

**South Dakota
Board of Accountancy Minutes of Meeting
Rapid City, South Dakota
April 28-29, 2005**

The Board of Accountancy met on Thursday in the conference room of Casey Peterson & Associates, Ltd, at 505 Kansas City, Rapid City, South Dakota. Chair John Graham called the meeting to order at 8:30 a.m. Other Board members present were Marty Guindon, John Mitchell, David Olson and John Peterson. Also present was the Executive Director, Bobbi Barnhill.

The afternoon session on Thursday, April 28, 2005 was attended by the following: Laura Coome, Executive Director South Dakota CPA Society, CPA Society members, Dennis DeSmet, Clark Kramer, Jay Tolsma, and Black Hills Associate Professor, Laura Prosser and National American University Associate Professor, Michael Blackett.

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

Final Status of South Dakota/California Investigation
Self Reporting Issue
Report to Board on Peer Reviews
NASBA Resolution of Board of Directors
Report From NASBA's Examination Review Board
Addition to Peer Reviews

The additions to the agenda were noted.

A motion was made and seconded to approve the March 25, 2005 board meeting minutes, the motion was unanimously carried.

A motion was made and seconded to approve the issuance of permits and certificates through April 22, 2005, the motion was unanimously carried.

A motion was made and seconded to approve the financial statements through March 31, 2005. The motion was unanimously carried.

A motion was made and seconded to ratify the Uniform CPA Examination scores for the fourth window of the Uniform CPA computerized testing.

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

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.

A motion was made and seconded to enter into an engagement for accounting consulting services with Donald Finstad, CPA. The Executive Director will submit a contract for approval by Shannon Larson with the Department of Labor. The motion was unanimously carried.

A motion was made and seconded to refer Mr. Chris Wigington to ARSD: 20:75:05:03. The Executive Director will draft a letter to Mr. Wigington which refers him to the board's regulation governing the area in question. The motion was unanimously carried.

A motion was made and seconded to ratify the score change for an examination candidate, and to extend the 18 months allowed to complete all four sections of the examination for an additional six months, due to circumstances beyond the control of the candidate as a result of a grade change by the American Institute of Certified Public Accountants. The motion was unanimously carried.

A discussion ensued regarding the application process. Future applications will be placed on the website for each window of testing, to encourage candidates to sign up and sit within the window for which they have applied, reducing the necessity to transfer examination fees from one window to another. The notice to schedule will however, remain valid for 12 months.

A discussion ensued between the Board members and guests regarding the proposal by NASBA for amendments to the Uniform Accountancy Act's education rules 5-1 and 5-2. Dr. John E. Peterson, gave the Board and guests a report on the shifting paradigm currently occurring within the academic accreditation process and provided the participants with an overview of the Strategic Management of the Association to Advance Collegiate Schools of Business adopted April 22, 2005, which advocates for measurable learning outcomes. The learning outcomes for accounting include, but are not limited to, developing, measuring, analyzing, validating and communicating financial and other information and ensuring its integrity. Accounting programs must be in congruence with the business standards as well as the accounting standards to earn AACSB International accounting accreditation. It was the recommendation of the Board members that NASBA delay any changes to the current UAA rules governing education, until a comprehensive review of the newly adopted standards by AACSB for the accreditation of accounting can be conducted and compared to the objectives of the proposed amendments to 5-1 and 5-2 of the UAA, to ensure congruence with the educational institutions offering the accounting programs which the rules will govern. The Board expressed their appreciation for the Committee's efforts in addressing boards concerns related to the additional 30 semester hours required as a result of the 150 hour rule. However, they recommend NASBA consider the shifting paradigm currently taking place in academic accreditation before final adoption of any amendment to UAA 5-1 and 5-2.

The Board solicited feedback from the guests in attendance on the newly computerized Uniform CPA Examination. The feedback received was overwhelmingly positive. The issue of lower than expected exam volumes was addressed. The consensus was it would be helpful if firms were proactive in promoting exam candidacy by encouraging their eligible exam candidates to apply and sit for the examination; allowing time off for study and reimbursement of examination expenses.

At 5:10 (MT) a motion was made and seconded to recess the board meeting until 8:00 a.m. (MT), Friday, April 29, 2005. The motion was unanimously carried.

Chair, John Graham reconvened the board meeting at 8:00 a.m. (MT), Friday, April 29, 2005. A discussion was held regarding personnel issues. Board members present were Marty Guindon, John Mitchell, David Olson, Mary Day and John Peterson. Sherri Sundem Wald, Legal Counsel was also present.

The Board members reviewed a staff report prepared by the Executive Director to include the most recent performance appraisals for all board staff.

A motion was made and seconded to enter into executive session for the discussion of personnel matters. The motion was unanimously carried. A motion was made and seconded to come out of executive session. The motion was unanimously carried.

Bobbi Barnhill, Executive Director joined the meeting at 8:45 a.m.

A motion was made and seconded to recess at 8:55 a.m. (MT) to conduct a public rules hearing. The motion was unanimously carried. The minutes of the rules hearing have been prepared under separate cover.

Chair, John Graham reconvened the board meeting at 9:35 a.m. (MT).

A motion was made and seconded to approve travel for John M. Mitchell and Bobbi Barnhill to attend the National Association of State Board's of Accountancy Regional Meeting in Anchorage, Alaska, June 22-24, 2005, as well as, travel to Chicago, by Bobbi Barnhill for attendance at a NASBA Compliance Assurance Committee meeting. 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.

A motion was made and seconded to have the Executive Director draft a letter as discussed by the members, for submission to the Department of Labor Secretary regarding the travel policy directive sent to the board on January 3, 2005. The motion was unanimously carried.

A motion was made and seconded to sign the PCAOB Confidentiality Agreement. The Executive Director will sign the agreement on behalf of the Board. The motion was unanimously carried.

A discussion was held regarding open records and meeting requirements with Board counsel, Sherri Sundem Wald. The board spent extensive time on public disclosure issues regarding the confidential nature of the peer review documents. After lengthy discussion the board concluded the only appropriate venue for review and discussion of these statutorily deemed confidential documents is executive session.

The Board discussed the writing of a letter to NASBA regarding the escalating examination fees. The Board agreed that NASBA has informed the member boards they will conduct an audit of the fee increases by each of the parties to the examination contract, and as such, the Board should allow NASBA time to complete their review and await their report to the member boards. The Board is satisfied with the

newly computerized exam process, as evidenced by a 99% candidate approval rate, and an absence of complaints on behalf of South Dakota candidates.

Additionally, the newly opened examination site in Rapid City will reduce the burden of travel costs to our west river candidates, creating a greater opportunity to sit for the Uniform CPA Examination for our candidates. The Board expressed their satisfaction with the overall progress of the computerization of the Uniform CPA Examination.

The Board reviewed and approved the Regional Focus Questions submitted to NASBA by the Executive Director.

The Board reviewed the highlights of recent regulatory developments and deemed its involvement in the processes of each to be of importance to the overall regulation of the profession both nationally and locally.

Future meeting dates were discussed and set as follows:

May 27, 2005 by Conference Call at 10:00 a.m. (CST)
June 29, 2005 by Conference Call at 10:00 a.m. (CST)

All business having come before the board was concluded and the meeting was adjourned by the chairman of the board at 12:00 P.M (MT).

John D. Graham, CPA, Chair

Attest: _____
Bobbi Barnhill, Executive Director

John M. Mitchell, CPA
Secretary/Treasurer