

South Dakota
Board of Accountancy Minutes of Meeting
Sioux Falls, South Dakota
August 15, 2005

The Board of Accountancy met on Monday in the conference room of Eide Bailly, 200 East 10th Street, Suite 500, Sioux Falls, South Dakota. Chair John Graham called the meeting to order at 8:30 a.m. Other Board members present were Marty Guindon, John Mitchell, Mary Day, David Olson and John Peterson. Also present was the Executive Director, Bobbi Barnhill, Legal Counsel, Sherri Sundem Wald, and Secretary, Tricia Nussbaum.

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

Additions to Certificates and Permits Issued
Draft Letter to Deputy Secretary of State
Report to Board on Conference Call for CBT Symposium
Letter from North Carolina Re: Status of Financial Audit & Absorption of Increased Costs by NASBA
Candidate Notice of Changes to the January/February 2006 Testing Schedule
Information on Upcoming Changes to CBT
Report from the CBT Steering Group
Letters from Idaho/Nevada Re: Education Committee's Proposal for Amendments to 5-1/5-2 of the UAA
Letter from Nina Darington, Black Hills Accounting & Tax in response to use of restricted titles
Pending Legislation in ND related to restricted use of titles and designations
Schedule of Events for the SDCPA Society's Annual Meeting
Minutes of NASBA Board of Directors April 29, 2005 Meeting
NASBA Quarterly Communications – Including UAA Exposure Draft
Additions to Peer Review

The additions to the agenda were noted.

Nominations were made to elect John Mitchell as Board Chair, Marty Guindon as Board Vice-Chair, and Dave Olson as Secretary-Treasurer. A motion was made and seconded to approve nominations, the motion was unanimously carried.

A motion was made and seconded to approve the June 29, 2005 board meeting minutes, the motion was unanimously carried.

A motion was made and seconded to approve the issuance of permits and certificates through August 8, 2005, the motion was unanimously carried.

A major discussion was held regarding the draft letter to the Deputy Secretary of State and the response from the cease and desist letter sent for violation of SDCL: 36-20B-58. A motion was made and seconded to remove the seconded bulleted point in the draft letter and approve for submission to the Deputy Secretary of State. The motion was unanimously carried. A major discussion continued regarding SIC Codes. John Peterson will research and report his finding to Sherri.

A motion was made and seconded to approve travel for Board Member, John Peterson and Executive Director, Bobbi Barnhill to attend the National Association of State Board's of Accountancy CBT Symposium in Washington, D.C. 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 approve denying the use of hours spent working on a committee, such as FASB's Small Business Advisory Committee, to qualify as continuing professional education. The motion was unanimously carried.

In response to the report for the board on test of regulations, the board members unanimously agreed that they wanted the issue of 'where we are with ethics CPE' on the next agenda as its own separate issue.

In reaction to the letter of response drafted by the Executive Director to NASBA on the proposal to amend 5-1 and 5-2 of the UAA, the board had a general consensus of approval to remove the second sentence of the first paragraph on the second page and a motion was made and seconded to send out the letter. The motion was unanimously carried.

A major discussion took place regarding proposed litigation procedures. Many questions and concerns were raised, thus a motion was made and seconded to approve a sub-committee consisting of a board member-Dave Olson, Executive Director-Bobbi Barnhill, and Legal Counsel-Sherri Sundem Wald, to work on the issue of litigation procedures including: resolution procedures for reporting requirements related to pending litigations.

It was noted that the Executive Director should create a standard order of board operating procedures.

In response to the report on two-wave score reporting, the board said that they wanted to eliminate uncertainty for candidates. Thus, a motion was made and seconded to approve the releasing of scores to candidates as soon as the board staff reconciles the score with the board's records as they become available to them. The motion was unanimously carried.

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. The motion was unanimously carried.

Chair, John Mitchell made a motion to recess for lunch at 12:00PM. The motion was seconded and unanimously carried.

Chair, John Mitchell called the meeting to order at 1:30PM following the lunch recess. Also in attendance were: Marty Guindon, John Graham, David Olson and John Peterson. Also present was the Executive Director, Bobbi Barnhill, Legal Counsel, Sherri Sundem Wald, and Secretary, Tricia Nussbaum. Mary Day was absent for the afternoon session. At 3PM, Laura Coome, Executive Director South Dakota CPA Society arrived.

A motion was made and seconded to approve travel to the National Association of State Board's of Accountancy's Annual Meeting in Tucson, Arizona on October 31-November 2, 2005 for the following individuals: Board member's Dave Olson and John Peterson, and Executive Director, Bobbi Barnhill. 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 approve the financial statements and expenditure report through June 30, 2005. The motion was unanimously carried.

A motion was made and seconded to revise the performance indicators to more aptly reflect measurement of the board's performance on the Department of Labor's Annual Report. The motion was unanimously carried.

At 3PM, representatives from the SD CPA Society arrived at the meeting. Discussion took place regarding the development of various task forces: a financial literacy task force and a curriculum for junior achievement task force; also, the exposure draft of UAA was discussed, no major issues or concerns were identified. Other issues discussed were: CPE providers and the annual recognition of candidates who have achieved high exam scores. The board is interested in recognizing high scorers of the CPA Exam. The SD CPA Society and the Executive Director will jointly develop criteria for candidate recognition.

A discussion took place regarding the FY 2007 Budget approval. A motion was made and seconded to approve the FY 2007 Budget as amended. The motion was unanimously carried.

In response to the letter from Oregon to NASBA regarding the exposure draft comment period, the board noted that it was a short period of time to review NASBA's exposure draft on UAA Amendments; however, the draft still requires review. Each board member is going to review NASBA's UAA Amendments and report any comments via e-mail to the Executive Director by October 3, 2005. The Executive Director will compile the board member comments and provide an executive summary to the board at the October 26, 2005 Board Meeting.

The Board noted communication with the Governor's Office should be initiated by the Executive Director to request a woman be appointed to the Board to fill the vacancy resulting from the expiration of Mary Day's term. It was dually noted a gender balance is required to provide a balanced representation.

Future meeting dates were discussed and set as follows:

September 28, 2005 by Conference Call at 11:00 A.M. (CST)

October 26, 2005 by Conference Call at 10:30 A.M. (CST)

All business having come before the board was concluded and the meeting was adjourned by the chairman of the board at 5:00PM (CDT).

John M. Mitchell, CPA, Chair

Attest: _____

Bobbi Barnhill, Executive Director

Dave G. Olson, CPA
Secretary/Treasurer