MN
Deloitte Financial Advisory Svc LLP–Cost Mesa, CA
Ernst & Young LLP – New York, NY
PricewaterhouseCoopers LLP – Grand Rapids, MI
L. Boomsma, CPA, PC – Wessington, SD
Grant Thornton LLP – Raleigh, NC
McGladery & Pullen, LLP – Des Moines, IA
Latta, Harris, Hanon & Penningroth LLP-Tipton, IA
McGladery & Pullen, LLP – Cedar Rapids, IA
Susan K. Fitzgibbons, CPA – Sioux Falls, SD
Deloitte & Touche LLP – Indianapolis, IN

Brad Zumbaum, CPA – Canton, SD
 Ernst & Young LLP – Charlotte, NC
 Ernst & Young LLP – Omaha, NE
 Widmer Roal PC – Fargo, ND

FREQUENTLY ASKED QUESTIONS

LAPSED LICENSEES

Michael J. Gage	Scott T. Kellen
Samer H. Khalife	George E. Maas
Yuji Mito	Toshiya Miura
Michael B. Olson	Tomohiro Ono
Hirofumi Ota	Mohammed M.A. Safi
Alan W. Tam	Keiko Tanaka
Bonita K. Treat	Jacquelyn M. Vail
Michael W. Will	

If you have any questions, please do not hesitate to contact the board office. We are here to provide assistance to you. Helping you understand the accountancy laws and rules governing the accounting profession helps us to promote the Board’s mission of public protection!

What is the educational requirement to qualify as a South Dakota exam candidate?

The education requirement for a certificate, which shall be met before one hundred days after an applicant sits for the examination prescribed in this chapter, is at least one hundred fifty semester hours of college education, including graduation from an accredited college or university with a baccalaureate or a graduate degree in accounting, or the satisfactory completion of a course of study which the board has determined to be substantially equivalent of an accounting degree.

Both a major in accounting and a course of study substantially equivalent to an accounting major must include 24 semester hours in accounting at the undergraduate or graduate level from an accredited college or university, to include at least one course in; intermediate or advanced accounting, auditing, taxation and cost accounting and at least 24 semester hours of business courses, other than accounting courses at the undergraduate or graduate level.

What is the deadline for filing my application for any given testing window?

The board recommends filing your application by the 15th of the month prior to the testing window for which you wish to sit. However, you are not limited to this deadline. The board will accept applications throughout the year.

How long is my NTS valid?

Your NTS will be valid for one year. This will be your set period of time to schedule and take the exam section(s) for which you have been issued an NTS. After one year of receiving an NTS for any given section your NTS will expire and you will be required to re-apply. The board recommends scheduling during the same window in which your NTS is issued.

REVOKED CERTIFICATES

The following individuals had their license revoked for non-compliance with renewal requirements.

Name	Address	License #
Marvin R. Aho	104 Kennedy Dr Aurora, SD	334R
Michael Bell	#4 Deer Run Rd McCook Lake, SD	2180
James F. Case	5120 E. Hampton Ave Mesa, AZ	1575
Ronald Gates Jr.	20 N. Harmon Drive Mitchell, SD	959
Jun Goto	733806 Hikarigaoka Tokyo, Japan	2007
Bruce E. Hanson	521 N. Oakridge Rd Brandon, SD	1319
Chad D. Hatch	1803 Overlook Ridge Rd Brookings, SD	2031
Scott Hudson	3712 E. Dawley Ct Sioux Falls, SD	1358
Zhengqi Jing	1022 Knollwood Dr Palatine, IL	2618
Stephen C. Jones	135 E. St Andrew St Rapid City, SD	1250
Hee Young Jung	102-206 Boramae Seoul, Korea	2243
Bridget Montour	825 Twin Pines Dr Madison, WI	2001
Shirley Quaintance	6621 W. Larkspur Cir Sioux Falls, SD	869
James E. Stavig	904 Par Tee Dr Hartford, SD	1260
Sundaresan Subramanian	1505 Barclay Dr Austin, TX	2161
Timothy Sullivan	6304 Oscar Howe Cir Sioux Falls, SD	1191
James Thompson	PO Box 9705 Fargo, ND	2530
Scott Van Den Hemel	PO Box 571 Ft. Pierre, SD	1968

What is the current cost of the Uniform CPA Examination?

<u>SECTION</u>	<u>EXAM LENGTH</u>	<u>EXAM FEE</u>
Auditing	4.5 Hours	\$217.00
Accounting	4.0 Hours	\$205.44
Regulation	3.0 Hours	\$182.33
BEC	2.5 Hours	\$170.78

When can I expect the Examination fees to increase again?

Exam fee increases will happen only once each year on January 1, with the next fee change being effective January 1, 2008. The board will post the applicable fees for each window on the Uniform CPA Examination applications available on the board's website. Candidate fees will not change any more frequently than once each year.

What do I do if my testing session is interrupted?

Do not leave the testing center without completing a Center Problem Report (CPR). Once you have completed the CPR call us at the state board office and we will ensure immediate implementation of proper re-testing procedures at no cost to the candidate and with no penalty to the life of the candidate's notice to schedule.

FREQUENTLY ASKED QUESTIONS CONCERNING LICENSING ISSUES

How do I know if a course qualifies as CPE?

ARSD 20:75:04:02 describes the general qualifying criteria of continuing professional education. It must be a program of formal learning that directly contributes to the professional competence of a licensee in the practice of accountancy. A program that promotes professional competence in the practice of accountancy is defined as one that refers to the process, methods, or principles of accounting or directly relates to the licensee's employment and is above the level of the licensee's current knowledge. The course provider should provide a completion certificate and retain an attendance sheet for four years.

Should I submit documentation when I report my hours at renewal time?

No, this is not necessary. Please keep accurate records of the CPE reported to the board in the event that you are chosen for our annual CPE audit, you will be requested to provide documentation to substantiate your CPE claims.

If I hold a South Dakota certificate/license and no longer plan to practice in South Dakota must I renew my certificate/license?

Yes, you must renew your license in either an active, inactive or retired status or relinquish it to the board. Failure to do so will result in unfavorable standing with the board as a lapsed status, and will be reported as such to anyone inquiring as to the standing of your license and this status will be posted on the board's website.

What if I have lost my certificate and want to relinquish it to the Board?

You may request an affidavit for lost certificate from the board staff.

What do I have to do to get my license back at a later date if I choose to relinquish?

You will be responsible for all licensing fees and late penalties for the period in which you chose to relinquish until the time you wish to renew at a rate of \$100 per fiscal year. This may be prorated depending on what time of year you return.

What will my CPE requirement be?

If you wish to perform accounting services you are required to renew in an active status which will require you show proof of 24 hours of continuing professional education (CPE) in the 12 months preceding your application to the board. The Executive Director may grant you a one time extension of 90 days to complete this requirement. All subsequent requests for extension of CPE reporting must be approved by the board members.

When am I required to get a firm permit?

If you perform attest functions, i.e. compilations, audits, and/or review services or if you use the words accountants, accounting, or CPAs in your firm name you must do so through a license firm.

If I am a CPA in another state, who has moved to South Dakota, but I do not practice here, do I need to register with the South Dakota State Board of Accountancy?

Yes, you must contact the board upon moving to South Dakota to become licensed, in either an active, inactive or retired status.

DON'T FORGET.....

Don't forget to notify the board of any change in address, employment, telephone number or email address within 30 days of the change.

It is also important to report other significant changes in your practice, such as name changes, personnel changes, and partner changes.

RETRACTION:

On October 12, 2006, the Board office was notified by NASBA that the statistics from the 2005 Edition of the Candidate Performance on the Uniform CPA Examination contained errors. A revised edition was distributed. The following information is the correct statistics for 2004 & 2005.

**NATIONAL/SD COMPUTERIZED
UNIFORM CPA PASS RATE EXAM
STATISTICS**

<u>2004</u>	<u>Apr/May</u>	<u>July/Aug</u>	<u>Oct/Nov</u>	<u>Cum</u>
Audit	48/21	43/46	39/38	43/35
BEC	44/29	45/46	45/36	45/35
FAR	47/46	44/88	38/20	43/45
REG	47/67	42/40	35/0	41/38

The above statistics represent 119 candidates sitting for 146 parts

<u>2005</u>	<u>Jan/Feb</u>	<u>Apr/May</u>	<u>July/Aug</u>	<u>Oct/Nov</u>	<u>Cum</u>
Audit	40/58	46/56	45/43	43/37	44/44
BEC	43/58	43/50	49/19	42/32	44/37
FAR	36/57	44/62	48/39	42/52	43/53
REG	35/30	42/30	43/24	40/42	43/50

The above statistics represent 185 candidates sitting for 239 parts.

**SOUTH DAKOTA
STATE BOARD OF ACCOUNTANCY
(605) 367-5770
(605) 367-5773 – FAX
www.state.sd.us/dol/boards/accountancy**

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Nicole Olson
Executive Director

Julie Iverson
Administrative Assistant

Tricia Nussbaum
Secretary

FUTURE BOARD MEETINGS

March 26, 2007 - Conference Call 10:00 a.m. (CT)
April 30, 2007 – Pierre 8:30 a.m. (CT) Location TBD

For future meeting dates, please visit our website
www.state.sd.us/dol/boards/accountancy

