



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

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**South Dakota Board of Accountancy
Minutes of Meeting
Department of Legislative Audit
Pierre, South Dakota
October 20, 2008**

The Board of Accountancy held a meeting at the Department of Legislative Audit in Pierre, SD on Monday, October 20, 2008. Chair David Olson called the meeting to order at 8:37 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 Nicole Olson Kasin, Executive Director; Sherri Sundem Wald, Legal Counsel; and Todd Kolden, Department of Labor.

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

Additions to Peer Review
Request for Continuance of Hearing

A motion was made by John Linn, Jr. and seconded by Marty Guindon to approve the September 24, 2008 meeting minutes. The motion unanimously carried.

A motion was made by John Peterson and seconded by Holly Brunick to approve the issuance of individual certificates and firm permits through October 10, 2008. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to approve the financial statements through September 30, 2008. The motion unanimously carried.

A motion was made by John Linn, Jr. and seconded by John Mitchell to approve the CPA Exam grades for the 18th CPA Exam window through September 2008. The motion unanimously carried.

The Board had a major discussion in regards to the online licensing project. The Senior IT committee did not provide any further written explanation on the denial of the proposal submitted. The discussion entailed a perceived conflict of interest by BIT, the lack of adequate reasoning for the denied proposal, and the efficient and economical aspects of the options, that the Board has. The Board will inform Factor 360 that the contract was not approved.

A motion was made by Holly Brunick and seconded by John Linn, Jr. to move forward with the online licensing project and to have the Bureau of Information & Telecommunications (BIT) complete the project. The motion unanimously carried.

A motion was made by John Linn, Jr. and seconded by John Mitchell to begin the Public Rules Hearing. The motion unanimously carried.

Chairman Olson gave an overview of rule 20:75:02:02-Application for examination; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:02:06-Request for accommodation of disability; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:02:07-Definition of disability – Learning disability; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:03:03-Application for renewal of certificates - Fees; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:03:14-Non-resident – Notification - Fees; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:05:01-Independence; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:05:05-Auditing, accounting, and review standards; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:05:06-Accounting principles; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:05:07-Professional standards and conduct; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:05:08-Interpretations; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:05:17-Records retention; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:07:01-Definitions; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:07:05-Equivalent reviews; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:07:08-Conduct of review - Location; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:07:09-Conduct of review - Requirements; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:07:10-Results of review – Exit conference; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:07:11-Letter of comments/Findings for further consideration; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:07:12-Response to letter of comments/Response to findings for further consideration; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:07:14-Firm's submissions to board – South Dakota reviews; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:07:15-Board's review of reports; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:07:17-Procedure in case of modified or adverse report/Procedure in case of pass with deficiency or fail report; then opened the floor to public testimony. There was no public testimony on this rule.

Chairman Olson gave an overview of rule 20:75:07:18-Procedure in case of unmodified report/Procedure in case of pass report; then opened the floor to public testimony. There was no public testimony on this rule.

A motion was made by John Linn, Jr. and seconded by John Mitchell that the proposed rule amendments be adopted with the revisions that were discussed at this hearing. The motion unanimously carried.

A motion was made by John Linn, Jr. and seconded by Holly Brunick to close the public hearing. The motion unanimously carried.

The Board discussed the Mobility bill draft.

The Board discussed the issue of late fees. ARSD 20:75:01:07 allows a waiver of a late fee for personal emergency, act of God, or administrative error made by the board or the board of another state. There is no discretion for the board to review other good causes. Also, ARSD 20:75:07:05 was discussed in regards to a firm having substantial compliance with the rule. The board discussed to review both rules, during the next rules review and possibly suggest a change in the language. The discussion was tabled for a future meeting.

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

The Board came out of executive session.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to accept the peer reviews as discussed in executive session. The motion unanimously carried.

A motion was made by John Peterson and seconded by John Mitchell to authorize the Board Chairman to communicate with the Department of Labor a recommendation for a 5% pay increase in the Executive Directors' salary. The motion unanimously carried.


A motion was made by John Peterson and seconded by John Mitchell to authorize Holly Brunick to be the voting delegate for South Dakota at the NASBA Annual Meeting in Boston, MA. The motion unanimously carried.

Future meeting dates were discussed and set as follows:

November 19, 2008 - 10:00 a.m. Conference Call - Cancelled
December 8, 2008 - 9:00 a.m. Chamberlain, Americ Inn
January 14, 2009 - 9:00 a.m. Conference Call
March 23, 2009 - 8:30 a.m. Conference Call

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

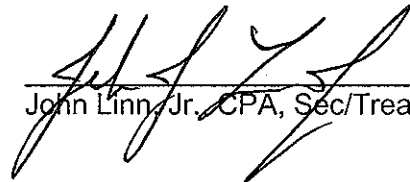
All business having come before the board was concluded and Chair David Olson adjourned the meeting at 12:30 p.m.



David G. Olson, CPA, Chair

Attest: 

Nicole Olson Kasin, Executive Director



John Linn, Jr., CPA, Sec/Treasurer