



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**
301 E. 14th Street, Suite 200
Sioux Falls, SD 57104
(605) 367-6770 / Fax: (605) 367-5773
e-mail: sdbdacct.ecbdc@midconetwork.com
www.accountancy.sd.gov

South Dakota Board of Accountancy
Minutes of Meeting
Department of Legislative Audit – Conference Room
May 13, 2011-8:30 a.m.

The Board of Accountancy held a meeting at the Department of Legislative Audit in Pierre, SD on Friday, May 13, 2011. Chair Holly Brunick called the meeting to order at 8:38 a.m.

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

Also present were Nicole Kasin, Executive Director; Tricia Nussbaum, Secretary; and Aaron Arnold, Legal Counsel.

Chair Holly Brunick asked if there were any additions to the agenda. The following additions were added:

NASBA Nomination for Director-at-Large
Addition to Peer Review
NASBA 4th Annual International Forum

A motion was made by John Linn, Jr. and seconded by John Mitchell to approve the March 25, 2011, meeting minutes. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by David Olson to approve the issuance of individual certificates and firm permits through May 6, 2011. The motion unanimously carried.

A motion was made by David Olson and seconded by John Mitchell to approve the financial statements through April 2011. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by John Mitchell to approve the CPA Exam scores for the 28th CPA Exam window through March 2011. The motion unanimously carried.

Executive Director Kasin explained the adjustments made to the policy that would be followed when individuals fail their CPE Audits. Proposed negotiated consent agreements would be made using this policy. A major discussion followed regarding CPE and the violation categories. Executive Director Kasin will change the wording to criteria instead of categories on the policy. Due to the updates and corrections the Board will not take action on this policy until the next meeting.

Executive Director Kasin discussed her Executive Directors report to the Board. The Board held a discussion on the issues as follows:

- Executive Director Kasin attended a meeting hosted by Secretary Roberts for the Executive Directors within the Department of Labor and Regulation on April 20. They discussed various administrative topics, including strategic planning.
- NASBA ALD is creating a public site, CPA Verify. CPA Verify is in the final testing stages and the committee plans to go live with CPA Verify July 1, 2011. The board is participating in CPA Verify.
- NASBA's Communications Committee has discussed at previous NASBA conferences to further communication between NASBA and state boards, along with opportunities for boards to communicate effectively with the public. The use of social media has been suggested. Executive Director Kasin explained that the board does have a Facebook page and the traffic on the site is increasing as the word gets out to candidates and licenses about our page. The main focus of the Facebook page is to inform the public about the board and

post updates in regards to board operation; Board meetings, grade releases, office closures, etc. It also redirects those on the Facebook page to gather more information from our website. With the use of grade release information on Facebook, the calls from candidates asking about their scores has declined since they now follow the board on Facebook.

- Rule updates will begin in June with help from Marty Guindon and David Olson. Any updates or recommendations for updates from the board should be sent to Executive Director Kasin. With the changes to SAS 70 Executive Director Kasin and Marty Guindon are waiting for a model rule and may need to make a rule change to cover SAS 70 in our rules.
- A risk analysis was done with certain board records. Discussion followed regarding possible options for scanning stored paper documents in the office on the server. Executive Director Kasin said that a software program would be needed to organize and create access to the files. However, microfilm would still be required by the state as the permanent backup for records.
- The wording from Sarbanes-Oxley Act Section 209 was brought to the board's attention in the March meeting from the NASBA focus questions. The board discussed the matter briefly and asked the topic to be revisited at the next meeting after the NASBA Regional meeting.
- Two mobility impact letters have been received since the last in person meeting in August of 2010. The Board discussed possible fee changes with firms or restructuring the firm permit application for the future. Discussion was tabled till after the hearing.

Hearing at 10:30 a.m. Reinstatement of License for **Bruce E. Hanson**- Present were: Carla Bachand Capital Reporting Services, Bruce E. Hanson, Board Legal Counsel Aaron Arnold, Board Chair Holly Brunick, Vice Chair John Linn, Jr., Secretary-Treasurer John Peterson, Board Members John Mitchell, Marty Guindon, and David Olson. Others present were staff members Nicole Kasin, Executive Director; and Tricia Nussbaum, Secretary.

Board Legal Counsel Aaron Arnold presented the Board's case. Bruce E. Hanson represented himself and presented his case before the Board. After discussion by both parties, the Board closed the hearing at 11:15 a.m.

A motion was made by John Peterson and seconded by John Mitchell to enter into executive session for the purpose of deliberation. The motion carried; 5 Aye, 1 Abstain (Brunick).

The Board came out of executive session.

A motion was made by John Linn, Jr. and seconded by David Olson to reinstate the license of Bruce Eugene Hanson with the condition to pay costs as associated with reinstatement proceedings per SDCL 36-20B-53 and SDAR 20:75:06:02. In addition, Mr. Hanson will be required to attain the 120 CPE hours by 6/30/2013. A roll call vote was taken. The motion carried; 5 Aye, 1 Abstain (Brunick).

The Board took a break for lunch.

The Board resumed the regular Board Meeting at 1:10 p.m.

John Linn, Jr. rejoined the meeting at 1:25 p.m.

The Board resumed the discussion on possible fee changes with firms or restructuring the firm permit application for the future. The Board asked Executive Director Kasin to encapsulate the revenue impact if the firm fee changes, evaluate the purpose of collecting individual names coming in on firm permits, and find out how many out of state firm locations are registered with us.

The Board discussed strategic planning of the Board office. The board utilizes issues on the horizon from NASBA as one source for guidance and planning. Executive Director Kasin would like set a plan for future changes to the operation of some Board functions. The board discussed the option to hire a strategic planner. At this time the board does not wish to pursue that option.

John Peterson brought up the topic of NASBA's 4th Annual International Forum and the Board briefly discussed current education concerns.

The Board discussed the AICPA and NASBA's UAA Exposure Draft on Firm Names and the responses from Missouri, Nebraska, North Carolina, Tennessee, and Louisiana.

The Board discussed NASBA's Background Paper on Blue Ribbon Panel Recommendations, which will be further discussed at the Regional Meeting in June.

The Board briefly discussed NASBA's Board of Directors meeting minutes January 14, 2011, the Board of Directors meeting highlights April 29, 2011, the executive summary regional focus questions, the Regional Directors report on focus questions, the CBT 4Q10 exam summary report, the nominations for Director-at-Large including support letters for Leonard Sanchez, Laurie Tish, Ken Odom, and Theodore Long; and the Nomination of Gaylen Hanson for Vice-Chair.

A motion was made by David Olson and seconded by John Peterson to enter into executive session for the deliberative process for peer reviews. The motion unanimously carried.

The Board came out of executive session.

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

The issue of CPE and ethics was discussed at length by the board.

FUTURE MEETING DATES (all times CT)

June 20, 2011 – 9:00 a.m. Conference Call

August 8, 2011 – 8:30 a.m. Sioux Falls, Location to determined

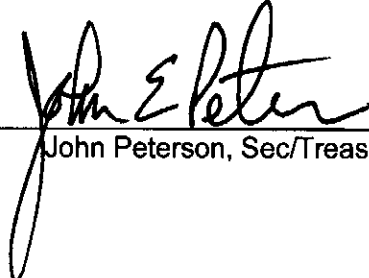
September 19, 2011 – 9:00 a.m. Conference Call

A motion was made by Marty Guindon and seconded by John Mitchell to adjourn the meeting. The motion unanimously carried.

All business having come before the board was concluded and Chair Holly Brunick adjourned the meeting at 4:00 p.m.


Holly Brunick, CPA, Chair

Attest: 
Nicole Kasin, Executive Director


John Peterson, Sec/Treasurer