



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

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**South Dakota Board of Accountancy
Minutes of Meeting
McGladrey & Pullen, LLP
Sioux Falls, South Dakota
August 10, 2009**

The Board of Accountancy held a meeting at the office of McGladrey & Pullen, LLP in Sioux Falls, SD on Monday, August 10, 2009. Chair David Olson called the meeting to order at 8:32 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; Tricia Nussbaum, Secretary; 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 Certificates
Report to Board on NASBA Annual Meeting
Nominating Committee

A motion was made by John Mitchell and seconded by John Peterson to approve the July 13, 2009, meeting minutes. The motion unanimously carried.

A motion was made by John Mitchell and seconded by John Peterson to approve the issuance of individual certificates and firm permits through August 6, 2009. The motion unanimously carried.

The Board discussed the security lending asset and liability on the balance statement. The Board also noted that due to the new Mobility legislation that revenue has decreased.

A motion was made by Marty Guindon and seconded by John Peterson to approve the financial statements through June 30, 2009. The motion unanimously carried.

The Board discussed the ALD file that was created for NASBA. The South Dakota Board is now a participant in the ALD and our file is uploaded nightly with NASBA.

The Board discussed the possibility of increasing the fine limit above \$1000. Marty Guindon compared it to other state agency's fines and the limit we have set is similar to other agencies in the state. The Board decided to keep the fine limit at \$1000.

The Board discussed enforcing an ethics CPE requirement. Further information requested was what surrounding states require for ethical training; psychological or behavioral courses available for ethics requirement; rules regarding professional conduct as an ethics course. The Board tabled this discussion topic for a later date.

The Board discussed IFRS and possibly referencing it directly in our statutes and rules. The Board tabled this discussion topic for a later date.

As a topic at the NASBA regional conference an issue was discussed on whether to license tax practitioners. The Board agreed that if they did license tax practitioners that they would be creating an authority and at this time the Board agrees that the IRS should continue to monitor tax practitioners.

Nicole Olson-Kasin asked the Board if they wished to have a questionnaire sent to those that completed their renewal online for further feedback and what questions should be included in the questionnaire. The Board agreed a questionnaire should be sent to a sample of those that completed the online renewal process. Nicole Olson-Kasin will complete the questionnaire and report the findings back to the Board at a future meeting.

John Peterson informed the Board of Northern State University's International Business Conference where Murphy Smith will be leading a plenary session on IFRS Friday October 2, 2009, from 1:00-2:00 in Rapid City. The Board acknowledged this event and those who are able to attend will do so.

The Board came out of the regular Board Meeting at 10:00 a.m.

David Olson, Chair recused himself from the hearing proceedings.

Hearing at 10:00 a.m. for Ross A. Determan-Hillary Brady, Administrative Law Judge presided. Present were Ross A. Determan, Board Legal Counsel Sherri Sundem Wald, Board Vice Chair Marty Guindon, Secretary-Treasurer John Linn, Jr., Board Members John Mitchell, Holly Brunick, and John Peterson. Others present were staff members Nicole Olson Kasin, Executive Director; Tricia Nussbaum, Secretary; and Todd Kolden, Department of Labor.

Board Legal Counsel Sherri Sundem Wald presented the Board's case. Ross A. Determan represented himself and presented his case before the Board. After discussion by both parties, Judge Brady closed the hearing and asked the Board to render a decision. The Board deliberated.

Todd Kolden left the meeting at 11:15 a.m.

The following are the orders of the Board:

1. The Board assesses a \$1000 administrative fine pursuant to SDCL 36-20B-40.
2. Mr. Determan is required to pay the recovery of costs.
3. The Board issues a public reprimand to Mr. Determan.
4. The Board continues to limit his scope of practice in accordance with restrictions contained in the order issued by the Board on 1-5-2009.
5. Mr. Determan will install a quality control system in which all financial reports including "management purposes only" reports are to be reviewed and approved by Mr. Determan personally.
6. The Board places Mr. Determan on probation in accordance with SDCL 36-20B-40. Under the terms of the probation the Board reserves the right to do follow-up inspections of Mr. Determan's firm within 24 months of this Order.
7. In addition to and not as a subset of Mr. Determan's required continuing professional education, Mr. Determan is required to complete, within 180 days of this order, 24 hours of CPE in the area of quality control of an accounting practice to be pre-approved by the Board.
8. The board shall receive within 30 days of this order, a signed notarized confirmation that all employees of Mr. Determan's firm received and read the order issued by the Board as a result of the hearing held on August 10, 2009.

The Board closed the hearing at 12:44 p.m.

The Board took a break for lunch at 1:00 p.m.

The Board resumed the regular Board Meeting at 2:10 p.m.

A motion was made by Holly Brunick and seconded by Marty Guindon to authorize Nicole Olson-Kasin to advise the California Board of Accountancy that the dual pathway being proposed in the legislation provided would not be substantially equivalent to South Dakota. The motion unanimously carried.

Laura Coome, Executive Director for SD CPA Society joined the meeting at 2:15 p.m.

The Board reviewed and discussed the FY11 Proposed Budget.

A motion was made by Marty Guindon and seconded by Holly Brunick to approve the FY11 Budget as amended. The motion unanimously carried.

The Board was provided a list of fees charged to candidates, licensee's, and firms for the 55 jurisdictions by Laura Coome and Nicole Olson-Kasin. A discussion occurred of possible fee changes in South Dakota. It is possible that the fee changes would require a statute change if the request is above the set maximum limit. Laura Coome suggested the possibility of charging a flat fee for firms; but is concerned with the cost for sole proprietors and smaller firms. The Board recognizes this issue and is open for change; however at this time they prefer to wait a year or more to see the effect of Mobility. No action was taken at this time.

Laura Coome left the meeting at 3:15 p.m.

The Annual Conference for NASBA will be held November 1-4, 2009. The location of the meeting will be in Phoenix, AZ at the JW Marriott Desert Ridge. A request for a board motion to approve travel for 2 Board Members and the Executive Director to attend the NASBA annual conference was discussed.

A motion was made by John Peterson and seconded by John Linn, Jr. to approve travel for two Board Members and the Executive Director to attend the NASBA Annual Conference in Phoenix, AZ, on November 1-4, 2009. The motion unanimously carried. The Executive Director will submit the necessary documents for approval.

The Board discussed the AICPA's Fresh Approach for Compilation and Review which served as a reference for Focus questions.

The Board completed NASBA's Regional Directors' Focus Questions.

The Board briefly discussed NASBA's Board of Directors meeting minutes April 24, 2009, and Board of Directors meeting highlights July 17, 2009.

A motion was made by John Linn, Jr. and seconded by Holly Brunick to enter into executive session for the purpose of discussing peer review. 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 approve the request of Independent Audit Service, LLP to schedule their Peer Review at a location other than the firm office as allowed by ARSD 20:75:07:08. The motion unanimously carried.

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

The Board came out of executive session.

A motion was made by Marty Guindon and seconded by John Mitchell to approve the election of Board officers as follows: Holly Brunick-Chair, John Linn, Jr.-Vice Chair, and John Peterson-Secretary/Treasurer. The motion unanimously carried.

Future meeting dates were discussed and set as follows:

September 14th - 9:00 a.m. Conference Call
October 19th - 9:00 a.m. Conference Call
December 4th, 2009 - 9:00 a.m. Conference Call

A motion was made by John Linn, Jr. 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 4:45 p.m.



Holly Brunick, CPA, Chair

Attest: 

Nicole Olson Kasin, Executive Director



John Peterson, Sec/Treasurer