



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

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**South Dakota
Board of Accountancy Minutes of Meeting
Sioux Falls, South Dakota
April 20-21, 2006**

The Board of Accountancy met on Thursday and Friday, April 20-21, 2006 in the conference room of Eide Bailly, 200 East 10th Street, Suite 500, Sioux Falls, South Dakota. Chair John Mitchell called the meeting to order at 8:30 a.m. Other Board members present were Marty Guindon, David Olson and John Peterson. Board member John Graham and Legal Counsel Sherri Sundem Wald were absent. Also present was Executive Director, Bobbi Barnhill, Senior Secretary, Julie Iverson and Marcia Hultman, Department of Labor.

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

Addition to Peer Review

The addition to the agenda was noted.

A motion was made and seconded to approve the March 29, 2006 board meeting minutes. The motion was unanimously carried.

A motion was made and seconded to approve the issuance of permits and certificates through April 13, 2006. The motion was unanimously carried.

A motion was made and seconded to approve the financial statements through March 31, 2006. The motion was unanimously carried.

A motion was made and seconded to enter into executive session for the purpose of discussing peer review and personnel issues.

A motion was made and seconded to come out of executive session.

A motion was made and seconded to accept the peer reviews presented to the board in executive session contingent on the conditions of the board having been met in a timely manner. The motion was unanimously carried.

A discussion ensued regarding the Board's re-classification request for the position of Executive Director. The Board strongly supports reclassification of this position to an N-18 and will continue to advocate for reclassification of the position.

The Board members present conducted five interviews beginning at 12:45 and concluding at 5:00 PM.

A motion was made and seconded to adjourn the meeting at 5:15 PM and to reconvene at 8:00 AM, Friday, April 21, 2006. The motion was unanimously carried.

A motion was made and seconded to reconvene the board meeting at 8:00 AM on Friday, April 21, 2006. The motion was unanimously carried.

A discussion was held regarding electronic notebook software to replace paper board packets. Studio 361 representative Mark Vincent will present the company's product to the board at a future face to face meeting for review. The Executive Director highly recommended the program. Archiving and retrieving board decisions would be more timely and effective upon utilization of this type of program.

A discussion ensued regarding the utilization of board funds in a pro-active manner.

1. Increasing public awareness of the South Dakota Board of Accountancy's purpose and function.
2. Producing fliers for accounting students at all state and private colleges offering an accounting degree for the purpose of recommending a curriculum for those individuals interested in the CPA career track.
3. Sponsoring an Ethics Course

The Board discussed training for the new Executive Director. The recommendation was made for the new ED to attend the Council on Licensure, Enforcement and Regulation (CLEAR) conference and participate in the National Certified Investigative Training (Basic) session. There are several opportunities to attend. A schedule of upcoming sessions will be provided to the new ED.

A motion was made and seconded to approve travel to the National Association of State Board's of Accountancy's Western Regional Meeting in San Francisco, May 30-June 2, 2006 for the following individuals: Board member John Peterson, Executive Director, Bobbi Barnhill and the new ED, TBD. The motion was unanimously carried. The Executive Director will submit the appropriate documents for final approval to the Department of Labor and make all necessary travel arrangements.

The Board approved sending a letter expressing to NASBA their support for on-going efforts regarding grading, cost, content and reporting issues related to the Uniform CPA examination. All reports to the board thus far have indicated the experience for South Dakota exam candidates have been overwhelmingly positive. The Board appreciates NASBA continued efforts in ensuring the integrity of this high risk examination.

The Board completed a survey sponsored by North Dakota State University on rules governing fraud detection.

The Board responded to the Revision Framework for education rules 5-1 and 5-2 prepared by NASBA's Education Committee. Input was given as requested; however, the board prefers the educational rules currently governing South Dakota candidates.

The Board discussed at great length the current policy for non-resident notification. The final consensus of the board was the rule is sufficient as written.

A motion was made and seconded to proceed with disciplinary action in accordance with SDCL: 36-20B-40 for individuals with lapsed certificates who have not surrendered or signed an affidavit for lost certificate as allowed by law. Such disciplinary action may include the imposition of an administrative fine not to exceed one-thousand dollars. The motion was unanimously carried. The ED will place a notice in the May 2006 newsletter.

The Board reviewed the Public Company Accounting Oversight Board's (PCAOB) non-public portion of inspection reports for firms licensed in South Dakota, subject to PCAOB oversight.

It was decided by the board to send John M. Mitchell, Chair to the CPA Society's Annual Meeting in Rapid City to be held on June 20, 2006 for the purpose of giving the South Dakota Board of Accountancy's Annual Report.

Future meeting dates were discussed and set as follows:

May 22, 2006 by Conference Call at 10:00 A.M. (CST)

June 12, 2006 Legislative Audit in Pierre @ 8:30 A.M. (CST)

All business having come before the board was concluded and the meeting was adjourned by the chairman of the board at 2:00PM (CST).

John M. Mitchell, CPA, Chair

Attest: _____
Bobbi Barnhill, Executive Director

David G. Olson, CPA
Secretary/Treasurer