

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

In the Matter of:)	
)	
SCOTT K. MORSTAD,)	CPE AUDIT
CERTIFIED PUBLIC ACCOUNTANT)	Case 103-21
)	
Certificate No. 1794)	CONSENT AGREEMENT

The above-named parties in the interest of resolving the action between them enter into this Consent Agreement upon the terms and conditions set forth below.

1. The South Dakota Board of Accountancy (Board) has jurisdiction of this matter pursuant to SDCL 36-20B.
2. Scott K. Morstad (Morstad) is licensed as a certified public accountant (CPA) with the Board. His certificate number is 1794.
3. As a licensee, Morstad is subject to the provisions of SDCL 36-20B and ARSD 20:75.
4. Pursuant to SDCL 36-20B-27 a licensed CPA is required to complete 120 hours of continuing professional education (CPE) in each three-year renewal cycle.
5. Pursuant to ARSD 20:75:04:11 the CPA is subject to verification of all CPE submitted to the board. A CPA selected for a review must provide documentation to verify attendance or completion of all courses reported to the board for CPE credit.
6. Pursuant to ARSD 20:75:04:15 the CPA is required to keep documentation as acceptable evidence of completion for claimed CPE courses.
7. On September 22, 2020, Morstad was sent a letter in regards to being selected for a CPE audit for the three-year renewal period from July 1, 2017 through June 30, 2020. Morstad was informed that the deadline for submission of the documentation to verify claimed CPE was October 30, 2020.

8. Morstad submitted CPE documentation to the board on October 28, 2020.
9. Morstad came into the office and spoke to Executive Director Kasin about the documentation he needed to provide. During the discussion he informed Executive Director Kasin that he did not attend the AICPA Annual Federal Tax by the SD CPA Society on November 6, 2019, even though he claimed it on his record. This course was used on his record to meet the 120 CPE hours in the three-year rolling period ending June 30, 2020.
10. On November 24, 2020, Senior Secretary Iverson emailed Morstad indicating the course he did not attend was removed from his record and requested any additional documentation to claim CPE hours for the audit period. The additional documentation was to be submitted by December 4, 2020.
11. On November 30, 2020, Morstad emailed stating he had no additional documentation for CPE courses to claim in the audit period.
12. Morstad acknowledges he is required to obtain 120 CPE hours in any rolling three-year renewal period;
 - a. Morstad acknowledges that reporting a course he didn't attend to obtain his required 120 CPE hours in the three-year renewal period ending June 30, 2020, is deceptive.
 - b. Morstad acknowledges for the rolling three-year renewal period ending June 30, 2020, he is short 2.5 CPE hours.
13. Morstad acknowledges that he failed the CPE audit for the three-year period ending June 30, 2020.
14. The above described conduct constitutes grounds for disciplinary action in South Dakota against Morstad.

15. Morstad is aware that he may choose to be represented by legal counsel in this matter.
16. Morstad is aware of and understands the nature of these matters and has been informed of his right to counsel, notice, hearing, and appeal, and that by agreeing to and signing this Consent Agreement, he waives all procedures and proceedings before the Department to which he may be entitled under state or federal law.
17. Morstad admits that the violations described in this Consent Agreement are true and accurate, and Morstad admits to having violated South Dakota Law and Administrative Rules of South Dakota.
18. In return for Morstad's agreement to the provisions of this Consent Agreement, the Board agrees not to proceed to hearing and agrees that this Consent Agreement will constitute the final agency disposition of this matter.
19. Morstad agrees, in lieu of contesting this matter formally, to voluntarily accept the following terms and conditions for entry of this Consent Agreement:
 - a. The Board shall grant Morstad an extension to complete 2.5 hours of CPE for period ending June 30, 2020. The hours must be completed within 90 days of the agreement being signed by the Chair;
 - b. Morstad shall complete 4 CPE hours on the Code of Professional Conduct. The 4 CPE hours will not eligible to use towards any of your required hours on any renewal. The hours must be completed and proof submitted to the board within 90 days of the agreement being signed by the Chair;
 - c. Morstad shall submit proof of completion for all claimed CPE courses taken through the extension timeframe and for all the CPE in the next three renewal periods;
 - d. Morstad will not be eligible for an extension to complete CPE for the next three renewal periods;
 - e. The Board will issue a public reprimand to Mr. Morstad; and
 - f. Morstad shall pay an administrative fee in the amount of \$1000. The administrative fee must be paid within 30 days of the agreement being signed by the Chair.

20. If Morstad fails to comply with the terms or conditions of this Consent Agreement, the Board may initiate formal disciplinary action against his.
21. Morstad understands that nothing in this Consent Agreement will be deemed to restrict the Board from raising facts in reference to either party outside of those set forth in this Consent Agreement, if there are other material facts related to the matters under investigation that have not been set forth or disclosed herein.
22. Morstad consents, agrees, and acknowledges that this Consent Agreement must be submitted to the Board for acceptance or rejection. In the event the Board rejects the recommendations for resolution by Consent Agreement, Morstad waives any right to claim prejudice of the Board by reason of any factual basis submitted to the Board in an effort to resolve this matter by Consent Agreement rather than by formal proceeding.
23. Morstad understands that the terms of this Consent Agreement will be public, which includes publishing a summary of the action taken on the Board's website.
24. Morstad understands that this Consent Agreement may be considered in any future licensing procedures with the Board and for the purposes of determining the appropriate sanctions in any future actions by the Board for any violations of laws or regulations of the State of South Dakota or for failing to abide by any order of the Board.
25. Morstad has read, understands, and agrees to this Consent Agreement and is freely and voluntarily signing it. This Consent Agreement contains the entire agreement between the parties relating to the matters referenced in the Consent Agreement. Morstad is not relying on any other representations of any kind, verbal or otherwise.

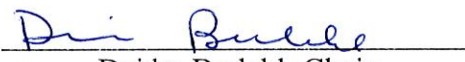
26. If this Consent Agreement is approved by the Board, a copy of the executed Consent Agreement will be served by first class mail to Morstad, at the address 7500 S. High Cross Trail Sioux Falls, SD 57108.

Dated this 1 day of April, 2021.



Scott K. Morstad, CPA

Dated this 5 day of May, 2021.



Deidre Budahl, Chair
South Dakota Board of Accountancy