



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

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**South Dakota Board of Accountancy
Minutes of Meeting
Department of Legislative Audit
Pierre, SD
8:30 a.m. (CDT)
May 5, 2008**

The Board of Accountancy held a meeting on Monday, May 5, 2008, in Pierre, SD, at the Department of Legislative Audit. Chair David Olson called the meeting to order at 8:32 a.m.

The following members were present: Marty Guindon, John Linn, Jr., John Mitchell, Holly Brunick, and John Peterson. A quorum was present.

Also present were Laura Coome, CPA Society; Nicole Olson, Executive Director; Sherri Sundem Wald, Legal Counsel; and Tricia Nussbaum, Secretary.

Chair David Olson asked if there were any additions to the agenda. The following items were added to the agenda:

NASBA Central Regional Director Nomination
Additions to RFP Audit
RFP-License/Firm Online Renewal

A motion was made by John Peterson and seconded by John Linn, Jr. to approve the March 28, 2008 meeting minutes. The motion unanimously carried.

A motion was made by John Peterson and seconded by John Linn, Jr. to approve the issuance of individual certificates and firm permits through April 28, 2008. The motion unanimously carried.

A motion was made by John Peterson and seconded by Holly Brunick to approve the financial statements through March 31, 2008. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to approve CPA Exam grades for the 16th CPA Exam window through March 2008. The motion unanimously carried.

The Board reviewed the revised check list that was provided documenting the process of notifying licensees before a Notice of Intent to Revoke is issued. The Board agreed that the form sufficiently shows due process.

The Board had an in depth discussion in regards to Mobility. Major points of the discussion were:

- Pressure to join from the Treasurer's Report talking about national licensure by 2010 if states have not voluntarily enacted and pressure from NASBA to join the other states participating.
- Mentioned where some of the surrounding states are regarding mobility.

- The CPA Society's standpoint was discussed by Laura Coome and the Society voted in December to go forward with mobility and plan to have legislation drafted to pass in 2009 legislative session; to adopt Section 23 of the UAA as written, with no nuances or deviations. The Society has not heard many issues from any other states, except that consumer groups are having concerns. The Society is listening to the Board's concerns.
- Protecting the Public is a main concern above all from the Board.
- The Board's other main concerns:
 - Can we 'ban' both individual and the firm license
 - Audit verses Audit and Reviews with Peer Review
 - Reciprocity
 - Disciplinary Rights and Responsibility
- Deviations and nuances restrict mobility and create exceptions to the rules. It creates a struggle with the uniformity of it all.
- Peer Review, Education, and CPE not standard across states
- Breakdown Section 23 of the UAA to show changes and concerns.
- By requesting information the Board doesn't necessarily support mobility one way or another at this point.
- The Board asked Nicole Olson to request copies of the two legal opinions regarding enforcement through mobility by the AICPA and Noel Allen.

A motion was made by Marty Guindon and seconded by John Mitchell to authorize a request for the first draft of the mobility statute in South Dakota. The motion carried. 5 ayes, 1 Abstained (Peterson).

The Board recessed from 12:20 p.m. to 1:20 p.m. for lunch.

The Board discussed whether the third signature was necessary regarding the Non-Sponsor CPE Verification form. Laura Coome stated that according to CPE standards and the Board's rules that the form didn't need the third signature. The Board agreed that the form only needed two signatures.

A motion was made by John Mitchell and seconded by Holly Brunick to authorize Nicole Olson to remove the third signature and keep only two signatures on the Non-Sponsor CPE Verification form. The motion unanimously carried.

Laura Coome left the meeting at 2:00 p.m.

The Board reviewed the Texas Survey on the word 'Accountant'. The Board questioned whether we conduct a survey like this for South Dakota as a proactive approach. The discussion was tabled for a future meeting.

The Board discussed changes to SB 199 & SB 186 which were enacted by the legislature and become effective July 1, 2008. No major changes will impact the board office.

The Board reviewed the two requests for proposal, Don Finstad, CPA and East, Vander Woude, Grant, & Co., P.C., regarding the Audit for two years ending June 30, 2008.

A motion was made by John Peterson and seconded by John Mitchell to accept the request for proposal from East, Vander Woude, Grant, & Co., P.C. at \$5,700 for the Audit for two years ending June 30, 2008. The motion unanimously carried.

The Board reviewed information from three requests for proposal regarding license/firm online renewal. The proposals varied extensively in price range and descriptions of final product. The Board asked that Nicole Olson perform due diligence with reviewing the proposals and completing reference checks. The Board will be kept updated at conference calls regarding any new information obtained.

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

The Board came out of executive session.

A motion was made by John Mitchell and seconded by Marty Guindon to accept the peer reviews as discussed in executive session. The motion carried. 5 ayes, 1 Abstained (Brunick)

The Board discussed the following NASBA information: the Vice Chair Nomination, Nominating Committee Request, the Governmental Agency Referral Task Force, the CPA Licensing Examinations Committee, the Board of Director's Meeting Minutes January 18, 2008, Board of Director's Meeting Highlights April 18, 2008, the Executive Summary April 2008 Regional Director's Focus Questions, the Regional Director's Report, and the UAA Model Rules 5-1 and 5-2.

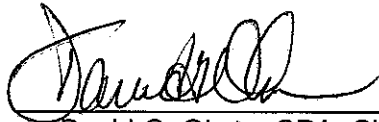
Discussion took place regarding possibly changing to a fixed CPE 3 year cycle instead of a rolling three year cycle. It would be to align CPAs CPE with their AICPA CPE reporting schedule. Also mentioned was the possibility of switching CPE reporting to a calendar year schedule rather than a fiscal year. The discussion was tabled to a future meeting date.

Future meeting dates were discussed and set as follows:


June 2, 2008, Conference Call 10:00 a.m. (CDT)
July 14, 2008, Conference Call 10:00 a.m. (CDT)
August 18, 2008, McGladrey & Pullen, Sioux Falls SD 8:00 a.m. (CDT)

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

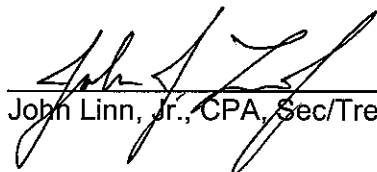
All business having come before the board was concluded and Chair David Olson adjourned the meeting at 3:45 p.m.



David G. Olson, CPA, Chair

Attest: 

Nicole Olson, Executive Director



John Linn, Jr., CPA, Sec/Treasurer