

**STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
BOARD OF ACCOUNTANCY**

IN THE MATTER OF

DLR 21-37 / CASE #102-21

BRUCE A. ASHLAND

**FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND ORDER**

**Certificate No. 2285
Licensee**

The above-entitled matter came on for hearing before the Board of Accountancy on March 24, 2021 via Zoom VideoConference. Catherine Williamson, Office of Hearing Examiners presided over the contested hearing. Present from the Board were all members: Deidre Budahl, Chair; Jeff Strand, Jeff Smith, David Pummel, Jay Tolsma, and Russell Olson. Licensee, Bruce Ashland, was present and testified at the hearing. Representing the Licensee was Attorney Roger Tellinghuisen. Representing the Board of Accountancy (Board) was Department of Labor Attorney Graham Oey. Present as witness was the Executive Director for the Board, Nicole Kasin.

After all evidence was presented to the Board, the Board met in Executive Session to discuss the case. After returning from Executive Session, a Motion was made by the Board and a vote was taken which prevailed on a unanimous vote. The Decision of the Board is the Order listed within this document, SDCL 36-20B-48.

The purpose of the hearing was to determine whether Mr. Ashland violated state law or administrative rule regarding his certified public accountant's license; these rules and laws are found at SDCL Chapter 36-20B and Administrative Rules ARSD Article 20:75.

Findings of Fact

1. Mr. Ashland is a Certified Public Accountant (CPA). Since July 1986, he has held a certificate issued by the Board, Certificate Number 2285.
2. All CPAs in South Dakota are required to complete a minimum of 20 hours of continuing professional education (CPE) each fiscal year. In a rolling three-year cycle, a CPA must complete a minimum of 120 CPE hours. CPE hours must be completed and recorded between July 1 and June 30 of the most recent fiscal year.
3. The certificate of a CPA is renewed annually. The license is issued on August 1 and runs through July 31 of each year. Renewals must be sent to the Board Office by August 1 each year.

4. Each year, the Board randomly audits over 100 licensees to ensure they have completed their 120 hours of CPE credits, as required by law.
5. In 2020, the Board office audited Mr. Ashland's credits.
6. The Board found discrepancies from the credits reported by Mr. Ashland and the records substantiating the credits.
7. The Board found probable cause of a violation pursuant to SDCL 36-20B-45, and a complaint was issued to Mr. Ashland.
8. On his renewal form for the year ending July 31, 2019, Mr. Ashland reported a CPE dated June 30, 2018. The paperwork substantiating the CPE (the completion certificate issued by the company offering the class) indicated that the CPE was completed on July 31, 2018.
9. On his renewal form for the year ending July 31, 2020, Mr. Ashland reported CPEs dated December 17-20, 2018 and June 30, 2019. The completion certificates indicated that the CPEs were completed on July 8, 2019, and August 5, 2019.
10. On his renewal form for the year ending July 31, 2021, Mr. Ashland reported a CPE dated July 1, 2019. The completion certificate indicated that the CPE was completed on June 30, 2019.
11. The completion certificates indicate when the answers for the CPE Test or Exam was entered into the computer, calculated, and the certificate printed.
12. Mr. Ashland testified that he completed the work within the correct fiscal year but failed to print out the completion certificates until afterwards.
13. Mr. Ashland testified that he downloads and prints the CPE information and the testing instead of taking the test on-line. He testified about taking these CPE classes when he had vacation time or down time.
14. The SD CPA rules are published to CPAs each year by the Board. Rule changes are sent to CPAs prior to any changes being made. Mr. Ashland was aware or should have been aware of the rules regarding CPE hours.
15. Mr. Ashland took the classes and performed the work during the correct fiscal year but did not obtain the certificate of completion or the proper documentation to show that the CPE was completed in the correct fiscal year.
16. To the extent any of the foregoing are improperly designated and are instead conclusions of law, they are hereby redesignated and incorporated herein as conclusions of law.

Conclusions of Law

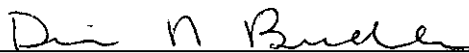
1. The Board of Accountancy has jurisdiction over this matter pursuant to SDCL §36-20B-45.
2. In 2019 and 2020, the annual renewal forms did not indicate that the completion date of the CPEs must be reported, instead asking for course begin and end dates.
3. In 2020, the Board changed the CPA renewal forms, removing the begin and end date and replacing it with a completion date box.
4. The date of completion of the CPE is the date of the certificate issued by the company sponsoring the CPE class or self-study.
5. ARSD 20:75:04:15 requires CPA licensees to document completion of all CPE credits with specific evidence of completion.
6. ARSD 20:75:04:11 allows the Board to randomly audit license holders to "verify attendance or completion of all courses reported to the board" for CPE credit.
7. Mr. Ashland failed to properly document completion of his CPE for the fiscal years ending, 2019, 2020 and 2021.
8. Mr. Ashland failed to maintain compliance with the Board's rules and regulations regarding CPE, a violation of professional standards and conduct.
9. SDCL 36-20B-40 sets out disciplinary actions that may be remedies for violating any section within the list of reasons.
10. Mr. Ashland violated SDCL 36-20B-40(3) in that he failed to "maintain compliance with the requirements for issuance or renewal of such certificate, license, permit, or registration or to report changes to the board."
11. Mr. Ashland violated SDCL 36-20B-40(6) in that he violated "any provision of this chapter or rule, promulgated by the board pursuant to chapter 1-26, or violation of professional standards."
12. Mr. Ashland violated SDCL 36-20B-40(7) in that he violated "any rule of professional conduct promulgated by the board pursuant to chapter 1-26."
13. To the extent any of the foregoing are improperly designated and are instead findings of fact, they are hereby redesignated and incorporated herein as findings of fact.

Order

It is the Order of the Board, that the dates listed on the certificate of completions submitted by the licensee be considered to be the dates of attendance and/or completion of the CPE as required by board rule and law. Mr. Ashland's CPE hours will be reported based on the dates shown on the certificates of completion. In accordance with board policy, Mr. Ashland's hours will be adjusted to meet the minimum requirements of the year 2019 to 2021 renewal periods. Due to the violations of law, as listed in the Conclusions of Law, Mr. Ashland is Ordered to attend an additional 20 hours of CPE within the next 90 days; four (4) hours of the 20 CPE hours must be on the topic of Ethics and the Professional Code of Conduct. These 20 hours of CPE are in addition to any requirements for the current and upcoming 1 years and should not be reported on the annual renewal form. The Board will conduct audits of Mr. Ashland's CPE credits for the next three (3) years. No extensions will be given to Mr. Ashland for completing his annual CPE for the next three (3) years. The Board has further Ordered an administrative fine of \$1,000.00 to Mr. Ashland as well as requiring payment of administrative costs of the contested hearing, as allowed by law.

Dated this 5 day of May, 2021,

South Dakota Board of Accountancy



Deidre N. Budahl, CPA
Board of Accountancy Chair