



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

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**South Dakota Board of Accountancy
Minutes of Meeting
Department of Legislative Audit
Pierre, South Dakota
May 21, 2010**

The Board of Accountancy held a meeting at the Department of Legislative Audit in Pierre, SD on Friday, May 21, 2010. Chair Holly Brunick called the meeting to order at 8:39 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 Nicole Kasin, Executive Director; and Tricia Nussbaum, Secretary.

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

Addition to Firm Permits

A motion was made by John Peterson and seconded by David Olson to approve the April 19, 2010, meeting minutes. The motion unanimously carried.

A motion was made by David Olson and seconded by John Peterson to approve the issuance of individual certificates and firm permits through May 20, 2010. The motion unanimously carried.

The Board discussed the effect mobility is having on revenues, and its total effects not showing for at least two more years

A motion was made by Marty Guindon and seconded by John Linn, Jr. to approve the financial statements through April 30, 2010. The motion unanimously carried.

Director Kasin explained the Certified Forensic Accountant letter and how it will probably be discussed at NASBA's Regional Meeting in June. It was noted from the CFA's website that the individual needs to be a CPA in good standing with a state board before they may become a CFA. The Board further discussed the restriction our rules place on the use of the term accountant. The discussion was deferred until the July meeting.

The Board discussed the report on Social Media - Facebook. Director Kasin explained that Facebook can be used as a tool to redirect individuals to the board's website, utilize it as a form of reaching out to the public and being proactive for possible candidates, potential and current licensees. It was noted that other state agencies have Facebook pages. Currently Director Kasin is working with DOL for approval before a Facebook page is created. The Board tabled the discussion until a decision is provided by DOL.

Director Kasin explained the report on Inactive Status as a person working in a firm. The individual has never billed out hours; they are the firm's internal bookkeeper. The Board agreed that it is okay for the licensee to keep the inactive status while working at a firm as long as they do not have any billable hours, do not perform any services for the public, or offer to perform any services for the public.

The Board briefly discussed the AICPA's Ethics Codification Project. The board discussed ethics courses and the possibility of ethics CPE. It was noted that there are cultural differences internationally which is why the codification project will take 3-5 years.

At 10:00 a.m. a motion was made by John Linn, Jr. and seconded by John Mitchell to begin the Public Rules Hearing. The motion unanimously carried.

Chair Brunick gave an overview of rule 20:75:02:12 Recognized colleges and universities; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:03:03 Application for renewal of certificate--Fees; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:03:15 Substantial equivalency and reciprocity--Fees; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:04:08 Returning active certificate holders; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:01 Independence; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:05 Auditing, accounting, and review standards; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:06 Accounting principles; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:07 Professional standards and conduct; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:08 Interpretations; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:17 Records retention; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:01 Definitions; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:05 Equivalent reviews; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:07 Qualifications of reviewer—South Dakota reviews; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:08 Conduct of review--Location; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:09 Conduct of review--Requirements; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:10 Results of review—Exit conference; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:11 Report –Letter of comments/Report—Finding for further considerations; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:12 Response to letter of comments/Response to findings for further consideration; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:13 Reviewer's submissions to board—South Dakota reviews; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:14 Firm's submissions to board—South Dakota reviews; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:15 Board's review of reports; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:17 Procedure in case of modified or adverse report/Procedure in case of pass with deficiency or fail report; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:18 Procedure in case of unmodified report/Procedure in case of pass report; then opened the floor to public testimony. There was no public testimony on this rule.

Director Kasin informed the Board of the form and style changes made by LRC. Wording changes were reviewed and discussed.

A motion was made by David Olson and seconded by John Mitchell that the proposed rule amendments be adopted with the revisions that were discussed at this hearing. The motion unanimously carried.

A motion was made by John Linn, Jr. and seconded by Marty Guindon to close the public hearing at 10:11 a.m. The motion unanimously carried.

The Board discussed NASBA's Nomination Support Letters of Ted Lodden, for Central Regional Director, with support from Kansas and Nebraska; of Marianne Mickelson, for Central Region Nominating Committee, with support from Kansas; of E. Kent Smoll, for Director at Large, with support from Kansas; of Leonard Sanchez, for Director at Large, with support from New Mexico.

Director Kasin stepped out for a phone call at 10:21 a.m. She returned at 10:22 a.m.

Director Kasin asked to revisit the social media discussion because the call she just received was from Todd Kolden with DOL. The Board agreed.

Director Kasin informed the Board that DOL gave their approval for the Board to create a Facebook page. The Board agreed to create a Facebook page and would like an update of the activity level the page generates after three months. Director Kasin will set up the Facebook page and report back to the Board.

The Board discussed NASBA's Board of Directors Meeting Minutes from January 15, 2010, the Board of Directors Meeting Highlights April 23, 2010, the Executive Summary Regional Directors Focus Questions, and the Regional Directors Report of Focus Questions.

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

The Board came out of executive session.

A motion was made by David Olson and seconded by John Mitchell to accept the peer reviews as discussed in executive session. The motion unanimously carried.

Director Kasin explained the proposals for electronic records from HOV and BIT. The purpose of the change was brought on regarding the peer review files no longer being able to be done by the state archives unit because it is possible that inmates are employed to do the jacketing of the microfilm. It was suggested that a review and possible revision of the records retention policy, be discussed at the August meeting. The Board requested Director Kasin to find out what other boards of accountancy policies are in records retention. The discussion was deferred until the August meeting.

FUTURE MEETING DATES (all times CDT)

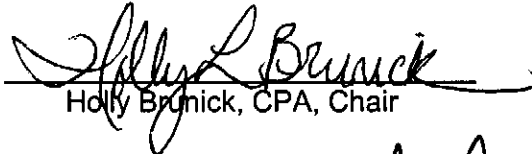
June 17, 2010-Conference Call 10:00 a.m.

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

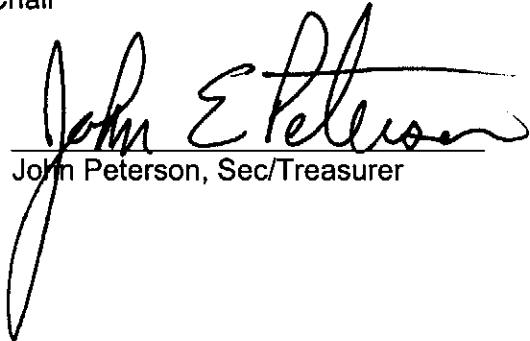
August 19, 2010-Sioux Falls 8:30 a.m. Location to be determined

A motion was made by David Olson and seconded by Marty Guindon 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 11:43 a.m.


Holly Brunick, CPA, Chair

Attest: 
Nicole Kasin, Executive Director


John Peterson, Sec/Treasurer