



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

301 E. 14th Street, Suite 200
Sioux Falls, SD 57104
(605) 367-5770 / Fax: (605) 367-5773
e-mail sdbdacct.sdbd@midconetwork.com
www.state.sd.us/dol/boards/accountancy

**South Dakota Board of Accountancy
Minutes of Meeting**
Eide Bailly, 5th Floor Conference Room
Sioux Falls, SD
August 13, 2007

The Board of Accountancy held a meeting on Monday, August 13, 2007 at Eide Bailly, 5th Floor Conference Room, Sioux Falls, SD. Chair John Mitchell called the meeting to order at 8:30 a.m. Other Board members present were Marty Guindon, David Olson, John Linn, Jr., and John Peterson. A quorum was present.

Also present were Legal Counsel Sherri Sundem Wald, Executive Director Nicole Olson, Secretary Tricia Nussbaum, Ken Bishop and Kent Smoll from NASBA.

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

Additions to Certificates & Firm Permits
Additions to Financial Statements through July 31, 2007
Additions to CPE Extension
Report to Board on Revoked Certificate
Additions to NASBA Information

The additions to the agenda were noted by John Mitchell.

A report to the Board was explained by Nicole Olson on NASBA Nominations to be voted on at the Annual Meeting in October. There were no concerns or issues.

NASBA's 100th Annual Meeting was discussed by the Board regarding travel approvals and location of the meeting. Kent Smoll and Ken Bishop, representatives from NASBA, noted that NASBA does offer a scholarship to States to keep Boards represented at the Annual meetings.

The Board discussed extensively with Ken Bishop issues that the CPA Examination Review Board is dealing with the CPA Exam. Ken Bishop explained issues with the exam flaws and the troubles candidates are experiencing. The Board was concerned with more problems occurring in the future. Ken Bishop noted that there always will be some problems especially when working with computers, but also, mentioned that there is a less than 1% failure rate with the exam program.

Laura Coome from the South Dakota CPA Society entered the meeting at 9 a.m.

At 9:00 a.m. Ken Bishop from NASBA began a presentation on Mobility by showing a brief video. He then began to discuss in great detail the need for, concern, and move toward Mobility throughout the country and what the process involved in becoming a 'Mobility State'. He discussed major issues that States were having with rules and legislation along with how NASBA was working with the States to help them with the changes. The Board and Legal Counsel had some concerns with the changes that Mobility would bring and vowed to keep discussing it as a Board before making any final decisions.

Ken Bishop and Kent Smoll left the meeting at 10:15 a.m.

The Board had a major discussion regarding the AICPA changes to Peer Review that will take place in 2009. Laura Coome for the South Dakota CPA Society and Executive Director Nicole Olson addressed questions that were brought up by the Board. The question was brought up to whether the Board should participate in a pilot program for the Peer Review changes by the AICPA. The Board agreed to have Legal Counsel Sherri Wald look further into the States ability to participate without making any rule changes. The Board plans to discuss this matter at future meetings.

Laura Coome from the South Dakota CPA Society left the meeting at 11 a.m.

A motion was made by Marty Guindon and seconded by John Mitchell to approve the election of officers as follows: David Olson-Chair, Marty Guindon-Vice Chair, and John Linn, Jr.-Secretary Treasurer. The motion unanimously carried.

A motion was made by John Linn, Jr. and seconded by John Mitchell to approve the July 10, 2007 meeting minutes. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to approve the issuance of individual certificates and firm permits through August 10, 2007. The motion unanimously carried.

A motion was made by John Mitchell and seconded by Marty Guindon to approve the financial statements through June 30, 2007. The motion unanimously carried.

A motion was made by John Linn, Jr. and seconded by John Mitchell to approve the financial statements through July 31, 2007. The motion unanimously carried.

The Board discussed Exam Grades. A motion was made by Marty Guindon and seconded by John Linn, Jr. to approve the exam grades through June 2007. The motion unanimously carried.

A report to the Board on a CPE Extension request was clarified by Nicole Olson. No action was needed by the Board.

The Board took a lunch break from 12:30-1:30 p.m. Chair David Olson called the meeting back to order at 1:30 p.m.

The Board discussed the next step with Online Renewal Licensing and the detailed summary that would be submitted to the State Bureau of Information and Technology agency for their consideration and pricing. Included in the summary will be key details of what the Board will be looking for to complete the programming.

A report to the Board on a revoked certificate was explained by Executive Director Nicole Olson. The certificate holder had his certificate revoked at the July 10th meeting and the order was signed July 24th. He asked the Board to utilize SDCL 36-20B-49 to have his revocation order set aside and allow him to get his license in good standing with the Board.

A motion was made by John Peterson and seconded by John Mitchell to set aside the revocation order to allow Mr. Michael B. Olson the ability to get his license into inactive status and good standing with the Board upon receipt of all applicable fees. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to approve the FY2009 budget as amended. The motion unanimously carried.

A motion was made by John Mitchell and seconded by Marty Guindon that Nebraska's Quality Enhancement Program Procedures for Peer Review is acceptable as Report Review in South Dakota if completing compilation engagements under Statements for Accounting and Review Services and the firm has compiled financial statements that omit substantially all disclosures. The motion unanimously carried.

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

A motion was made by John Mitchell and seconded by John Linn, Jr. to come out of executive session. The motion unanimously carried.

A motion was made by John Mitchell and seconded by John J. Linn, Jr. to accept peer reviews in executive session. The motion unanimously carried.

The Board briefly discussed NASBA Communications Officer and NASBA Quarterly Communications.

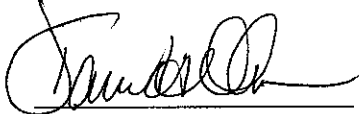
The Board read over the information reports regarding the PCAOB. The following were some of the reports: PCAOB consider proposing new Ethics and Independence Rule and Amendment to Existing Tax Services Rule; PCAOB proposed new Ethics and Independence Rule and Adjusts Implementation Schedule; and PCAOB new Audit Standard for Internal Control over Financial Reporting Approved by the SEC.

Future meeting dates were discussed and set as follows:

September 19th, 2007- Board Meeting by Conference Call 10 a.m.
October 15th, 2007-Board Meeting by Conference Call 10 a.m.
November 19th, 2007-Board Meeting in Mitchell at 9:30 a.m.-
ELO Prof., L.L.C. Conference Room
December 17th, 2007 Board Meeting by Conference Call 10 a.m.

A motion was made by John Linn, Jr. and seconded by John Mitchell to adjourn the meeting. The motion unanimously carried.

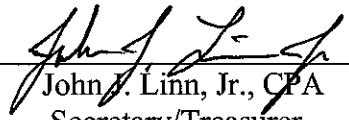
All business having come before the board was concluded and the meeting was adjourned at 4:00 p.m.



David G. Olson, CPA, Chair

Attest: 

Nicole Olson
Executive Director



John J. Linn, Jr., CPA
Secretary/Treasurer