

STATE OF SOUTH DAKOTA  
BOARD OF ACCOUNTANCY

IN THE MATTER OF THE )  
CPE AUDIT BY THE SOUTH DAKOTA )  
BOARD OF ACCOUNTANCY )  
AGAINST STEVEN L. SMITH )

NEGOTIATED  
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 Board has jurisdiction of this matter pursuant to SDCL 36-20B.
2. Steven L. Smith (Smith) is a certified public accountant (CPA) and holder of South Dakota certificate number 1749.
3. Smith 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. Pursuant to ARSD 20:75:04:07 the CPA is required to complete a minimum of 20 CPE hours in a one year renewal period.
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 October 18, 2010, Smith was sent a letter in regards to being randomly selected for a CPE audit. Smith was informed that the deadline for submission of the documentation to verify claimed CPE was December 1, 2010.
8. Smith submitted partial documentation on November 1, 2010.
9. On November 17, 2010, Executive Director Kasin left a phone message for Smith in regards to the documentation for the CPE audit.
10. On November 23, 2010, Executive Director Kasin and Smith discussed via phone the required documentation needed to complete the CPE audit. Smith indicated he would work on providing the required documentation and would be in contact again on or about December 1, 2010.

11. On December 9, 2010, Executive Director Kasin and Smith spoke again via phone in regards to the required documentation needed to complete the CPE audit. Smith was asked to submit the documentation to verify the claimed CPE by December 18, 2010.

12. On December 28, 2010, Smith sent Executive Director Kasin an email indicating he could not provide verification for some CPE hours claimed for the 3 year period.

13. Smith failed to submit verification for some of the CPE claimed during the three year period.

14. Smith acknowledges that he failed to submit sufficient documentation to verify CPE courses reportedly taken in the period of July 1, 2008 to June 30, 2009. He provided documentation for 0 hours of CPE for the period ending June 30, 2009. He failed to provide documentation for 36 hours of CPE claimed for the period ending June 30, 2009. He failed to provide documentation to verify that he met the minimum of 20 hours of CPE each year as required in ARSD 20:75:04:07.

15. Smith acknowledges that he failed to submit sufficient documentation to verify CPE courses reportedly taken in the period of July 1, 2009 to June 30, 2010. He provided documentation for 3 hours of CPE for the period ending June 30, 2010. He failed to provide documentation for 33 hours of CPE claimed for the period ending June 30, 2010. He failed to provide documentation to verify that he met the minimum of 20 hours of CPE each year as required in ARSD 20:75:04:07.

16. Smith acknowledges that he has failed to maintain documentation for CPE as required in ARSD 20:75:04:15.

17. Smith acknowledges that he failed to submit documentation to verify the 120 hours of CPE claimed for the period ending June 30, 2009.

18. Smith acknowledges that he failed to submit documentation to verify the 120 hours of CPE claimed for the period ending June 30, 2010.

19. Smith acknowledges that he failed the CPE audit for the three year period ending June 30, 2010, by not submitting verifying documentation for all claimed CPE.

20. Smith acknowledges that this agreement constitutes an admission as to the factual allegations contained in paragraphs 7 through 19 and that his actions, as set forth above, constitute violations of ARSD 20:75:04:11, which requires certificate holders subject to maintain verification of all CPE submitted to the board.

21. In exchange for the satisfactory fulfillment by Smith of the promises contained in paragraph 22 of this agreement, the Board agrees not to take any additional disciplinary action against Smith as a result of the findings contained in paragraphs 7 through 19.

22. In exchange for the promises of the Board contained in paragraph 21 of this agreement, Smith agrees to the following:

- a) Smith will have 3 CPE hours rolled back from the period ending June 30, 2010, into the period ending June 30, 2009. A CPE extension will be placed on his file for period ending June 30, 2009.
- b) Smith will be granted an extension to complete the 75 hours of CPE; 15 hours for the period ending June 30, 2009, and 60 hours for the period ending June 30, 2010. The 75 hours must be completed within 90 days of the signed agreement by the Vice Chair.
- c) Smith will agree to submit proof of completion for all claimed CPE courses taken through the extension timeframe and for the next three renewal periods.
- d) Smith will not be eligible for an extension to complete CPE for the next three renewal periods.
- e) Smith will be required to file his next three renewals before or on the deadline of August 1.
- f) Smith will be assessed an administrative fee in the amount of \$150. The administrative fee must be paid within 30 days of the signed agreement by the Vice Chair.
- g) The Board will issue a public reprimand to Mr. Smith.

22. It is further understood and agreed that this settlement shall resolve all allegations contained within paragraphs 7 through 19 in favor of the Board and that any problems of compliance with this agreement by Smith will only require the Board to establish noncompliance with the terms of the Consent Agreement.

23. Smith understands that noncompliance with this Consent Agreement could result in an adversarial hearing in which the Board could revoke any certificate or permit, suspend any permit, reprimand, censure or limit the scope of his practice or place him on probation, all with or without terms, conditions or limitations, impose an administrative fee not exceeding \$1000, require the satisfactory completion of the CPA and ethics examination, and the payment of any costs associated with this or any other proceeding involving Smith.


24. Smith understands that by signing this agreement he waives his right to a contested case proceeding pursuant to SDCL 1-26, wherein he has the right to be present and represented by legal counsel, call witnesses on his behalf, and that these and other due process rights will be

forfeited if they are not exercised at the hearing. Smith further understands that he has the right to use the Office of Hearing Examiners by giving notice to the Board of Accountancy and that any decision from such a hearing may be appealed to the circuit court and the South Dakota Supreme Court as provided by law. By signing this agreement, Smith has waived his right to an adversary hearing in this matter and the Board may proceed as set forth in this agreement.

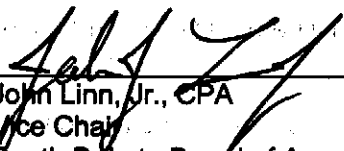
Dated this 30 day of July, 2011.

  
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Steven L. Smith, CPA

Dated this 5 day of August, 2011.

  
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Nicole Kasin  
Executive Director  
South Dakota Board of Accountancy

Dated this 8<sup>th</sup> day of August, 2011.

  
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John Linn, Jr., CPA  
Vice Chair  
South Dakota Board of Accountancy