



**SOUTH DAKOTA  
BOARD OF ACCOUNTANCY**

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Agenda  
South Dakota Board of Accountancy Meeting  
Conference Call  
9:00 a.m. (CT)  
April 19, 2010

A=Action  
D=Discussion  
I=Information

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**NASBA**

D-NASBA Awards Committee Nominations..... 2010 Awards Criteria	53-54
A-Request from M. Mickelson-IA for Nominating Committee support..... Letter from IA Board	55-56
A-Request from T. Lodden-IA for Central Region Director support..... Letter from IA Board	57-58

**EXECUTIVE SESSION**

Equivalent Reviews & Disciplinary Action for Board Approval.....	Spt. Pkt.
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**FUTURE MEETING DATES** (all times CDT)

May 21 – 8:30, Department of Legislative Audit, Pierre SD  
June 17 – 10:00 Conference call  
July 12 – 9:00 Conference call



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South Dakota Board of Accountancy  
Minutes of Meeting  
Conference Call  
9:00 a.m. (CT)  
March 19, 2010

The Board of Accountancy held a meeting by conference call on Friday, March 19, 2010. Chair Holly Brunick called the meeting to order at 9:01 a.m.

The following members were present: Marty Guindon, John Linn, Jr., John Mitchell, David Olson, and John Peterson. A quorum was present.

Also present were Sherri Sundem Wald, Legal Counsel; Nicole Kasin, Executive Director; Tricia Nussbaum, Secretary; and Todd Kolden, Department of Labor.

Chair Holly Brunick asked if there were any additions to the agenda. The following additions were added:

Addition to Firm Permits  
Report to Board on Bank Account Signers  
Report to Board on Records/Microfilm

A motion was made by John Peterson and seconded by Marty Guindon to approve the January 15, 2010, meeting minutes. The motion unanimously carried.

A motion was made by John Peterson and seconded by John Mitchell to approve the issuance of individual certificates and firm permits through March 18, 2010. The motion unanimously carried.

A motion was made by David Olson and seconded by Marty Guindon to approve the financial statements through February 28, 2010. The motion unanimously carried.

The board discussed the importance of having Nicole Kasin and two board members attend the upcoming NASBA Western Regional Conference that will be held in Seattle, WA, June 23-25, 2010. The board agrees that this meeting has relevant and important information that needs to be discussed with those in our region.

A motion was made by John Mitchell and seconded by David Olson to approve travel for Executive Director Nicole Kasin and two board members to attend NASBA's Western Regional Conference in Seattle, WA on June 23-25, 2010. The motion unanimously carried.

Nicole Kasin explained that the local bank checking account signer's form needed to be updated. The local checking account is used as a depository account, and then the funds are transferred to the state treasury account.

A motion was made by John Peterson and seconded by Marty Guindon to approve the signers on the local bank checking account be the Executive Director and the Senior Secretary. The motion unanimously carried.

Nicole Kasin discussed possible changes to microfilming and digital imaging for in house records. She is discussing the options with records management or HOV services. She will bring her findings to the next meeting.

March 19, 2010

The Board was informed of the following AICPA information: the Board of Examiners Meeting Highlights January 2010; BOE sponsors CPA Exam Forum; Changes to CPA exam in regards to standard setting; and Nominations for CPA Exam Panels. John Peterson commented in regards to the nominations for the CPA exam panels that he may have two former students interested.

The Board was informed on the PCAOB's Emerging Audit Issues in 2010 Forums.

The Board briefly discussed the following from NASBA: the CBT Steering Group 4Q09 report to State Boards; Candidate Care Report 4Q09; CBT Agreement signed by NASBA, AICPA, & Prometric; Board of Directors Meeting Minutes October 30, 2009; Board of Directors Meeting Highlights January 15, 2010; Executive Summary Regional Focus Questions; and the Regional Directors' Report.

The Board discussed and answered NASBA's Regional Directors' Focus Questions.

The Board briefly discussed the following from NASBA: the Vice Chair Recommendations for 2010-2011- Gaylen Hansen – OR Support Letter; Robert Pearson – MO Support Letter; Mark Harris – TN Support Letter, AR Support Letter, NM Support Letter, MS Support Letter, FL Support Letter, SD Support Letter, NV Support Letter, and OK Support Letter; the Nominating Committee's Recommendation for Vice Chair; and the Nominating Committee Request for Directors-at-Large, Regional Directors & Nominating Committee Members.

Todd Kolden left the meeting at 10:12 a.m.

David Olson stepped out of the meeting at 10:15 a.m.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to enter into executive session for the purpose of discussing peer review and disciplinary actions. The motion carried; 5 ayes, 1 excused (Olson).

The Board came out of executive session.

A motion was made by Marty Guindon and seconded by John Mitchell to accept the peer reviews and disciplinary actions as discussed in executive session. The motion carried; 5 ayes, 1 excused (Olson).

David Olson entered back into the meeting at 10:24 a.m.

Future meeting dates were discussed and set as follows (in CDT):

April 19, 2010-Conference Call 9:00 a.m.


May 21, 2010-Department of Legislative Audit, Pierre, SD 8:30 a.m.

June 17, 2010-Conference Call 10:00 a.m.


July 12, 2010-Conference Call 9:00 a.m.


A motion was made by John Peterson and seconded David Olson to adjourn the meeting. The motion unanimously carried.

All business having come before the board was concluded and Chair Holly Brunick adjourned the meeting at 10:27 a.m.

  
Holly Brunick, CPA, Chair

Attest:

  
Nicole Kasin, Executive Director

  
John Peterson, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES  
BOARD COPY**

**Issued Through April 12, 2010**

<b>Number</b>	<b>Name</b>	<b>Date Issued</b>	<b>Location</b>
2924	Joel N. Metz	3/22/10	Sioux Falls, SD
2925	Robin Eileen Larson	3/22/10	Sioux Falls, SD
2926	Tina M. Froelich	4/01/10	Rapid City, SD
2927	Terra Marie Plamp	4/08/10	Mitchell, SD
2928	Katie Jo Nelson	4/09/10	Madison, SD
2929	Jerry L. Kyte	4/09/10	Sioux Falls, SD
2930	Linda Siegling Kelly	4/12/10	Jacksonville, FL

AGENCY: 10 LABOR  
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	290,768.33	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			290,768.33	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			290,768.33	DR **	
BUDGET UNIT TOTAL 1031			290,768.33	DR ***	

AGENCY 10 LABOR BOARD OF ACCOUNTANCY  
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY  
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503										
COMPANY NAME PROFESSIONAL & LICENSING BOARDS										
6503	103100061802	51010100	CGEX100226	03/03/2010					2,729.76	DR
6503	103100061802	51010100	CGEX100312	03/17/2010					2,233.44	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES										
6503	103100061802	51010200	CGEX100226	03/03/2010					4,963.20	DR *
6503	103100061802	51010200	CGEX100312	03/17/2010					770.10	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES										
6503	103100061802	51020100	CGEX100226	03/03/2010					6,348.02	DR **
6503	103100061802	51020100	CGEX100312	03/17/2010					261.55	DR
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE										
6503	103100061802	51020200	CGEX100226	03/03/2010					204.81	DR
6503	103100061802	51020200	CGEX100312	03/17/2010					466.36	DR *
OBJSUB: 5102020 RETIREMENT-ER SHARE										
6503	103100061802	51020600	CGEX100226	03/03/2010					210.00	DR
6503	103100061802	51020600	CGEX100312	03/17/2010					170.88	DR
OBJSUB: 5102060 HEALTH/LIFE INS -ER SHARE										
6503	103100061802	51020800	CGEX100226	03/03/2010					380.88	DR *
6503	103100061802	51020800	CGEX100312	03/17/2010					721.62	DR
OBJSUB: 5102080 WORKER'S COMPENSATION										
6503	103100061802	51020900	CGEX100226	03/03/2010					1,443.24	DR *
6503	103100061802	51020900	CGEX100312	03/17/2010					1.76	DR
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION										
6503	103100061802	52032600	EMPLOYEE BENEFITS	03/03/2010					3.19	DR *
6503	103100061802	52032600	PERSONAL SERVICES	03/17/2010					2.28	DR
6503	103100061802	52032600	541118	03/26/2010	99604897	CARLSONWAG	12131761	01	1.86	DR
OBJSUB: 5203260 AIR-COMM-OUT-OF-STATE TRAVEL										
6503	103100061802	52041600	C100-444	03/24/2010	019345				4.14	DR *
6503	103100061802	52041600	TR001007	03/03/2010					2,297.81	DR **
OBJSUB: 5204160 WORKSHOP REGISTRATION FEE										
6503	103100061802	52041800	DP002100	03/24/2010					8,645.83	DR ***
OBJSUB: 5204180 COMPUTER SERVICES-STATE										
6503	103100061802	52042000	PL002053	03/12/2010					768.40	DR *
OBJSUB: 5204200 CENTRAL SERVICES										
6503	103100061802	52042200	45545	03/24/2010	01920301	BESTBUSINE	12031022		768.40	DR **
OBJSUB: 5204220 CENTRAL SERVICES										
6503	103100061802	52042200	45545	03/24/2010	01920301	BESTBUSINE	12031022		775.00	CR
OBJSUB: 5204220 CENTRAL SERVICES										
6503	103100061802	52042200	45545	03/24/2010	01920301	BESTBUSINE	12031022		60.00	DR
OBJSUB: 5204220 CENTRAL SERVICES										
6503	103100061802	52042200	45545	03/24/2010	01920301	BESTBUSINE	12031022		715.00	CR *
OBJSUB: 5204220 CENTRAL SERVICES										
6503	103100061802	52042200	45545	03/24/2010	01920301	BESTBUSINE	12031022		309.00	DR
OBJSUB: 5204220 CENTRAL SERVICES										
6503	103100061802	52042200	45545	03/24/2010	01920301	BESTBUSINE	12031022		309.00	DR *
OBJSUB: 5204220 CENTRAL SERVICES										
6503	103100061802	52042200	45545	03/24/2010	01920301	BESTBUSINE	12031022		158.99	DR
OBJSUB: 5204220 CENTRAL SERVICES										
6503	103100061802	52042200	45545	03/24/2010	01920301	BESTBUSINE	12031022		158.99	DR *
OBJSUB: 5204220 CENTRAL SERVICES										
6503	103100061802	52042200	45545	03/24/2010	01920301	BESTBUSINE	12031022		3.09	DR

STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 03/31/2010

AGENCY 10 LABOR  
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY  
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	1031000061802	52042300 EQUIPMENT SERV & MAINT	10SC100032 MAR10	03/24/2010	99603333	SUNSETOFFI	12043890		3.09	DR *
									117.00	DR
6503	1031000061802	52043400 JANITORIAL & MAINT SERV	17708	03/03/2010	99596843	ELBOCOMPUT	12124520		117.00	DR *
			17946	03/17/2010	99601527	ELBOCOMPUT	12124520		45.00	DR
									47.00	DR
6503	1031000061802	52044400 COMPUTER SOFTWARE MAINT	32850	03/05/2010	99597321	BUSINESSPR	12003048		92.50	DR *
									495.10	DR
6503	1031000061802	52044600 NEWSLETTER PUBLISHING	45545	03/24/2010	01920301	BESTBUSINE	12031022		495.10	DR *
6503	1031000061802	52044900 EQUIPMENT RENTAL	ACCOUNTRENT10	03/24/2010	01920150	MCGINNISRO	12074040		93.60	DR *
									1,269.45	DR
6503	1031000061802	52045300 RENTS-PRIVATE OWNED PROP.	TL002161	03/17/2010					1,269.45	DR *
			111109001 MAR10	04/01/2010	99605801	MIDCONTINE	12023782		84.89	DR
									95.00	DR
6503	1031000061802	52045400 TELECOMMUNICATIONS SRVCS	5159417006 FEB10	03/10/2010	01918846	XCELENERGY	12023853		179.89	DR *
									67.24	DR
6503	1031000061802	52045600 ELECTRICITY	62766	03/03/2010	99596288	ECOWATER	12035896		67.24	DR *
									23.35	DR
6503	1031000061802	52045900 WATER	PE001037	03/12/2010					23.35	DR *
									1,530.00	DR
6503	1031000061802	52047400 INS PREMIUMS & SURETY BDS	CI100A-076	03/10/2010	018176				1,530.00	DR *
									31.00	DR
6503	1031000061802	52049600 BANK FEES AND CHARGES	13283187	03/17/2010	99600664	NATLASSNST	12005047		31.00	DR *
									5,255.90	DR
6503	1031000061802	52050200 OTHER CONTRACTUAL SERVICE	CONTRACTUAL SERVICES	03/12/2010					5,255.90	DR *
			CS002043	03/17/2010					8,911.11	DR **
			1382192-0	03/17/2010	99600853	BROWNSAENG	12028533		117.73	DR
			138423041385646	03/19/2010	99601956	BROWNSAENG	12028533		12.99	DR
			1384230-0	03/17/2010	99600853	BROWNSAENG	12028533		15.06	DR
			1384230-1	03/17/2010	99600853	BROWNSAENG	12028533		9.20	DR
									31.98	DR
6503	1031000061802	52050200 OFFICE SUPPLIES	32944	04/01/2010	99605643	BUSINESSPR	12003048		186.96	DR *
			50891	04/01/2010	99605699	SOUTHDAKOT	12012500		24.15	DR
									270.57	DR
6503	1031000061802	52053300 PRINTING-COMMERCIAL	10334502	03/17/2010	99600663	AMERICANIN	12004400		294.72	DR *
									280.00	DR

AGENCY 10 LABOR  
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY  
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL. # OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
		OBJSUB: 5205330							280.00	DR *
6503	103100061802	52053500	SUPP. PUBLIC & REF MAT	03/03/2010					5.96	DR
6503	103100061802	52053500	MS001047	04/01/2010	99605699	SOUTHDAKOT	12012500		469.32	DR
		OBJSUB: 5205350	POSTAGE						475.28	DR *
6503	103100061802	5228000	SUPPLIES & MATERIALS	03/12/2010					1,236.96	DR **
		OBJSUB: 5228000	OPER TRANS OUT -NON BUDGT						579.97	DR *
		OBJECT: 5228	NONOP EXP/NONBGTD OP TR						579.97	DR **
		GROUP: 52	OPERATING EXPENSES						11,496.44	DR ***
		COMP: 6503							20,142.27	DR ****
		CNTR: 103100061802							20,142.27	DR *****
		B. UNIT: 1031							20,142.27	DR *****



**South Dakota Board of Accountancy**  
**Balance Sheet**  
As of March 31, 2010

	Mar 31, 10
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1130000 · Local Checking - US Bank	1,519.73
1140000 · Pool Cash State of SD	290,768.33
<b>Total Checking/Savings</b>	292,288.06
<b>Total Current Assets</b>	292,288.06
<b>Fixed Assets</b>	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-77,699.43
<b>Total 1670000 · Computer Software</b>	62,363.80
<b>Total Fixed Assets</b>	62,363.80
<b>TOTAL ASSETS</b>	<b>354,651.86</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2110000 · Accounts Payable	4,063.29
<b>Total Accounts Payable</b>	4,063.29
<b>Other Current Liabilities</b>	
2810000 · Amounts Held for Others	17,680.70
<b>Total Other Current Liabilities</b>	17,680.70
<b>Total Current Liabilities</b>	21,743.99
<b>Long Term Liabilities</b>	
2960000 · Compensated Absences Payable	10,038.53
<b>Total Long Term Liabilities</b>	10,038.53
<b>Total Liabilities</b>	31,782.52
<b>Equity</b>	
3220000 · Unrestricted Net Assets	193,994.94
3300100 · Invested in Capital Assets	62,363.80
3900 · Retained Earnings	17,421.83
Net Income	49,088.77
<b>Total Equity</b>	322,869.34
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>354,651.86</b>

# South Dakota Board of Accountancy

## Profit & Loss Budget vs. Actual

July 2009 through March 2010

	Jul '09 - Mar 10	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate				
5208001 · Refunds	-25.00			
4293550 · Initial Individual Certificate - Other	3,040.00	2,500.00	540.00	121.6%
<b>Total 4293550 · Initial Individual Certificate</b>	<b>3,015.00</b>	<b>2,500.00</b>	<b>515.00</b>	<b>120.6%</b>
4293551 · Certificate Renewals-Active	54,350.00	62,000.00	-7,650.00	87.7%
4293552 · Certificate Renewals-Inactive				
5208014 · REFUNDS	-50.00			
4293552 · Certificate Renewals-Inactive - Other	19,700.00	24,000.00	-4,300.00	82.1%
<b>Total 4293552 · Certificate Renewals-Inactive</b>	<b>19,650.00</b>	<b>24,000.00</b>	<b>-4,350.00</b>	<b>81.9%</b>
4293553 · Certificate Renewals-Retired	660.00	600.00	60.00	110.0%
4293554 · Initial Firm Permits	950.00	1,500.00	-550.00	63.3%
4293555 · Firm Permit Renewals				
5208004 · REFUNDS	-50.00			
4293555 · Firm Permit Renewals - Other	19,650.00	20,350.00	-700.00	96.6%
<b>Total 4293555 · Firm Permit Renewals</b>	<b>19,600.00</b>	<b>20,350.00</b>	<b>-750.00</b>	<b>96.3%</b>
4293557 · Initial Audit				
5208011 · REFUNDS	-30.00			
4293557 · Initial Audit - Other	270.00	580.00	-310.00	46.6%
<b>Total 4293557 · Initial Audit</b>	<b>240.00</b>	<b>580.00</b>	<b>-340.00</b>	<b>41.4%</b>
4293558 · Re-Exam Audit	1,440.00	1,660.00	-220.00	86.7%
4293560 · Late Fees-Initial Certificate				
5208013 · REFUNDS	-100.00			
4293560 · Late Fees-Initial Certificate - Other	350.00			
<b>Total 4293560 · Late Fees-Initial Certificate</b>	<b>250.00</b>			
4293561 · Late Fees-Certificate Renewals				
5208006 · REFUNDS	-50.00			
4293561 · Late Fees-Certificate Renewals - Other	5,850.00	6,000.00	-150.00	97.5%
<b>Total 4293561 · Late Fees-Certificate Renewals</b>	<b>5,800.00</b>	<b>6,000.00</b>	<b>-200.00</b>	<b>96.7%</b>
4293563 · Late Fees-Firm Permit Renewals	800.00	800.00	0.00	100.0%
4293564 · Late Fees-Peer Review	400.00	1,050.00	-650.00	38.1%
4293566 · Firm Permit Individual				
5208003 · REFUNDS	-260.00			
4293566 · Firm Permit Individual - Other	66,925.00	67,000.00	-75.00	99.9%
<b>Total 4293566 · Firm Permit Individual</b>	<b>66,665.00</b>	<b>67,000.00</b>	<b>-335.00</b>	<b>99.5%</b>
4293567 · Peer Review Admin Fee	975.00	6,100.00	-5,125.00	16.0%
4293568 · Firm Permit Name Change	130.00	400.00	-270.00	32.5%
4293569 · Initial FAR	630.00	690.00	-60.00	91.3%
4293570 · Initial REG	510.00	380.00	130.00	134.2%
4293571 · Initial BEC	630.00	670.00	-40.00	94.0%
4293572 · Re-Exam FAR	1,170.00	1,540.00	-370.00	76.0%
4293573 · Re-Exam REG	1,410.00	1,680.00	-270.00	83.9%
4293574 · Re-Exam BEC	1,560.00	2,020.00	-460.00	77.2%
4491000 · Interest and Dividend Revenue	16,687.62	10,000.00	6,687.62	166.9%
4896021 · Legal Recovery Cost	1,047.36	1,000.00	47.36	104.7%
<b>Total Income</b>	<b>198,569.98</b>	<b>212,520.00</b>	<b>-13,950.02</b>	<b>93.4%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	44,433.05	66,239.00	-21,805.95	67.1%
5101020 · P-T/Temp Emp Sal & Wages	12,685.35	19,380.00	-6,694.65	65.5%
5101030 · Board & Comm Mbrs Fees	2,400.00	4,020.00	-1,620.00	59.7%
5102010 · OASI-Employer's Share	4,312.62	6,549.00	-2,236.38	65.9%
5102020 · Retirement-ER Share	3,427.14	5,147.00	-1,719.86	66.6%
5102060 · Health /Life Ins.-ER Share	11,942.81	16,869.00	-4,926.19	70.8%
5102080 · Worker's Compensation	40.44	133.00	-92.56	30.4%
5102090 · Unemployment Insurance	37.19	25.00	12.19	148.8%
5203010 · Auto--State Owned	158.90	500.00	-341.10	31.8%
5203020 · Auto-Private-Ownes Low Mileage	361.60	150.00	211.60	241.1%
5203030 · In State-Auto- Priv. High Miles	446.96	2,100.00	-1,653.04	21.3%

**South Dakota Board of Accountancy**  
**Profit & Loss Budget vs. Actual**  
**July 2009 through March 2010**

	Jul '09 - Mar 10	Budget	\$ Over Budget	% of Budget
5203100 · In State-Lodging	189.96	1,000.00	-810.04	19.0%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not OverNigt	9.00	100.00	-91.00	9.0%
5203150 · InState-Non-Tax Meals OverNight	192.00	500.00	-308.00	38.4%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	3,327.18	6,700.00	-3,372.82	49.7%
5203280 · OS-Other Public Carrier	402.00	500.00	-98.00	80.4%
5203300 · OS-Lodging	5,436.15	7,800.00	-2,363.85	69.7%
5203320 · OS-Incidentals to Travel	330.00	200.00	130.00	165.0%
5203350 · OS-Non-Taxable Meals Overnight	692.00	1,000.00	-308.00	69.2%
5204010 · Subscriptions	351.84	1,000.00	-648.16	35.2%
5204020 · Dues and Membership Fees	3,350.00	3,900.00	-550.00	85.9%
5204030 · Legal Document Fees	15.00	1,000.00	-985.00	1.5%
5204040 · Consultant Fees-Accounting	0.00	5,000.00	-5,000.00	0.0%
5204160 · Workshop Registration Fees	2,910.00	6,500.00	-3,590.00	44.8%
5204180 · Computer Services-State	360.00	1,000.00	-640.00	36.0%
5204181 · Computer Development Serv-State	5,424.00			
5204200 · Central Services	3,612.95	7,500.00	-3,887.05	48.2%
5204220 · Equipment Service & Maintenance	48.92	500.00	-451.08	9.8%
5204230 · Janitorial/Maintenance Services	1,053.00	1,680.00	-627.00	62.7%
5204340 · Computer Software Maintenance	230.00	1,500.00	-1,270.00	15.3%
5204360 · Advertising-Newspapers	0.00	2,100.00	-2,100.00	0.0%
5204440 · Newsletter Publishing	1,032.30	1,100.00	-67.70	93.8%
5204460 · Equipment Rental	3,060.72	6,000.00	-2,939.28	51.0%
5204480 · Microfilm and Photography	417.38	700.00	-282.62	59.6%
5204490 · Rents Privately Owned Property	11,374.65	15,531.00	-4,156.35	73.2%
5204530 · Telecommunications Services	1,626.58	2,500.00	-873.42	65.1%
5204540 · Electricity	512.77	865.00	-352.23	59.3%
5204560 · Water	93.40	240.00	-146.60	38.9%
5204590 · Insurance Premiums/Surety Bonds	1,530.00	1,710.00	-180.00	89.5%
5204740 · Bank Fees and Charges	1,716.10	25.00	1,691.10	6,864.4%
5204960 · Other Contractual Services	0.00	2,000.00	-2,000.00	0.0%
5205020 · Office Supplies	947.07	2,000.00	-1,052.93	47.4%
5205310 · Printing State	0.00	500.00	-500.00	0.0%
5205320 · Printing/Duplicating/Binding Co	826.68	1,800.00	-973.32	45.9%
5205330 · Supplemental Publications	598.75	700.00	-101.25	85.5%
5205340 · Microfilm Supplies/Materials	0.00	300.00	-300.00	0.0%
5205350 · Postage	3,274.98	3,100.00	174.98	105.6%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207960 · Computer Software Expense	346.50	10,000.00	-9,653.50	3.5%
5228000 · Operating Transfers Out-NonBudg	4,890.53	5,000.00	-109.47	97.8%
5228030 · Depreciation Expense	9,052.74			
<b>Total Expense</b>	<b>149,481.21</b>	<b>231,763.00</b>	<b>-82,281.79</b>	<b>64.5%</b>
<b>Net Ordinary Income</b>	<b>49,088.77</b>	<b>-19,243.00</b>	<b>68,331.77</b>	<b>-255.1%</b>
<b>Net Income</b>	<b>49,088.77</b>	<b>-19,243.00</b>	<b>68,331.77</b>	<b>-255.1%</b>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR MONTHLY COMPARISON**

March 2010

	Mar 10	Mar 09	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	125.00	125.00	0.00	0.0%
4293552 · Certificate Renewals-Inactive	0.00	0.00	0.00	0.0%
4293554 · Initial Firm Permits	150.00	50.00	100.00	200.0%
4293556 · Notification	0.00	1,100.00	-1,100.00	-100.0%
4293557 · Initial Audit	60.00	0.00	60.00	100.0%
4293558 · Re-Exam Audit	120.00	90.00	30.00	33.3%
4293560 · Late Fees-Initial Certificate	50.00	0.00	50.00	100.0%
4293564 · Late Fees-Peer Review	100.00	250.00	-150.00	-60.0%
4293566 · Firm Permit Individual	585.00	610.00	-25.00	-4.1%
4293568 · Firm Permit Name Change	0.00	25.00	-25.00	-100.0%
4293569 · Initial FAR	60.00	90.00	-30.00	-33.3%
4293570 · Initial REG	60.00	0.00	60.00	100.0%
4293571 · Initial BEC	90.00	30.00	60.00	200.0%
4293572 · Re-Exam FAR	270.00	30.00	240.00	800.0%
4293573 · Re-Exam REG	150.00	30.00	120.00	400.0%
4293574 · Re-Exam BEC	150.00	150.00	0.00	0.0%
<b>Total Income</b>	<b>1,970.00</b>	<b>2,580.00</b>	<b>-610.00</b>	<b>-23.6%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	4,963.20	2,233.44	2,729.76	122.2%
5101020 · P-T/Temp Emp Sal & Wages	1,384.82	628.23	756.59	120.4%
5102010 · OASI-Employer's Share	466.36	204.63	261.73	127.9%
5102020 · Retirement-ER Share	380.88	171.69	209.19	121.8%
5102060 · Health /Life Ins.-ER Share	1,443.24	721.62	721.62	100.0%
5102080 · Worker's Compensation	3.19	3.72	-0.53	-14.3%
5102090 · Unemployment Insurance	4.14	1.87	2.27	121.4%
5203010 · Auto--State Owned	0.00	146.24	-146.24	-100.0%
5203260 · OS-Air Commercial Carrier	449.30	0.00	449.30	100.0%
5203280 · OS-Other Public Carrier	119.50	0.00	119.50	100.0%
5203300 · OS-Lodging	1,337.95	0.00	1,337.95	100.0%
5203320 · OS-Incidentals to Travel	130.00	0.00	130.00	100.0%
5203350 · OS-Non-Taxable Meals Overnight	237.00	0.00	237.00	100.0%
5204010 · Subscriptions	0.00	523.25	-523.25	-100.0%
5204020 · Dues and Membership Fees	0.00	240.00	-240.00	-100.0%
5204160 · Workshop Registration Fees	-715.00	0.00	-715.00	-100.0%
5204180 · Computer Services-State	45.00	42.00	3.00	7.1%
5204181 · Computer Development Serv-State	264.00	10,920.00	-10,656.00	-97.6%
5204200 · Central Services	158.99	111.33	47.66	42.8%
5204220 · Equipment Service & Maintenance	3.09	6.64	-3.55	-53.5%
5204230 · Janitorial/Maintenance Services	117.00	120.00	-3.00	-2.5%
5204340 · Computer Software Maintenance	45.00	0.00	45.00	100.0%
5204440 · Newsletter Publishing	0.00	485.39	-485.39	-100.0%
5204460 · Equipment Rental	93.60	252.39	-158.79	-62.9%
5204490 · Rents Privately Owned Property	1,269.45	1,244.25	25.20	2.0%
5204530 · Telecommunications Services	163.16	157.02	6.14	3.9%
5204540 · Electricity	64.14	67.48	-3.34	-5.0%
5204560 · Water	0.00	23.35	-23.35	-100.0%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,666.50	-1,666.50	-100.0%
5204740 · Bank Fees and Charges	31.00	0.00	31.00	100.0%
5205020 · Office Supplies	132.79	49.87	82.92	166.3%
5205310 · Printing State	0.00	106.05	-106.05	-100.0%
5205320 · Printing/Duplicating/Binding Co	294.72	291.92	2.80	1.0%
5205330 · Supplemental Publications	280.00	0.00	280.00	100.0%
5205350 · Postage	469.32	490.98	-21.66	-4.4%
5228000 · Operating Transfers Out-NonBudg	579.97	464.57	115.40	24.8%
5228030 · Depreciation Expense	1,005.86	0.00	1,005.86	100.0%
<b>Total Expense</b>	<b>15,221.67</b>	<b>21,374.43</b>	<b>-6,152.76</b>	<b>-28.8%</b>
<b>Net Ordinary Income</b>	<b>-13,251.67</b>	<b>-18,794.43</b>	<b>5,542.76</b>	<b>29.5%</b>
<b>Net Income</b>	<b>-13,251.67</b>	<b>-18,794.43</b>	<b>5,542.76</b>	<b>29.5%</b>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
 July 2009 through March 2010

	Jul '09 - Mar 10	Jul '08 - Mar 09	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	3,015.00	1,875.00	1,140.00	60.8%
4293551 · Certificate Renewals-Active	54,350.00	55,750.00	-1,400.00	-2.5%
4293552 · Certificate Renewals-Inactive	19,650.00	21,950.00	-2,300.00	-10.5%
4293553 · Certificate Renewals-Retired	660.00	570.00	90.00	15.8%
4293554 · Initial Firm Permits	950.00	1,450.00	-500.00	-34.5%
4293555 · Firm Permit Renewals	19,600.00	20,050.00	-450.00	-2.2%
4293556 · Notification	0.00	11,700.00	-11,700.00	-100.0%
4293557 · Initial Audit	240.00	360.00	-120.00	-33.3%
4293558 · Re-Exam Audit	1,440.00	990.00	450.00	45.5%
4293560 · Late Fees-Initial Certificate	250.00	0.00	250.00	100.0%
4293561 · Late Fees-Certificate Renewals	5,800.00	4,850.00	950.00	19.6%
4293563 · Late Fees-Firm Permit Renewals	800.00	850.00	-50.00	-5.9%
4293564 · Late Fees-Peer Review	400.00	1,000.00	-600.00	-60.0%
4293566 · Firm Permit Individual	66,665.00	65,345.00	1,320.00	2.0%
4293567 · Peer Review Admin Fee	975.00	1,575.00	-600.00	-38.1%
4293568 · Firm Permit Name Change	130.00	75.00	55.00	73.3%
4293569 · Initial FAR	630.00	810.00	-180.00	-22.2%
4293570 · Initial REG	510.00	330.00	180.00	54.6%
4293571 · Inital BEC	630.00	390.00	240.00	61.5%
4293572 · Re-Exam FAR	1,170.00	720.00	450.00	62.5%
4293573 · Re-Exam REG	1,410.00	1,050.00	360.00	34.3%
4293574 · Re-Exam BEC	1,560.00	1,140.00	420.00	36.8%
4491000 · Interest and Dividend Revenue	16,687.62	17,244.32	-556.70	-3.2%
4896021 · Legal Recovery Cost	1,047.36	1,509.66	-462.30	-30.6%
<b>Total Income</b>	<b>198,569.98</b>	<b>211,583.98</b>	<b>-13,014.00</b>	<b>-6.2%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	44,433.05	44,124.56	308.49	0.7%
5101020 · P-T/Temp Emp Sal & Wages	12,685.35	12,838.18	-152.83	-1.2%
5101030 · Board & Comm Mbrs Fees	2,400.00	2,640.00	-240.00	-9.1%
5102010 · OASI-Employer's Share	4,312.62	4,339.06	-26.44	-0.6%
5102020 · Retirement-ER Share	3,427.14	3,417.78	9.36	0.3%
5102060 · Health /Life Ins.-ER Share	11,942.81	11,942.81	0.00	0.0%
5102080 · Worker's Compensation	40.44	74.08	-33.64	-45.4%
5102090 · Unemployment Insurance	37.19	37.07	0.12	0.3%
5203010 · Auto--State Owned	158.90	1,081.60	-922.70	-85.3%
5203020 · Auto-Private-Ownes Low Mileage	361.60	248.80	112.80	45.3%
5203030 · In State-Auto- Priv. High Miles	446.96	1,259.48	-812.52	-64.5%
5203100 · In State-Lodging	189.96	692.18	-502.22	-72.6%
5203140 · InState-Tax Meals Not OverNigt	9.00	86.00	-77.00	-89.5%
5203150 · InState-Non-Tax Meals OverNight	192.00	411.00	-219.00	-53.3%
5203260 · OS-Air Commercial Carrier	3,327.18	2,186.50	1,140.68	52.2%
5203280 · OS-Other Public Carrier	402.00	158.65	243.35	153.4%
5203300 · OS-Lodging	5,436.15	4,216.95	1,219.20	28.9%
5203320 · OS-Incidentals to Travel	330.00	79.00	251.00	317.7%
5203350 · OS-Non-Taxable Meals Overnight	692.00	381.00	311.00	81.6%
5204010 · Subscriptions	351.84	1,030.90	-679.06	-65.9%
5204020 · Dues and Membership Fees	3,350.00	3,590.00	-240.00	-6.7%
5204030 · Legal Document Fees	15.00	0.00	15.00	100.0%
5204040 · Consultant Fees-Accounting	0.00	5,700.00	-5,700.00	-100.0%
5204080 · Consultant Fees--Legal	0.00	525.00	-525.00	-100.0%
5204160 · Workshop Registration Fees	2,910.00	2,250.00	660.00	29.3%
5204180 · Computer Services-State	360.00	336.00	24.00	7.1%
5204181 · Computer Development Serv-State	5,424.00	19,536.00	-14,112.00	-72.2%
5204200 · Central Services	3,612.95	4,032.29	-419.34	-10.4%
5204220 · Equipment Service & Maintenance	48.92	70.27	-21.35	-30.4%
5204230 · Janitorial/Maintenance Services	1,053.00	1,080.00	-27.00	-2.5%
5204340 · Computer Software Maintenance	230.00	195.00	35.00	18.0%
5204360 · Advertising-Newspapers	0.00	927.93	-927.93	-100.0%
5204440 · Newsletter Publishing	1,032.30	958.94	73.36	7.7%
5204460 · Equipment Rental	3,060.72	3,778.20	-717.48	-19.0%
5204480 · Microfilm and Photography	417.38	0.00	417.38	100.0%
5204490 · Rents Privately Owned Property	11,374.65	11,198.25	176.40	1.6%
5204530 · Telecommunications Services	1,626.58	1,603.43	23.15	1.4%
5204540 · Electricity	512.77	609.37	-96.60	-15.9%

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
**July 2009 through March 2010**

	<u>Jul '09 - Mar 10</u>	<u>Jul '08 - Mar 09</u>	<u>\$ Change</u>	<u>% Change</u>
5204560 · Water	93.40	138.60	-45.20	-32.6%
5204590 · Insurance Premiums/Surety Bonds	1,530.00	1,666.50	-136.50	-8.2%
5204740 · Bank Fees and Charges	1,716.10	0.00	1,716.10	100.0%
5205020 · Office Supplies	947.07	833.72	113.35	13.6%
5205310 · Printing State	0.00	287.35	-287.35	-100.0%
5205320 · Printing/Duplicating/Binding Co	826.68	732.27	94.41	12.9%
5205330 · Supplemental Publications	598.75	586.25	12.50	2.1%
5205350 · Postage	3,274.98	2,953.33	321.65	10.9%
5207900 · Computer Hardware	0.00	360.00	-360.00	-100.0%
5207950 · System Development	0.00	590.00	-590.00	-100.0%
5207960 · Computer Software Expense	346.50	0.00	346.50	100.0%
5228000 · Operating Transfers Out-NonBudg	4,890.53	4,304.18	586.35	13.6%
5228030 · Depreciation Expense	9,052.74	0.00	9,052.74	100.0%
<b>Total Expense</b>	<u>149,481.21</u>	<u>160,088.48</u>	<u>-10,607.27</u>	<u>-6.6%</u>
<b>Net Ordinary Income</b>	<u>49,088.77</u>	<u>51,495.50</u>	<u>-2,406.73</u>	<u>-4.7%</u>
<b>Net Income</b>	<u><u>49,088.77</u></u>	<u><u>51,495.50</u></u>	<u><u>-2,406.73</u></u>	<u><u>-4.7%</u></u>

## REPORT TO BOARD ON GRADES

Nicole Kasin 4-12-10

The Board received the grades for the 24<sup>th</sup> window. These grades are through March 2010. I have included the average scores per school since CBT started along with the number of students that have sat for their school respectively.

### Overall Average Window 1-24

Window	(All)
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Average of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	Grand Total
Augie	72	72	73	72	72
BHSU	69	69	70	71	70
COTech	59	72	77	76	71
DSU	72	71	62	70	68
DWU		68			68
Mt. Marty	65	66		68	67
NAU		46	49	65	53
NSU	70	68	70	68	69
OS	73	72	72	73	73
SDSU	79	75	82	79	78
USD	78	75	75	76	76
USF	75	76	75	76	75
Grand Total	73	72	72	73	73

### Students per section per school since CBT Began (3 or more parts)

Window	(All)
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Count of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	Grand Total
Augie	40	48	30	44	162
BHSU	46	45	34	38	163
COTech	3	6	3	3	15
DSU	12	12	13	9	46
DWU		3			3
Mt. Marty	10	15		8	33
NAU		5	3	3	11
NSU	40	60	30	37	167
OS	104	114	101	100	419
SDSU	8	11	8	8	35
USD	101	119	105	97	422
USF	19	33	20	21	93
Grand Total	383	471	347	368	1569

Without listing schools with less than 3 parts – Grand total 1578 parts sat.  
The Board needs to Approve the 2010-1 (24<sup>th</sup> Window) grades.

## **REPORT TO BOARD ON GRADE RELEASE POLICY**

Nicole Kasin 4-12-10

Currently our candidates receive their grades, mailed from the board office, approximately 5-7 days after the scores are released from the AICPA. The delay in the mailing is due to NASBA needing 2 days to match the scores with the candidate ID number, 2 day mailing from NASBA and then once received in our office the scores are copied and mailed to the candidates in the same day.

After the Executive Director's Conference in Nashville, I was able to sit down with our exam coordinator and his supervisor to find a way to streamline the process for faster scoring releases for the South Dakota candidates.

The proposal for the new policy is to have NASBA email our candidates their advisory score with a statement in the email that the score is not official until it is received in the mail from the board office.

If a candidate is sitting within the 100 day period and the board office needs official transcripts, the advisory score email for the candidate will not be sent. The grade will not be released to the candidate until the official transcript is received.



## PROPOSED RULE CHANGES

- 20:75:02:12 Update regional accreditation name (4)**
- 20:75:03:03 Fix typo in 4<sup>th</sup> paragraph licensed to license**
- 20:75:03:15 Place fee for reciprocal license in the rule**
- 20:75:04:08 Replace permit with certificate**
- 20:75:05:01 Reference update**
- 20:75:05:05 Reference update**
- 20:75:05:06 Reference update**
- 20:75:05:07 Reference update**
- 20:75:05:08 Reference update**
- 20:75:05:17 Reference update**
- 20:75:07 Title updates**
- 20:75:07:01 Reference update & Amend to reflect the AICPA Peer Review  
Standards effective 1/1/2009**
- 20:75:07:05 Amend to reflect the AICPA Peer Review Standards effective 1/1/2009**
- 20:75:07:07 Amend to reflect the AICPA Peer Review Standards effective 1/1/2009**
- 20:75:07:08 Reference update & Amend to reflect the AICPA Peer Review  
Standards effective 1/1/2009**
- 20:75:07:09 Amend to reflect the AICPA Peer Review Standards effective 1/1/2009**
- 20:75:07:10 Amend to reflect the AICPA Peer Review Standards effective 1/1/2009**
- 20:75:07:11 Amend to reflect the AICPA Peer Review Standards effective 1/1/2009**
- 20:75:07:12 Amend to reflect the AICPA Peer Review Standards effective 1/1/2009**
- 20:75:07:14 Amend to reflect the AICPA Peer Review Standards effective 1/1/2009**

**20:75:07:15 Amend to reflect the AICPA Peer Review Standards effective 1/1/2009**

**20:75:07:17 Amend to reflect the AICPA Peer Review Standards effective 1/1/2009**

**20:75:07:18 Amend to reflect the AICPA Peer Review Standards effective 1/1/2009**

**20:75:02:12. Recognized colleges and universities.** For the purpose of evaluating the education qualifications of applicants for certificates under SDCL 36-20B-15, the board shall recognize those junior colleges, colleges, and universities accredited at the time the applicant's degree was received by virtue of membership in one of the following regional accrediting agencies:

- (1) North Central Association of Colleges and Schools;
- (2) Middle States Association of Colleges and Schools;
- (3) New England Association of Colleges and Schools;
- (4) Northwest ~~Association~~ Commission of Colleges and ~~Schools~~ Universities;
- (5) Western Association of Colleges and Schools;
- (6) Southern Association of Colleges and Schools.

If an applicant's degree was received at an accredited college or university, but the education program used to qualify the applicant included courses taken at either a two-year or a four-year non-accredited institution either before or after graduation, such courses will be deemed to have been taken at the accredited institution from which the applicant's baccalaureate degree was received, if the courses were accepted by virtue of inclusion in an official transcript of the accredited college or university.

A listing of accredited colleges and universities recognized by the board is contained in "Accredited Institutions of Post-Secondary Education." However, an applicant whose degree was received from a non-accredited college or university may qualify under the provisions of § 20:75:02:13.

**Source:** 29 SDR 16, effective August 14, 2002.

**General Authority:** SDCL 36-20B-12(3).

**Law Implemented:** SDCL 36-20B-15.

**20:75:03:03. Application for renewal of certificates -- Fees.** An application for the renewal of a certificate or registration shall be made on a form provided by the board and shall be filed no later than the expiration date set by this section. An application is not considered filed until the applicable fee is received.

An applicant for renewal of a certificate under SDCL chapter 36-20B shall list in the application any state in which the applicant has applied for or holds a certificate or a permit as a CPA and shall list any past denial, revocation, or suspension of a certificate or permit by any other state.

Any application for renewal of certificates shall be accompanied by evidence satisfactory to the board that the applicant has complied with the continuing professional education requirements under SDCL 36-20B-27 and chapter 20:74:04.

Any license not renewed and which has not been surrendered to the board, is deemed to have expired. Any individual desiring to renew an expired license shall comply with the requirements of this section. The applicant shall pay all applicable fees and penalties for late filing for each year the license was expired.

An application for renewal must be received by the board by August 1 or must be postmarked by August 1. An application completed on the internet must be submitted on or before 11:59 p.m. central time on August 1, to be considered on time. The fee for annual renewal submitted on time is \$50. The fee for annual renewal submitted late is \$100.

An application for renewal is considered late if the continuing education requirement has not been met and an extension has not been granted. Failure to receive a

renewal notice does not constitute an adequate reason for failing to renew the certificate in a timely manner.

The fee to replace a certificate lost or destroyed for any reason or to change a name is \$25. The fee must accompany the application for an individual certificate, renewal of a certificate, or request for replacement of a certificate.

**Source:** 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009.

**General Authority:** SDCL 36-20B-12(3),(17),(18),(20),(21), 36-20B-15, 36-20B-18.

**Law Implemented:** SDCL 36-20B-14 to 36-20B-16, 36-20B-18, 36-20B-22 to 36-20B-24.

**Cross-Reference:** Discretion to waive certain requirements, § 20:75:01:07; Extension for completion of continuing professional education, § 20:75:04:10.

**20:75:03:15. Substantial equivalency and reciprocity.** A certificate holder licensed by another state, before establishing a principal place of business in this state, shall request the issuance of a certificate from the board pursuant to SDCL 36-20B-26.

An applicant for issuance or renewal of a reciprocal license shall, in the application, list any state in which the applicant has applied for or holds a certificate, license, or permit and list any past denial, revocation, or suspension of a certificate, license, or permit. Each holder of, or applicant for, a certificate shall notify the board in writing, within 30 days after its occurrence, of any issuance, denial, revocation, or suspension of a certificate, license, or permit by another state, or volunteer surrender of a

CPA certificate, license, or permit to resolve or avoid disciplinary action, or similar actions concerning a substantially equivalent foreign designation, any other form of discipline imposed against the holder of a CPA certificate, license, permit, or a substantially equivalent foreign designation, the conviction of any crime and the revocation of a professional license of any kind in any jurisdiction, change of address, or employment. The application shall be accompanied by a fee of \$50.

The applicant for initial issuance or renewal under this chapter shall comply with the continuing professional education requirements for issuance or renewal in the applicant's state, or the continuing professional education requirements applicable in this state, if the applicant's state of licensure does not require continuing professional education.

If the applicant passed the examination in a state that is not deemed to be substantially equivalent to this state's educational requirements, the board may issue the applicant a license upon a showing that the requirements of SDCL 36-20B-25 are met and the applicant's license has been deemed to be in good standing by the host state's licensing board.

**Source:** 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 305, effective July 1, 2009.

**General Authority:** SDCL 36-20B-12(23).

**Law Implemented:** SDCL 36-20B-12(23), 36-20B-13.

**20:75:04:08. Returning active certificate holders.** An applicant for renewal of an individual certificate, in active status whose most recent active certificate has lapsed over 12 months before the application for renewal is submitted must complete at least 24

hours of continuing education in the 12 months preceding the filing of the application for active status.

Once the applicant's individual certificate is renewed in an active status, the applicant must fulfill the continuing professional education requirement for the next renewal in accordance with the following schedule:

(1) Certificate holders whose individual certificate was renewed July 1 to September 30, inclusive: 20 hours;

(2) Certificate holders whose individual certificate was renewed October 1 to December 31, inclusive: 16 hours;

(3) Certificate holders whose individual certificate was renewed January 1 to March 31, inclusive: 8 hours;

(4) Certificate holders whose individual certificate was renewed April 1 to June 30, inclusive: 4 hours.

The continuing professional education required for the second renewal and each subsequent renewal following the lapse is the number of hours required for a three-year renewal period by SDCL 36-20B-27.

An applicant for renewal of an individual certificate whose most recent ~~permit~~ certificate lapsed 12 months or less before submission of the renewal application must complete the continuing professional education requirement the applicant would have had to complete had the applicant's ~~permit~~ certificate not lapsed.

An applicant who holds a certificate of certified public accountant in another state issued over four years before applying for a certificate of certified public accountant in

this state must complete 24 hours of continuing professional education in the 12 months preceding the filing of the application.

**Source:** 29 SDR 16, effective August 14, 2002; 31 SDR 97, adopted December 17, 2004, effective July 1, 2005.

**General Authority:** SDCL 36-20B-12(3).

**Law Implemented:** SDCL 36-20B-21, 36-20B-27.

**20:75:05:01. Independence.** A licensee shall comply with Section ET 101 of the American Institute of Certified Public Accountants (AICPA), and additionally comply with the independence rules of the United States Securities and Exchange Commission (SEC), United States Department of Labor (DOL), Public Company Accounting Oversight Board (PCAOB) and United States Government Accountability Office (GAO) applicable to the licensees' engagement.

**Source:** 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009.

**General Authority:** SDCL 36-20B-12(4).

**Law Implemented:** SDCL 36-20B-12(4).

**References:** AICPA Professional Standards, Volume 2, ET Section 101, as of January ~~2009~~ 2010, American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from the American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311. Cost: Annual Subscription of Loose-leaf Edition, Member \$389/Non-Member \$486.25.



**Government Auditing Standards**, by the United States Government Accountability Office (GAO) ~~June 1, 2003, Revision, or July 2007 Revision, as applicable.~~ Copies may be viewed at the board's office or obtained from the United States Government Accountability Office, Washington, D.C. 20548; or from their website at [www.gao.gov/govaud/ybk01.htm](http://www.gao.gov/govaud/ybk01.htm). Cost: first document free, each additional copy \$2.

**United State Department of Labor (DOL):**

<http://law.justia.com/us/cfr/title29/29-9.1.3.1.1.0.16.7.html>.

**Public Company Accounting Oversight Board (PCAOB):**

[http://www.pcaob.org/Rules/Rules\\_of\\_the\\_Board/Section\\_3.pdf](http://www.pcaob.org/Rules/Rules_of_the_Board/Section_3.pdf)

[http://pcaobus.org/Rules/PCAOBRules/Pages/Section\\_3.aspx](http://pcaobus.org/Rules/PCAOBRules/Pages/Section_3.aspx).

**United States Securities and Exchange Commission (SEC):**

<http://www.sec.gov/rules/final/33-8183.htm>.

**20:75:05:05. Auditing, accounting, and review standards.** A licensee may not permit the licensee's name to be associated with a report on financial statements as defined by SDCL 36-20B-3 unless the licensee complied with generally accepted auditing standards or accounting and review standards as applicable. Generally accepted auditing standards and accounting and review standards are the standards set forth in the **AICPA Professional Standards, Volume 1**, AU Sections 100 through 901, as of January 2009 2010; **AICPA Professional Standards, Volume 2**, AR Sections 100 through 9600, as of January 2009 2010; **Professional Standards, Volume 1**, AT Sections 2500 through 2970-400, as of January 2009 2010; and **AICPA Professional Standards, Volume 2**, ET Sections 50 through 500, as of January 2009 2010; by the American Institute of Certified Public Accountants. **Government Auditing Standards**

by the United States Government Accountability Office, ~~June 2003 Revision~~, or July 2007 Revision, ~~as applicable~~. Licensees must justify departures from these standards.

**Source:** 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009.

**General Authority:** SDCL 36-20B-12(4).

**Law Implemented:** SDCL 36-20B-40, 36-20B-41.

**References:** AICPA Professional Standards, Volume 1, AU Sections 100 through 901, as of January ~~2009~~ 2010; AICPA Professional Standards, Volume 2, AR Sections 100 through 9600, as of January ~~2009~~ 2010; AICPA Professional Standards, Volume 1, AT Sections 2500 through 2970-400, as of January ~~2009~~ 2010; and AICPA Professional Standards, Volume 2, ET Sections 50 through 500, as of January ~~2009~~ 2010, by the American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from the American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311. Cost: AICPA Professional Standards, Volume 1 and Volume 2, Annual Subscription of Loose-leaf Edition. Member \$389/Non-Member \$486.25.

**Government Auditing Standards by the United States Government Accountability Office, ~~June 2003 Revision~~ or July 2007 Revision, ~~as applicable~~.** Copies may be viewed at the board's office or obtained from the United States Government Accountability Office, Washington, D.C. 20548; or from their website at [www.gao.gov/govaud/ybk01.htm](http://www.gao.gov/govaud/ybk01.htm). Cost: **Government Auditing Standards**, first document free, each additional copy \$2.

**20:75:05:06. Accounting principles.** If financial statements or other financial data contain any departure from an accounting principle promulgated by the Financial Accounting Standards Board and its predecessors, the Governmental Accounting Standards Board, or by other entities having similar authority as recognized by the board, a licensee may not:

- (1) Express an opinion or state affirmatively that the statements or other data of any entity are presented in conformity with generally accepted accounting principles; or
- (2) State that the licensee is not aware of any material modifications that should be made to such statements or data in order for them to be in conformity with generally accepted accounting principles.

If, however, the statements or data contain such a departure and the licensee can demonstrate that due to unusual circumstances the financial statements or data would otherwise have been misleading, the licensee may comply with this section by describing the departure, its approximate effects, if practicable, and the reason why compliance with the principle would result in a misleading statement.

Generally accepted accounting principles for nongovernmental entities are those pronouncements issued by the Financial Accounting Standards Board and its predecessor entities published by the **Financial Accounting Standards Board (FASB)**, in **Accounting Standards, Current Text, General Standards**, as of ~~September 2008~~ March 2010, and **Financial Accounting Standards Board (FASB), Accounting Standards, Current Text, Industry Standards**, as of ~~September 2008~~ March 2010.

Generally accepted accounting principles for governmental entities are those pronouncements of the Governmental Accounting Standards Board published in

**Codification of Governmental Accounting and Financial Reporting Standards**, as of ~~June 30, 2008~~ June 30, 2009.

**Source:** 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009.

**General Authority:** SDCL 36-20B-12(4).

**Law Implemented:** SDCL 36-20B-40, 36-20B-41.

**References:** **Financial Accounting Standards Board (FASB), Accounting Standards, Current Text, General Standards**, as of ~~September 2008~~, and **Financial Accounting Standards Board (FASB), Current Text, Industry Standards**, as of ~~September 2008~~. Copies may be viewed at the board's office or obtained from the FASB at www.fasb.org. Cost: \$255 a set.

www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498

**Codification of Governmental Accounting and Financial Reporting Standards**, as of ~~June 30, 2008~~ June 30, 2009, Governmental Accounting Standards Board, ~~June 30, 2008~~ June 30, 2009. Copies may be viewed at the board's office or obtained from Governmental Accounting Standards Board Order Department, P.O. Box 30784, Hartford, CT 06150. Cost: ~~\$86~~ \$90 each.

**20:75:05:07. Professional standards and conduct.** A licensee shall comply with professional ethical standards and conduct. Professional standards and conduct are those established and set forth in the **AICPA Professional Standards, Volume 2, ET Section** as of January ~~2009~~ 2010, by the American Institute of Certified Public Accountants.

**Source:** 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009.

**General Authority:** SDCL 36-20B-12(4).

**Law Implemented:** SDCL 36-20B-40, 36-20B-41.

**Reference:** **AICPA Professional Standards, Volume 2**, as of January 2009 2010, American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from the American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311. Cost: Members \$389/Non-Members \$486.25 a set.

**20:75:05:08. Interpretations.** In the interpretation and application of this chapter, the board shall consider interpretations of similar rules issued by the American Institute of Certified Public Accountants.

**Source:** 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009.

**General Authority:** SDCL 36-20B-12(4).

**Law Implemented:** SDCL 36-20B-40, 36-20B-41.

**Reference:** **AICPA Professional Standards, Volume 2**, as of January 2009 2010, American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311. Cost: Member \$389/Non-Member \$486.25 a set.

**20:75:05:17. Records retention.** A licensee shall comply with the record retention rules of the American Institute of Certified Public Accountants (AICPA),

United States Government Accountability Office (GAO), United States Securities and Exchange Commission (SEC), Public Company Accounting Oversight Board (PCAOB), and United States Department of Labor (DOL) as applicable to the engagement.

**Source:** 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009.

**General Authority:** SDCL 36-20B-12(4).

**Law Implemented:** SDCL 36-20B-12(4).

**References:** **AICPA Professional Standards, Volume 2, ET Section 101**, as of January ~~2009~~ 2010, by the American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from the American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311. Cost: Annual Subscription of Loose-leaf Edition, Member \$389/Non-Member \$486.25 a set.

**Government Auditing Standards**, by the United States Government Accountability Office, ~~June 1, 2003, Revision, or July 2007 Revision, as applicable.~~ Copies may be viewed at the board's office or obtained from the United States Government Accountability Office, Washington, D.C. 20548; or from their web site at [www.gao.gov/govaud/ybk01.htm](http://www.gao.gov/govaud/ybk01.htm). Cost: **Government Auditing Standards**, first document free, each additional copy \$2.

**United States Securities and Exchange Commission (SEC):**  
<http://www.sec.gov/rules/final/33-8180.htm>.

**Public Company Accounting Oversight Board (PCAOB):**

[http://www.pcaob.org/Standards/Standards\\_and\\_Related\\_Rules/Auditing\\_Standard\\_No.3.aspx](http://www.pcaob.org/Standards/Standards_and_Related_Rules/Auditing_Standard_No.3.aspx).

**United State Department of Labor (DOL):**

<http://law.justia.com/us/cfr/title29/29-9.1.5.13.1.html>.

**CHAPTER 20:75:07**

**PEER REVIEW**

Section

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20:75:07:01. Definitions. Terms used in this chapter mean:

(1) "Accounting and auditing practice," all engagements covered by "Statements on Auditing Standards" (SAS), "Statements on Standards for Accounting and Review Services" (SSARS), "Statements on Standards for Attestation Engagements" (SSAE) for Financial Forecasts and Projections (AICPA, Professional Standards, vol. 1, AT sec. 200), attest services on financial information when the firm audits, reviews, or compiles the historical financial statements of the client, and standards for financial and compliance audits contained in **Government Auditing Standards** ("Yellow Book") ~~June 2003 Revision, or July 2007 Revision, as applicable,~~ issued by the U. S. General Accounting Office;

(2) "Engagement review," a review required of a firm that only performs services under "Statements for Accounting and Review Services" or "Statements on Standards for Attestation Engagements" not included in system reviews;

(3) "Equivalent review," a peer review conducted by the American Institute of Certified Public Accountants, a state licensing board, or an accounting association or society in accordance with the review standards in §§ 20:75:07:09 to 20:75:07:15, inclusive;



~~(4)~~ "Modified report," a qualified or adverse report issued as the result of a peer review that describes significant deficiencies in the professional standards in §§ ~~20:75:05:05 and 20:75:05:06~~;

~~(5)~~ (4) "Pass report," a report issued as the result of a peer review that describes no significant deficiencies in the professional standards in §§ 20:75:05:05 and 20:75:05:06;

~~(6)~~ (5) "Pass with deficiency or fail report," a pass with deficiency or fail report issued as the result of a peer review that describes significant deficiencies in the professional standards in §§ 20:75:05:05 and 20:75:05:06;

~~(7)~~ (6) "Professional standards," professional standards in §§ 20:75:05:05 and 20:75:05:06;

~~(8)~~ (7) "Quality control system," the five elements of quality control described in "Statement on Quality Control Standards (SQCS)," No. 2, vol. 2, QC Section 20, and "Statements on Quality Control Standards," published in **AICPA Professional Standards, Volume 2**, as of January ~~2009~~ 2010;

~~(9)~~ (8) "Report review," a review required of a firm that only performs compilation engagements under "Statements for Accounting and Review Services" where the firm has compiled financial statements that omit substantially all disclosures;

~~(10)~~ (9) "South Dakota review," a peer review conducted under the South Dakota Board of Accountancy program in accordance with this chapter;

~~(11)~~ (10) "System review," a review required of a firm that performs engagements under the "Statements on Auditing Standards" (SAS), "Statements on Standards for Accounting and Review Services" (SSARS), "Statements on Standards for

Attestation Engagements" (SSAE), or "Government Auditing Standards" (GAS), or performs examinations of prospective financial statements under "Statements on Standards for Attestation Engagements";

~~(12) "Unmodified report," a report issued as the result of a peer review that describes no significant deficiencies in the professional standards in §§ 20:75:05:05 and 20:75:05:06;~~

~~(13)~~ (11) "Year of review," the calendar year during which a peer review is to be conducted; in the case of an equivalent review, the fiscal or calendar year during which a peer review is to be conducted;

~~(14)~~ (12) "Year under review," the calendar year prior to the year of review; in the case of an equivalent review, the fiscal or calendar year prior to the year of review.

**Source:** 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009.

**General Authority:** SDCL 36-20B-12(9).

**Law Implemented:** SDCL 36-20B-36.

**References:** **Government Auditing Standards, June 2003 Revision, or July 2007 Revision, as applicable.** United States Government Accountability Office. Copies may be viewed at the board's office or obtained from the United States Government Accountability Office, Washington, DC 20548, or their website at [www.gao.gov/govaud/ybk01.htm](http://www.gao.gov/govaud/ybk01.htm). Cost: **Government Auditing Standards, June 2003 Revision, or July 2007, Revision, as applicable,** first copy free, each additional copy \$2;

**AICPA Professional Standards, Volume 2**, as of January 2009 2010, American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311. Cost: Member \$389/Non-Member \$486.25 a set.

**Cross-Reference:** Conduct of review -- Requirements, § 20:75:07:09.

**20:75:07:05. (Effective for reviews completed prior to January 1, 2009)**

**Equivalent reviews.** ~~If a firm undergoes an equivalent peer review during its three-year review cycle, it may request that the board accept the review as fulfilling the requirements of § 20:75:07:02.~~

~~———— The request must be submitted on forms provided by the board and must set forth the name of the reviewing body, the date of the review, and any other information requested by the board. If the review has not been completed, the reviewer must agree to retain all materials associated with the peer review until notice from the board of the acceptance of the review. The request for acceptance of an equivalent review form must be received by the board by June 1 or be postmarked by June 1. If the firm has not engaged a reviewer by June 1 the firm must submit a copy of the request for equivalent review form without the reviewer's signature and submit the original form with the reviewer's signature within 30 days after engaging the reviewer. If the original form with the reviewer's signature is not received within 30 days, a late fee of \$50 will be charged.~~

~~———— If the board approves the request for an equivalent review, the firm subject to review must submit to the board the reviewer's report; the letter of comments, if any; the reviewed firm's response to the letter of comments, if any; the final letter of approval; and~~

~~a description of the status of any disciplinary action prescribed by the particular reviewing body. If the equivalent peer review was completed prior to the firm's request, the firm must submit the required information to the board within 30 days after the date on the board's letter confirming the request. If the equivalent peer review will be completed after the firm receives board confirmation of the request, the firm must submit the required information within 30 days after the date of the final letter of approval from the reviewing body. If the information is filed after 30 days from the date of the final letter of approval from the reviewing body, it must be accompanied by a fee of \$50.~~

~~———— Following receipt of the required information, the board shall proceed in accordance with § 20:75:07:15 or 20:75:07:16.~~

~~———— (Effective for reviews completed after December 31, 2008) Equivalent reviews. If a firm undergoes an equivalent peer review during its three-year review cycle, it may request that the board accept the review as fulfilling the requirements of § 20:75:07:02.~~

The request must be submitted on forms provided by the board and must set forth the name of the reviewing body, the date of the review, and any other information requested by the board. If the review has not been completed, the reviewer must agree to retain all materials associated with the peer review until notice from the board of the acceptance of the review. The request for acceptance of an equivalent review form must be received by the board by June 1 or be postmarked by June 1. If the firm has not engaged a reviewer by June 1 the firm must submit a copy of the request for equivalent review form without the reviewer's signature and submit the original form with the

reviewer's signature within 30 days after engaging the reviewer. If the original form with the reviewer's signature is not received within 30 days, a late fee of \$50 will be charged.

If the board approves the request for an equivalent review, the firm subject to review must submit to the board the reviewer's report; the findings for further consideration, if any; the reviewed firm's response to the findings for further consideration, if any; the final letter of approval; and a description of the status of any disciplinary action prescribed by the particular reviewing body. If the equivalent peer review was completed prior to the firm's request, the firm must submit the required information to the board within 30 days after the date on the board's letter confirming the request. If the equivalent peer review will be completed after the firm receives board confirmation of the request, the firm must submit the required information within 30 days after the date of the final letter of approval from the reviewing body. If the information is filed after 30 days from the date of the final letter of approval from the reviewing body, it must be accompanied by a fee of \$50.

Following receipt of the required information, the board shall proceed in accordance with § 20:75:07:15 or 20:75:07:16.

**Source:** 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 35 SDR 165, effective December 22, 2008.

**General Authority:** SDCL 36-20B-12(9)(10)(11).

**Law Implemented:** SDCL 36-20B-36.

**20:75:07:07. Qualifications of reviewer -- South Dakota reviews.** An individual selected to conduct a South Dakota review must have the following minimum qualifications:

(1) Be licensed to practice as a certified public accountant or public accountant by the licensing board of any state;

(2) Have current knowledge and experience of the professional standards applicable to the type of practice to be reviewed, including recent experience in the industry engagements that may be selected for review. Such knowledge and experience may be obtained from on-the-job training, training courses, or a combination of both;

(3) Be independent of the firm under review;

(4) Be able to demonstrate familiarity with the procedure for conducting a peer review in accordance with the standards in §§ 20:75:07:09 to 20:75:07:16, inclusive;

(5) Be able to provide evidence that the reviewer's firm received ~~an unmodified~~ a pass report during the past three years or a certified true statement that the firm was not subject to review. If the reviewer is associated with more than one firm, all of the firms with which the reviewer is associated must fulfill this requirement. This provision is not applicable to an individual reviewer not associated with a firm;

(6) Be familiar with operations of a firm comparable in size to the firm under review; and

(7) Have completed a minimum of eight hours of continuing professional education on performing peer reviews within the five years before the start of the review.

Members of the board and members of their firms may not conduct a South Dakota peer review; however, members of their firms may conduct equivalent reviews in accordance with § 20:75:07:05.

**Source:** 29 SDR 16, effective August 14, 2002.

**General Authority:** SDCL 36-20B-12(9).

**Law Implemented:** SDCL 36-20B-36.

**20:75:07:08. Conduct of review -- Location.** The peer review must be conducted at the office location of the firm under review unless the board gives prior approval for the review to be conducted at another location. A firm that does not perform audits and had ~~an unmodified~~ a pass report on its preceding review may have a review conducted at a location other than its office. However, the firm must have a review conducted at its office location once every third three-year cycle. A firm that performs audits of historical financial statements, agreed-upon procedures under the **Statements on Standards for Attestation Engagements**, or examinations of prospective financial statements must have a review conducted at its office location because of the public interest in the quality of such engagements and the importance to the accounting profession of maintaining the quality of those services. Prior approval may be granted for a review to be conducted at a location other than the firm's office for firms conducting audits. In granting approval for a review to be conducted at another location, the board shall consider firm size and makeup, the number and types of engagements, distances involved, and prior review.

**Source:** 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009.

**General Authority:** SDCL 36-20B-12(9).

**Law Implemented:** SDCL 36-20B-36.

**Reference:** AICPA Professional Standards, Volume 1, AT Section January 2009 ~~2010~~, American Institute of Certified Public Accountants. Copies may be viewed at

the board's office or obtained from the American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311. Cost: Member \$389/Non-Member \$481.25 a set.

**20:75:07:09. (~~Effective for reviews completed prior to January 1, 2009~~)**

**Conduct of review—Requirements.** ~~The peer review must be conducted in accordance with the following requirements:~~

- ~~—— (1) A review must have an engagement review, report review, or system review as defined in § 20:75:07:01, to ensure that procedures tailored to the size of the firm and the nature of its practice are performed;~~
- ~~—— (2) A South Dakota review must be conducted between January 1 and October 31 of the year of review unless otherwise agreed by the board and the firm subject to review;~~
- ~~—— (3) The reviewer must select the engagements to be reviewed. Engagements selected for review must provide a reasonable cross-section of the firm's accounting and auditing practice with greater emphasis on those engagements in the practice with higher assessed levels of quality review risk. Factors to be considered in assessing peer review risk at the engagement level are size, industry area, level of service, personnel, litigation in industry area, and initial engagement;~~
- ~~—— (4) The review must be limited to the reviewed firm's quality control system and the accounting and auditing engagements with client year ends dated within the year under review;~~
- ~~—— (5) The reviewer must use checklists provided by the board as a basis for performing the review unless reviewing under § 20:75:07:06. A separate checklist must be used for system reviews, engagement reviews, and report reviews. —— The checklists~~



~~must include questions for the reviewer to answer and must provide sufficient information for the board to determine whether the firm under review complies with the standards and principles in §§ 20:75:05:05 and 20:75:05:06; and~~

~~—— (6) The firm under review must submit to the reviewer the preceding peer review report; the letter of comments, if any; the reviewed firm's response to the letter of comments, if any; the final letter of approval; and any board or review committee performance requirements.~~

~~—— (Effective for reviews completed after December 31, 2008) Conduct of review -- Requirements. The peer review must be conducted in accordance with the following requirements:~~

(1) A review must have an engagement review, report review, or system review as defined in § 20:75:07:01, to ensure that procedures tailored to the size of the firm and the nature of its practice are performed;

(2) A South Dakota review must be conducted between January 1 and October 31 of the year of review unless otherwise agreed by the board and the firm subject to review;

(3) The reviewer must select the engagements to be reviewed. Engagements selected for review must provide a reasonable cross section of the firm's accounting and auditing practice with greater emphasis on those engagements in the practice with higher assessed levels of quality review risk. Factors to be considered in assessing peer review risk at the engagement level are size, industry area, level of service, personnel, litigation in industry area, and initial engagement;

(4) The review must be limited to the reviewed firm's quality control system and the accounting and auditing engagements with client year ends dated within the year under review;

(5) The reviewer must use checklists provided by the board as a basis for performing the review unless reviewing under § 20:75:07:06. A separate checklist must be used for system reviews, engagement reviews, and report reviews. The checklists must include questions for the reviewer to answer and must provide sufficient information for the board to determine whether the firm under review complies with the standards and principles in §§ 20:75:05:05 and 20:75:05:06; and

(6) The firm under review must submit to the reviewer the preceding peer review report; the findings for further consideration, if any; the reviewed firm's response to the findings for further consideration, if any; the final letter of approval; and any board or review committee performance requirements.

**Source:** 29 SDR 16, effective August 14, 2002; 35 SDR 165, effective December 22, 2008.

**General Authority:** SDCL 36-20B-12(9).

**Law Implemented:** SDCL 36-20B-36.

**Cross-Reference:** Definitions, § 20:75:07:01.

**20:75:07:10. (~~Effective for reviews completed prior to January 1, 2009~~)**

**Results of review — Exit conference.** ~~A reviewer may issue an unmodified, modified, or adverse opinion as to whether the reports, work papers, if applicable, and quality control system, if applicable, reviewed comply with the standards and principles in~~

~~§§ 20:75:05:05 and 20:75:05:06 based on the evidence the reviewer obtained in the review.~~

~~———— The reviewer shall conduct an exit conference with representatives of the reviewed firm.~~

~~———— (Effective for reviews completed after December 31, 2008) Results of review -~~  
~~- Exit conference.~~ A reviewer may issue a pass, pass with deficiency, or fail opinion as to whether the reports, work papers, if applicable, and quality control system, if applicable, reviewed comply with the standards and principles in §§ 20:75:05:05 and 20:75:05:06 based on the evidence the reviewer obtained in the review.

The reviewer shall conduct an exit conference with representatives of the reviewed firm.

Source: 29 SDR 16, effective August 14, 2002; 35 SDR 165, effective December 22, 2008.

General Authority: SDCL 36-20B-12(9).

Law Implemented: SDCL 36-20B-36.

**20:75:07:11. (Effective for reviews completed prior to January 1, 2009)**

~~Report—Letter of comments.~~ Within 30 days after the date of the exit conference, the reviewer must issue a written report and, if applicable, a letter of comments to the reviewed firm. If the reviewer issues this report after the 30-day period, the reviewer must submit a fee of \$50 to the board.

~~———— The report and letter must be addressed to the proprietor, partners, members, officers, or shareholders of the reviewed firm and must be dated as of the date of the exit conference. The report must include the following:~~

~~—— (1) The year covered by the review;~~

~~—— (2) A statement of the scope of the review;~~

~~—— (3) A description of the general characteristics of a system of quality control, if applicable; and~~

~~—— (4) The reviewer's opinion. If the opinion is modified or adverse, the report must include a description of the reasons for the modification.~~

~~—— If the reviewer finds deficiencies, the reviewer must issue to the firm under review a letter of comments outlining the deficiencies and recommending action to correct the deficiencies.~~

~~—— (Effective for reviews completed after December 31, 2008) Report -- Findings for further consideration.~~ Within 30 days after the date of the exit conference, the reviewer must issue a written report and, if applicable, findings for further consideration to the reviewed firm. If the reviewer issues this report after the 30-day period, the reviewer must submit a fee of \$50 to the board.

The report and letter must be addressed to the proprietor, partners, members, officers, or shareholders of the reviewed firm and must be dated as of the date of the exit conference. The report must include the following:

(1) The year covered by the review;

(2) A statement of the scope of the review;

(3) A description of the general characteristics of a system of quality control, if applicable; and

(4) The reviewer's opinion. If the opinion is pass with deficiency or fail, the report must include a description of the reasons for the deficiency.

If the reviewer finds deficiencies, the reviewer must issue to the firm under review findings for further consideration outlining the deficiencies and recommending action to correct the deficiencies.

**Source:** 29 SDR 16, effective August 14, 2002; 35 SDR 165, effective December 22, 2008.

**General Authority:** SDCL 36-20B-12(9)(10)(11).

**Law Implemented:** SDCL 36-20B-36.

**Cross-Reference:** Discretion to waive certain requirements, § 20:75:01:07.

**20:75:07:12. (Effective for reviews completed prior to January 1, 2009)**

~~Response to letter of comments. The firm under review shall issue a response to a letter of comments. The letter of response shall contain the following:~~

- ~~—— (1) A statement addressing each deficiency in the reviewer's letter of comments;~~
- ~~—— (2) A statement of agreement or disagreement with the findings of the reviewer.~~

~~The firm must provide reasons if it disagrees with the findings;~~

- ~~—— (3) A statement of agreement or disagreement with the corrective action recommended by the reviewer; and~~

- ~~—— (4) A schedule for correcting deficiencies.~~

~~(Effective for reviews completed after December 31, 2008) Response to findings for further consideration. The firm under review shall issue a response to findings for further consideration. The letter of response shall contain the following:~~

- ~~(1) A statement addressing each deficiency in the reviewer's findings for further consideration;~~

(2) A statement of agreement or disagreement with the findings of the reviewer.

The firm must provide reasons if it disagrees with the findings;

(3) A statement of agreement or disagreement with the corrective action recommended by the reviewer; and

(4) A schedule for correcting deficiencies.

**Source:** 29 SDR 16, effective August 14, 2002; 35 SDR 165, effective December 22, 2008.

**General Authority:** SDCL 36-20B-12(9).

**Law Implemented:** SDCL 36-20B-36.

**20:75:07:14. (~~Effective for reviews completed prior to January 1, 2009~~)**

~~**Firm's submissions to board—South Dakota reviews.** The firm under South Dakota review must submit copies of the following to the board within 60 days after completion of the exit conference or by November 30 of the year of review, whichever comes first:~~

~~—— (1) The reviewer's report;~~

~~—— (2) The letter of comments, if any; and~~

~~—— (3) The firm's response to the letter of comments, if any.~~

~~—— If the firm submits the copies after the 60-day period or after November 30 of the year of review, whichever comes first, the firm must submit a \$50 fee with the copies.~~

~~—— (**Effective for reviews completed after December 31, 2008**) Firm's~~

**submissions to board -- South Dakota reviews.** The firm under South Dakota review must submit copies of the following to the board within 60 days after completion of the exit conference or by November 30 of the year of review, whichever comes first:

(1) The reviewer's report;

- (2) The findings for further consideration, if any; and
- (3) The firm's response to findings for further consideration, if any.

If the firm submits the copies after the 60-day period or after November 30 of the year of review, whichever comes first, the firm must submit a \$50 fee with the copies.

**Source:** 29 SDR 16, effective August 14, 2002; 35 SDR 165, effective December 22, 2008.

**General Authority:** SDCL 36-20B-12(9)(10)(11).

**Law Implemented:** SDCL 36-20B-36.

**Cross-Reference:** Discretion to waive certain requirements, § 20:75:01:07.

**20:75:07:15. (Effective for reviews completed prior to January 1, 2009)**

~~**Board's review of reports.** After receipt of documentation from the reviewer and the firm under review, the board shall review the file and proceed with § 20:75:07:17 or 20:75:07:18. If the board determines that the firm under review does not comply with §§ 20:75:05:05 and 20:75:05:06, the board may require the reviewer to recall and reissue the report.~~

~~——— If the board determines that the reviewer has not issued the report or letter of comments in accordance with §§ 20:75:07:08 to 20:75:07:15, inclusive, the board shall return the report or the letter of comments, or both, to the reviewer for correction. The board may deny an individual the right to continue as a qualified reviewer if a subsequent report and any letter of comments are issued containing the errors the reviewer was previously notified to correct or the board may proceed in accordance with SDCL 36-20B-40 and 36-20B-41.~~

~~———— The reviewer must destroy all work papers upon notification from the board of acceptance of the review.~~

~~———— (Effective for reviews completed after December 31, 2008) Board's review of reports.~~ After receipt of documentation from the reviewer and the firm under review, the board shall review the file and proceed with § 20:75:07:17 or 20:75:07:18. If the board determines that the firm under review does not comply with §§ 20:75:05:05 and 20:75:05:06, the board may require the reviewer to recall and reissue the report.

If the board determines that the reviewer has not issued the report or findings for further consideration in accordance with §§ 20:75:07:08 to 20:75:07:15, inclusive, the board shall return the report or the findings for further consideration, or both, to the reviewer for correction. The board may deny an individual the right to continue as a qualified reviewer if a subsequent report and any findings for further consideration are issued containing the errors the reviewer was previously notified to correct or the board may proceed in accordance with SDCL 36-20B-40 and 36-20B-41.

The reviewer must destroy all work papers upon notification from the board of acceptance of the review.

**Source:** 29 SDR 16, effective August 14, 2002; 35 SDR 165, effective December 22, 2008.

**General Authority:** SDCL 36-20B-12(2)(9).

**Law Implemented:** SDCL 36-20B-36.

**20:75:07:17. (Effective for reviews completed prior to January 1, 2009)**

~~**Procedure in case of modified or adverse report.** If the report is designated modified or adverse, the board may request additional information or a response from the firm~~



~~under review or from the reviewer to support or clarify the modified or adverse report and may attempt to have the firm subject to review correct the deficiencies through a consent agreement. The consent agreement must set forth a plan and schedule for correction of the deficiencies. The consent agreement may include the following:~~

- ~~—— (1) A requirement that the deficiencies be corrected within a specified time;~~
  - ~~—— (2) A requirement that the firm undergo a peer review during the calendar year following the date designated for correction of the deficiencies;~~
  - ~~—— (3) A requirement that the members of the firm complete continuing education in the areas of deficiency in addition to the continuing education hours required by SDCL 36-20B-27;~~
  - ~~—— (4) A requirement that the firm maintain a minimum library of source materials;~~
- ~~and~~
- ~~—— (5) Any other requirements that will effectuate the purpose of this chapter and SDCL chapter 36-20B.~~

~~—— If the board and the firm are not able to reach a consent agreement in regard to a plan and schedule for correction of the deficiencies, the board may proceed in accordance with SDCL 36-20B-40 and 36-20B-41.~~

~~—— (Effective for reviews completed after December 31, 2008) Procedure in case of pass with deficiency or fail report. If the report is designated pass with deficiency or fail, the board may request additional information or a response from the firm under review or from the reviewer to support or clarify the pass with deficiency or fail report and may attempt to have the firm subject to review correct the deficiencies through a~~

consent agreement. The consent agreement must set forth a plan and schedule for correction of the deficiencies. The consent agreement may include the following:

- (1) A requirement that the deficiencies be corrected within a specified time;
  - (2) A requirement that the firm undergo a peer review during the calendar year following the date designated for correction of the deficiencies;
  - (3) A requirement that the members of the firm complete continuing education in the areas of deficiency in addition to the continuing education hours required by SDCL 36-20B-27;
  - (4) A requirement that the firm maintain a minimum library of source materials;
- and
- (5) Any other requirements that will effectuate the purpose of this chapter and SDCL chapter 36-20B.

If the board and the firm are not able to reach a consent agreement in regard to a plan and schedule for correction of the deficiencies, the board may proceed in accordance with SDCL 36-20B-40 and 36-20B-41.

**Source:** 29 SDR 16, effective August 14, 2002; 35 SDR 165, effective December 22, 2008.

**General Authority:** SDCL 36-20B-12(9).

**Law Implemented:** SDCL 36-20B-36, 36-20B-40, 36-20B-41.

**Cross-References:**

Results of review -- Exit conference, § 20:75:07:10.

~~Report~~—~~Letter of comments~~/Report -- Findings for further consideration,  
§ 20:75:07:11.

~~Response to letter of comments/~~Response to findings for further consideration,  
§ 20:75:07:12.

Reviewer's submissions to board -- South Dakota reviews, § 20:75:07:13.

Firm's submissions to board -- South Dakota reviews, § 20:75:07:14.

Board's review of reports, § 20:75:07:15.

**20:75:07:18. (Effective for reviews completed prior to January 1, 2009)**

~~**Procedure in case of unmodified report.** If the report is designated unmodified, the board may take no further action or it may request additional information or a response from the firm under review or from the reviewer with regard to the unmodified report. If the firm fails to respond in the manner requested by the board, the board may proceed in accordance with the provisions of SDCL 36-20B-40 and 36-20B-41.~~

~~————~~**(Effective for reviews completed after December 31, 2008) Procedure in case of pass report.** If the report is designated pass, the board may take no further action or it may request additional information or a response from the firm under review or from the reviewer with regard to the pass report. If the firm fails to respond in the manner requested by the board, the board may proceed in accordance with the provisions of SDCL 36-20B-40 and 36-20B-41.

**Source:** 29 SDR 16, effective August 14, 2002; 35 SDR 165, effective December 22, 2008.

**General Authority:** SDCL 36-20B-12(9).

**Law Implemented:** SDCL 36-20B-36, 36-20B-40, 36-20B-41.

**Cross-References:**

Results of review -- Exit conference, § 20:75:07:10.

~~Report—Letter of comments~~/Report -- Findings for further consideration,

§ 20:75:07:11.

~~Response to letter of comments~~/Response to findings for further consideration,

§ 20:75:07:12.

Reviewer's submissions to board -- South Dakota reviews, § 20:75:07:13.

Firm's submissions to board -- South Dakota reviews, § 20:75:07:14.

Board's review of reports, § 20:75:07:15.

Dear NASBA Members,

As chair of the 2010 NASBA Awards Committee, it is my pleasure to personally invite you to participate in our standing nomination process for NASBA's 2010 Awards – the William Van Rensselaer Public Service Award, the Distinguished Service Award and the Lorraine P. Sachs Standard of Excellence Award. These awards will be presented during the 103rd NASBA Annual meeting, October 24-27, 2010, at the Hyatt Regency in San Antonio, TX, to three deserving individuals who have made a notable impact on the accounting profession.

Specifically, the *William Van Rensselaer Award* was established in 1988 in memory of NASBA's first full-time executive director, William H. Van Rensselaer, and recognizes an individual who has contributed to the development of a new program, improvement of a current program for the boards of accountancy, or who has influenced passage of rules or statutes to strengthen accountancy regulations.

The *Distinguished Service Award* was established in 1999, to honor a volunteer for unswerving commitment and dedication to enhancing the mission of NASBA. Created in 2008, the *Lorraine P. Sachs Standard of Excellence Award* recognizes a state board executive or administrator that has shown outstanding service to improving the effectiveness of accounting regulation on local and national fronts.

The official call for nominations will run from March 31-June 7, 2010. During this time, I encourage all NASBA members and supporters to nominate any outstanding persons who you believe possess a genuine passion towards enhancing the effectiveness of state boards and the accounting profession. The 2010 awards criteria and nomination forms are attached for your review.

Should you have questions or need additional information, please contact our committee liaison and NASBA Communications Manager, Cassandra Gray, at 615-564-2172 or [cgray@nasba.org](mailto:cgray@nasba.org).

Best Regards,

Kathleen Smith, CPA, Esq.

Chair, NASBA Awards Committee



National Association of State Boards of Accountancy

## 2010 Awards Criteria

### **WILLIAM H. VAN RENSSELAER PUBLIC SERVICE AWARD**

Since 1988, candidates for this award are individuals who have earned recognition through their contributions in the development of a new program or improvement of a current program for boards of accountancy, or who influenced passage of rules or statutes to improve accountancy regulations and laws.

#### **Criteria**

Outstanding achievements in state regulation of the accounting profession, demonstrated excellence as a leader of a state board or NASBA, significant accomplishments that have enabled NASBA or state boards to meet their objectives, contributions that have enhanced the effectiveness of state boards, and contributions that have enhanced the image of state boards.

#### **Restrictions**

The following individuals are not eligible to receive the William H. Van Rensselaer Public Service Award:

- Individuals who have served on the NASBA Board of Directors in the last five years.
- Current members of the NASBA Awards Committee.
- Paid consultants or employees of NASBA.

### **DISTINGUISHED SERVICE AWARD**

Since 1999, candidates for this award are individuals who have demonstrated unwavering commitment and dedication to enhancing the mission of NASBA.

#### **Criteria**

Demonstrated excellence as a participant in NASBA activities, facilitated significant accomplishments that have enabled NASBA to meet its stated goal, contributed to the enhanced effectiveness of state boards, and promoted achievements in state regulation of the accounting profession.

#### **Restrictions**

The following individuals are not eligible to receive the NASBA Distinguished Service Award:

- Former NASBA Chairs or Presidents.
- Former Van Rensselaer Award winners.
- Current members of the NASBA Awards Committee.
- Paid consultants or employees of NASBA, NASBA-related agencies/organizations or state boards of accountancy.

### **LORRAINE P. SACHS STANDARD OF EXCELLENCE AWARD**

Since 2008, candidates for this award are current executive directors (or similar title such as chief administrative officer) at the time of nomination that have shown exemplary, dedicated and outstanding service and commitment to improving the effectiveness of accounting regulation both locally and nationally.

#### **Criteria**

Demonstrated competence, diligence and outstanding service to his/her board of accountancy, earned the respect of accountancy regulators and the professional accountancy community, demonstrated excellence as a participant in NASBA activities, facilitated significant accomplishments that have enabled other boards of accountancy and NASBA to meet their goals, engaged in continuous development and progress to keep pace with the public's expectations of regulatory boards.

**Nominations for all NASBA Awards are due June 7, 2010.**

**REQUEST FOR SUPPORT M. Mickelson**

Nicole Kasin 4-12-10

The board has received a request from Marianne Mickelson, IA, for support for the central region nominating committee position. Marianne is serving her first term in this position and is seeking re-election.

Here is the email request she sent:

Nicole, Holly, John and other board members,

I am asking for South Dakota's Board support to be our Central Region Nominating committee representative for the 2010 election in late June. Attached is my nomination from our Iowa board. I will be sending my committee report to all seven boards the first week of June. Your support will be greatly appreciated.

Tom Sadler, Chair  
NASBA Nominating Committee  
150 Fourth Avenue North, 13<sup>th</sup> Floor  
Nashville, TN 37219-2417

Dear Tom,

On behalf of the Iowa Accountancy Examining Board, I would like to nominate **Marianne Mickelson** to the Central Region Nominating Committee nomination list for 2010. Marianne has served eight years as a public member of the Iowa Accountancy Examining Board. She has been active on several NASBA Committees; she served three years on the Education Committee, one year on the Awards and Communication Committees, and the past four years on the Ethics and Strategic Initiatives Committee.

Marianne leads with respect and dignity, and accomplishes any task as assigned. She is an innovative and organized board member with a positive attitude. No matter what Committee she serves on, she promises to bring integrity and inspiration to those she works with.

Please submit Marianne Mickelson to your nomination list for the Central Region. If there is anything else I can do, please do not hesitate to contact me.

Sincerely,

Carol Schuster, Vice Chair  
Iowa Accountancy Examining Board



**REQUEST FOR SUPPORT T. Lodden**

Nicole Kasin 4-12-10

The board has received a request from Ted Lodden, IA, for support for the central region director position. Ted is serving his first term in this position and is seeking re-election.

Here is the email request he sent:

Would your board consider sending a letter of recommendation for me to serve another term as regional director? I feel like I am just learning what I am supposed to do and just getting started on getting it done and it is time to think about re-election. I am anxious to get out to all of the state boards and visit, so let me know what your schedule is this spring and summer. To make it easier, I have attached a copy of the letter that our board sent to Tom and Anita. Please feel free to contact me with any questions or concerns.

Thanks,

Ted Lodden

March 19, 2010

Tom Sadler, Chair  
NASBA Nominating Committee  
150 Fourth Avenue North, 13<sup>th</sup> Floor  
Nashville, TN 37219-2417

Dear Tom:

On behalf of the Iowa Accountancy Examining Board, I would like to nominate Ted Lodden to the Central Region Director position for 2010. Ted has served seven years on the Iowa Accountancy Examining Board and three years as chair of the Board. Also, he has chaired the Disciplinary Committee for the past seven years. Ted has been active on NASBA committees as well, serving on the CPE Committee for seven years and currently on the Bylaws, the CPE Committee and the Committee on Relations with Member Boards.

Under Ted's leadership as chair of the Iowa Board, the board and staff have implemented an on-line renewal system, passed mobility, re-established CPE auditing procedures, rewritten its rules dealing with CPE and ethics, established a line of communication and working relationship with the Iowa Society of CPAs, established a Communications Committee which is looking at website improvement, conducting board meetings on college campuses, brochures, etc. Ted leads with respect and a positive attitude.

I understand from talking to Ted that he has served a portion of a year as regional director. During this time he has been in direct contact with each state board in his region, discussing focus questions and arranging visits with each state. In addition, he has arranged a conference call with all the state boards to be held in late April where we will discuss the issues facing each state. He plans to use this information to structure the breakout session at the regional meeting.

Please submit Ted Lodden to your nomination list for the Central Region. If there is anything else I can do, please do not hesitate to contact me.

Sincerely,