



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**
301 E. 14th Street, Suite 200
Sioux Falls, SD 57104
(605) 367-5770 / Fax: (605) 367-5773
e-mail sdbdacct.sdbd@midconetwork.com
www.accountancy.sd.gov

South Dakota Board of Accountancy Meeting
Minutes of Meeting
Department of Legislative Audit – Conference Room
8:30 a.m. (CDT)
October 27, 2014

The Board of Accountancy held a meeting at the Department of Legislative Audit – Conference Room in Pierre, SD on Monday, October 27, 2014. Chair John Mitchell called the meeting to order at 8:35 a.m.

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

Also present were Nicole Kasin, Executive Director; Julie Iverson, Senior Secretary; Aaron Arnold, Legal Counsel and Department of Labor & Regulation; Laura Coome, SD CPA Society; and Jeff Smith.

A motion was made by David Pummel and seconded by John Peterson to approve the September 17, 2014, meeting minutes. The motion unanimously carried.

A motion was made by John Peterson and seconded by Holly Brunick to approve the issuance of individual certificates and firm permits through October 21, 2014. The motion unanimously carried.

A motion was made by John Linn Jr. and seconded by Marty Guindon to approve the financial statements through September 2014. The motion unanimously carried.

The Board discussed the report on the CPA exam grades for the 42nd window.

A motion was made by John Linn Jr. and seconded by David Pummel to approve the CPA Exam scores for the 42nd CPA Exam window through September 2014. The motion unanimously carried.

Executive Director Kasin discussed the update on the electronic data storage management, CPE audits, the audit for the two years ending June 30, 2014, and the Board appointment and re-appointment of members.

A motion was made by Holly Brunick and seconded by John Linn Jr. to enter into executive session for the deliberative process for peer reviews, South Dakota reviews and follow-ups. The motion unanimously carried.

The Board came out of executive session.

A motion was made by John Peterson and seconded by David Pummel to accept the peer reviews, South Dakota reviews and follow-up as discussed in executive session. The motion unanimously carried.

At 9:08 a motion was made by Holly Brunick and seconded by David Pummel to begin the Public Rules Hearing. The motion unanimously carried.

Chair Mitchell gave an overview of rule 20:75:02:07 Definition of disability – Learning disability; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:04:00 Definitions; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:04:01 Standards for continuing professional education program measurement; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:04:05 Non-group continuing professional education program criteria; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:04:15 Documentation for continuing professional education credit; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:04:18 Standards for continuing professional education program sponsors of self-study programs; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:05:01 Independence; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:05:05 Auditing, accounting, and review standards; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:05:06 Accounting principles; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:05:07 Professional standards and conduct; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:05:08 Interpretations; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:05:17 Records retention; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:07:01 Definitions; then opened the floor to public testimony. There was no public testimony.

Chair Mitchell gave an overview of rule 20:75:07:08 Conduct of review -- Location; then opened the floor to public testimony. There was no public testimony.

After Board discussion, ARSD 20:75:04:00(27) was amended to add to the definition "an accredited institution as described in 20:75:02:12."

The Board will leave the comment period open for an additional ten days after the meeting.

A motion was made by John Linn Jr. and seconded by David Pummel that the proposed rule amendments be adopted with the revisions that were discussed at the hearing. The motion unanimously carried.

The Public Rules Hearing was closed at 9:30 a.m.

The board discussed AICPA's paper on the audit process of private entities.

Hearing at 10:00 a.m. for Keith Germann

Present were Board Legal Counsel Aaron Arnold, Board Chair John Mitchell, Vice Chair John Linn, Jr., Secretary-Treasurer David Pummel, Board Members Holly Brunick, John Peterson, and Marty Guindon. Others present were staff members Nicole Kasin, Executive Director and Julie Iverson, Senior Secretary. Those from the public present were Laura Coome, SD CPA Society, and Jeff Smith. Not present was Keith Germann.

Board Legal Counsel Aaron Arnold presented the Board's case. The Board closed the hearing at 11:17 a.m.

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

The Board came out of executive session.

A motion was made by John Peterson and seconded by John Linn, Jr. to revoke firm permit #1457, Keith C. Germann, CPA and to suspend the practice privileges of Keith C. Germann. Mr. Germann will be required to appear in person before the board for reinstatement. The motion unanimously carried. Aaron Arnold will prepare the findings of fact, conclusions of law and order.

The board discussed the AICPA paper on maintaining the relevance of the CPA examination.

FUTURE MEETING DATES (all times CT)

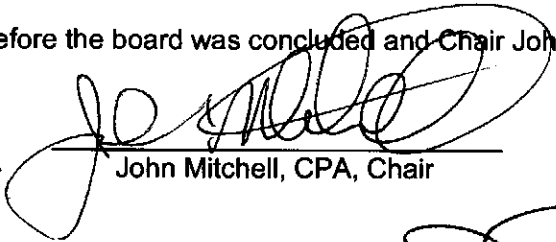
December 5, 2014 – 9:00 a.m. Conference call

January 23, 2015 – 9:00 a.m. Conference call


March 20, 2015 – 9:00 a.m. Conference call


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

All business having come before the board was concluded and Chair John Mitchell adjourned the meeting at 12:20 p.m.



John Mitchell, CPA, Chair

Attest: 
Nicole Kasin, Executive Director


David Pummel, Sec/Treasurer