



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

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Sioux Falls, SD 57104
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Agenda
South Dakota Board of Accountancy Meeting
Conference Call
9:00 a.m. (CT)
April 25, 2017

A=Action
D=Discussion
I=Information

A-Approval of Minutes of Meeting March 24, 2017.....	2-3
A-Approval of Certificates & Firm Permits.....	4-5
A-Approval of Financial Statements through March 2017.....	6-14
A-Report to Board on CPE Request.....	15-22
A-Report to Board on Grades.....	23-24
D-Executive Director's Report.....	25
AICPA	
D-Proposed Evolution of Peer Review Administration, revised January 2017.....	26-36
NASBA	
D-CPE Model Rules Exposure Draft.....	37-44
EXECUTIVE SESSION	
Equivalent Reviews for Board Approval.....	Spt. Pkt.

FUTURE MEETING DATES (all times CT)

June 20, 2017, 9:00 Conference Call

July 21, 2017, 9:00 Conference Call

August 9, 2017, 8:30 Eide Bailly 5th Floor Conference Room, Sioux Falls, SD



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Minutes of Meeting
South Dakota Board of Accountancy
Conference Call
March 24, 2017 - 9:00 a.m. CDT

Chair David Pummel called the meeting to order at 9:01 a.m. Nicole Kasin called the roll. A quorum was present.

Members Present: Jeff Strand, Deidre Budahl, Marty Guindon, Jeff Smith, Holly Brunick and David Pummel.

Others Present: Nicole Kasin, Executive Director, Julie Iverson, Sr. Secretary, and Graham Oey, Legal Counsel and Department of Labor & Regulation.

Chair Pummel asked if there were any additions to the agenda. The following were added:
Addition to the Certificates

Jeff Strand made a motion to approve the agenda. Deidra Budahl seconded the motion. A roll call vote was taken. The motion unanimously carried. (Strand -yea; Budahl -yea; Guindon.-yea; Smith-yea; Brunick-yea; Pummel-yea)

Marty Guindon made a motion to approve the January 20, 2017 meeting minutes. Holly Brunick seconded the motion. A roll call vote was taken. The motion unanimously carried. (Strand -yea; Budahl -yea; Guindon.-yea; Smith-yea; Brunick-yea; Pummel-yea)

Jeff Smith made a motion to approve the issuance of individual certificates and firm permits through March 23, 2017. Jeff Strand seconded the motion. A roll call vote was taken. The motion unanimously carried. (Strand -yea; Budahl -yea; Guindon.-yea; Smith-yea; Brunick-yea; Pummel-yea)

Marty Guindon made a motion to approve the financial statements through February 2017. Deidra Budahl seconded the motion. A roll call vote was taken. The motion unanimously carried. (Strand -yea; Budahl -yea; Guindon.-yea; Smith-yea; Brunick-yea; Pummel-yea)

The Board discussed a request by a CPA to earn CPE for writing a book. The board tabled further discussion until the next board meeting.

The Board discussed the NASBA Western Regional Conference which will be held in Coeur d'Alene, ID June 6-8, 2017, and the NASBA Eastern Regional Conference which will be held in Newport, RI, June 27-29, 2017.

Marty Guindon made a motion to approve travel for the Executive Director and board members to attend the NASBA Western Regional Conference held in Coeur d'Alene or Eastern Regional Conference held in Newport, RI. Jeff Strand seconded the motion. A roll call vote was taken. The motion unanimously carried. (Strand -yea; Budahl -yea; Guindon.-yea; Smith-yea; Brunick-

yea; Pummel-yea) The Executive Director will submit the necessary travel documents for approval.

Executive Director Kasin discussed her report with an update on the new database, the CPE audits, the board's two year audit ending June 30, 2016, and gave a recap of the NASBA Executive Directors Conference held in New Orleans, LA March 14-16, 2017.

Legal Counsel Graham Oey gave a recap of the NASBA Legal Counsel Conference held in New Orleans, LA, March 14-16, 2017.

The Board discussed the AICPA's Board of Examiners meeting highlights from January 18-20, 2017.

The Board tabled discussion on NASBA's CPE Model Rules Exposure Draft until the next meeting.

Marty Guindon made a motion to enter into executive session for the deliberative process for peer reviews, follow-up reviews, and consent agreements. Deidra Budahl seconded the motion. A roll call vote was taken. The motion unanimously carried. (Strand -yea; Budahl -yea; Guindon.-yea; Smith-yea; Brunick-yea; Pummel-yea)

The Board came out of executive session.

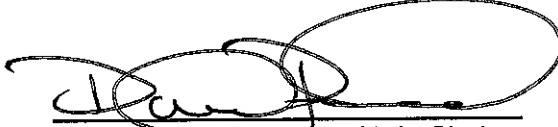
Jeff Strand made a motion to accept the peer reviews, follow-up reviews, and consent agreements as discussed in executive session. Jeff Smith seconded the motion. A roll call vote was taken. The motion unanimously carried. (Strand -yea; Budahl -yea; Guindon.-yea; Smith-yea; Brunick-yea; Pummel-yea)

FUTURE MEETING DATES (all times CT)

April 25, 2017 – 9:00 a.m. conference call
June 20, 2017 – 9:00 a.m. conference call
July 21, 2017 – 9:00 a.m. conference call
August 9, 2017 - 8:30 a.m. location TBD

Marty Guindon made a motion to adjourn the meeting. Holly Brunick seconded the motion. A roll call vote was taken. The motion unanimously carried. (Strand -yea; Budahl -yea; Guindon.-yea; Smith-yea; Brunick-yea; Pummel-yea)

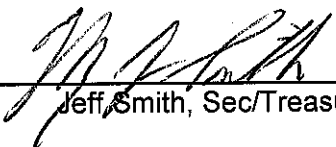
All business having come before the board was concluded and Chair David Pummel adjourned the meeting at 9:59 a.m.



David Pummel, CPA, Chair

Attest: 

Nicole Kasin, Executive Director



Jeff Smith, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through April 18, 2017

Number	Name	Date Issued	Location
3318	Bobbi Jo Bourk	04/10/17	Sioux Falls, SD

**FIRM PERMITS TO PRACTICE PUBLIC ACCOUNTANCY
BOARD COPY**

**Issued Through
April 18, 2017**

Number	Name	Date Issued	Basis/Comments
1689	Plante & Moran, PLLC Southfield, MI	03/24/17	New Firm

AGENCY: 10 LABOR & REGISTRATION
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	426,357.16	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			426,357.16	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			426,357.16	DR **	
BUDGET UNIT TOTAL 1031			426,357.16	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 03/31/2017

AGENCY 10 LABOR & REGULATION
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JY APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503 COMPANY NAME PROFESSIONAL & LICENSING BOARDS										
6503	103100061802	51010100	CGEX170227	03/01/2017					2,692.97	DR
6503	103100061802	51010100	CGEX170313	03/17/2017					2,178.66	DR
6503	103100061802	51010100	CGEX170328	03/31/2017					3,333.85	DR
OBSUB: 5101010 F-T EMP SAL & WAGES										
6503	103100061802	51010200	CGEX170227	03/01/2017					8,205.48	DR *
6503	103100061802	51010200	CGEX170313	03/17/2017					974.03	DR
6503	103100061802	51010200	CGEX170328	03/31/2017					817.09	DR
OBSUB: 5101020 P-T/TEMP EMP SAL & WAGES										
OBJECT: 5101 EMPLOYEE SALARIES										
6503	103100061802	51020100	CGEX170227	03/01/2017					10,999.76	DR **
6503	103100061802	51020100	CGEX170313	03/17/2017					246.08	DR
6503	103100061802	51020100	CGEX170328	03/31/2017					195.05	DR
OBSUB: 5102010 OAS-EMPLOYER'S SHARE										
6503	103100061802	51020200	CGEX170227	03/01/2017					736.64	DR *
6503	103100061802	51020200	CGEX170313	03/17/2017					220.01	DR
6503	103100061802	51020200	CGEX170328	03/31/2017					179.75	DR
OBSUB: 5102020 RETIREMENT-ER SHARE										
6503	103100061802	51020600	CGEX170227	03/01/2017					757.75	DR
6503	103100061802	51020600	CGEX170313	03/17/2017					743.86	DR
6503	103100061802	51020600	CGEX170328	03/31/2017					841.09	DR
OBSUB: 5102060 HEALTH/LIFE INS.-ER SHARE										
6503	103100061802	51020800	CGEX170227	03/01/2017					2,342.70	DR *
6503	103100061802	51020800	CGEX170313	03/17/2017					4.39	DR
6503	103100061802	51020800	CGEX170328	03/31/2017					3.60	DR
OBSUB: 5102080 WORKER'S COMPENSATION										
6503	103100061802	51020900	CGEX170227	03/01/2017					13.21	DR *
6503	103100061802	51020900	CGEX170313	03/17/2017					1.42	DR
6503	103100061802	51020900	CGEX170328	03/31/2017					1.15	DR
OBSUB: 5102090 UNEMPLOYMENT COMPENSATION										
OBJECT: 5102 EMPLOYEE BENEFITS										
GROUP: 51 PERSONAL SERVICES										
6503	103100061802	52032600	DC702012	03/10/2017					3,756.79	DR **
OBSUB: 5203260 AIR-COMM-OUT-OF-STATE										
OBJECT: 5203 TRAVEL										
6503	103100061802	52041800	DP702101	03/24/2017					14,756.55	DR ***
OBSUB: 5204180 COMPUTER SERVICES-STATE										
6503	103100061802	52042000	FM712068	03/24/2017					690.38	DR *
OBSUB: 5204200 COMPUTER SERVICES-STATE										
6503	103100061802	52042000	FM712068	03/24/2017					106.05	DR **
OBSUB: 5204200 COMPUTER SERVICES-STATE										
6503	103100061802	52042000	FM712068	03/24/2017					106.05	DR *

AGENCY	BUDGET UNIT	CENTER	LABOR & REGULATION BOARD OF ACCOUNTANCY BOARD OF ACCOUNTANCY	COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
10	1031	10310	LABOR & REGULATION BOARD OF ACCOUNTANCY BOARD OF ACCOUNTANCY	6503	103100061802	52042000	PL702058	03/24/2017		ABBUSINESS	12036980		1,085.10	DR *
				6503	103100061802	52042200	IN375432	03/17/2017	00396430	ABBUSINESS	12036980		72.55	DR
				6503	103100061802	52042200	17-018 JUL-JUN17	03/28/2017	00399175	SUNSETOFFI	12043890		72.55	DR *
				6503	103100061802	52044230	JANITORIAL & MAINT SERV	03/08/2017	02196702	MALFINANC	12219369		130.34	DR *
				6503	103100061802	52044600	EQUIPMENT RENTAL	03/28/2017	02199360	MCGINNISRO	12074040		603.00	DR *
				6503	103100061802	52045300	RENTS-PRIVATE OWNED PROP.	03/15/2017	00392930	MDDCONTINE	12023782		1,269.45	DR *
				6503	103100061802	52045300	1111090018571	03/08/2017	00399766	MDDCONTINE	12023782		126.74	DR
				6503	103100061802	52045300	1111090018625	03/31/2017	00399766	MDDCONTINE	12023782		95.00	DR
				6503	103100061802	52045300	8381416X02242017	03/08/2017	00393909	ATFMOBILIT	12279233		56.18	DR
				6503	103100061802	52045400	TELECOMMUNICATIONS SRVCS	03/10/2017	02196843	XCELENERGY	12023853		372.92	DR *
				6503	103100061802	52047400	ELECTRICITY	03/17/2017	289650				66.91	DR *
				6503	103100061802	52049600	BANK FEES AND CHARGES	03/22/2017					89.24	DR *
				6503	103100061802	52053200	OTHER CONTRACTUAL SERVICE	03/24/2017					216.00	DR *
				6503	103100061802	52280000	PRINTING-COMMERCIAL						6.90	DR *
				6503	103100061802	52280000	SUPPLIES & MATERIALS						6.90	DR **
				6503	103100061802	52280000	OPER TRANS OUT -NON BUDGT						522.94	DR **
				6503	103100061802	52280000	NONOP EXP/NONBGTD OP TR						5,231.78	DR ***
				6503	103100061802	52280000	OPERATING EXPENSES						19,988.33	DR ****
				6503	103100061802	52280000							19,988.33	DR ****
				6503	103100061802	52280000							19,988.33	DR ****

South Dakota Board of Accountancy
Balance Sheet
As of March 31, 2017

	Mar 31, 17
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - Great Western	384.53
1140000 · Pool Cash State of SD	426,357.16
Total Checking/Savings	426,741.69
Other Current Assets	
1131000 · Interest Income Receivable	8,148.45
1213000 · Investment Income Receivable	1,149.12
Total Other Current Assets	9,297.57
Total Current Assets	436,039.26
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-140,063.23
1670000 · Computer Software - Other	15,301.00
Total 1670000 · Computer Software	15,301.00
Total Fixed Assets	15,301.00
TOTAL ASSETS	451,340.26
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	7,784.42
Total Accounts Payable	7,784.42
Other Current Liabilities	
2430000 · Accrued Wages Payable	7,530.77
2810000 · Amounts Held for Others	30,739.19
Total Other Current Liabilities	38,269.96
Total Current Liabilities	46,054.38
Long Term Liabilities	
2960000 · Compensated Absences Payable	17,470.51
Total Long Term Liabilities	17,470.51
Total Liabilities	63,524.89
Equity	
3220000 · Unrestricted Net Assets	317,825.02
Net Income	69,990.35
Total Equity	387,815.37
TOTAL LIABILITIES & EQUITY	451,340.26

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July 2016 through March 2017

	Jul '16 - Mar 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,500.00	2,800.00	-300.00	89.3%
4293551 · Certificate Renewals-Active	59,630.00	58,000.00	1,630.00	102.8%
4293552 · Certificate Renewals-Inactive	19,700.00	21,000.00	-1,300.00	93.8%
4293553 · Certificate Renewals-Retired	1,200.00	1,000.00	200.00	120.0%
4293554 · Initial Firm Permits	650.00	700.00	-50.00	92.9%
4293555 · Firm Permit Renewals	13,500.00	15,500.00	-2,000.00	87.1%
4293557 · Initial Audit	390.00	900.00	-510.00	43.3%
4293558 · Re-Exam Audit	1,830.00	2,460.00	-630.00	74.4%
4293560 · Late Fees-Initial Certificate	100.00	0.00	100.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,750.00	3,000.00	-250.00	91.7%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	400.00	600.00	-200.00	66.7%
4293564 · Late Fees-Peer Review	700.00	1,300.00	-600.00	53.8%
4293566 · Firm Permit Owners				
5208003 · REFUNDS	-20.00			
4293566 · Firm Permit Owners - Other	106,665.00	105,000.00	1,665.00	101.6%
Total 4293566 · Firm Permit Owners	106,645.00	105,000.00	1,645.00	101.6%
4293567 · Peer Review Admin Fee	975.00	5,650.00	-4,675.00	17.3%
4293568 · Firm Permit Name Change	225.00	100.00	125.00	225.0%
4293569 · Initial FAR	750.00	1,140.00	-390.00	65.8%
4293570 · Initial REG	570.00	660.00	-90.00	86.4%
4293571 · Initial BEC	870.00	930.00	-60.00	93.5%
4293572 · Re-Exam FAR	1,470.00	1,860.00	-390.00	79.0%
4293573 · Re-Exam REG	1,830.00	2,310.00	-480.00	79.2%
4293574 · Re-Exam BEC	1,710.00	2,310.00	-600.00	74.0%
4491000 · Interest and Dividend Revenue	5,466.12	4,000.00	1,466.12	136.7%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
Total Income	223,861.12	232,220.00	-8,358.88	96.4%
Gross Profit	223,861.12	232,220.00	-8,358.88	96.4%
Expense				
5101010 · F-T Emp Sal & Wages	46,724.83	76,588.00	-29,863.17	61.0%
5101020 · P-T/Temp Emp Sal & Wages	18,485.38	31,035.00	-12,549.62	59.6%
5101030 · Board & Comm Mbrs Fees	3,360.00	4,683.00	-1,323.00	71.7%
5102010 · OASI-Employer's Share	4,654.50	8,281.00	-3,626.50	56.2%
5102020 · Retirement-ER Share	3,912.59	6,495.00	-2,582.41	60.2%
5102060 · Health /Life Ins.-ER Share	13,861.30	20,968.00	-7,106.70	66.1%
5102080 · Worker's Compensation	78.13	43.00	35.13	181.7%
5102090 · Unemployment Insurance	25.27	108.00	-82.73	23.4%
5203010 · Auto--State Owned	111.55	800.00	-688.45	13.9%
5203020 · Auto-Private-Ownes Low Mileage	364.78	400.00	-35.22	91.2%
5203030 · In State-Auto- Priv. High Miles	881.16	1,500.00	-618.84	58.7%
5203100 · In State-Lodging	564.10	1,000.00	-435.90	56.4%
5203120 · In State-Incidentals to Travel	25.00	100.00	-75.00	25.0%
5203140 · InState-Tax Meals Not Overnigt	11.00	100.00	-89.00	11.0%
5203150 · InState-Non-Tax Meals OverNight	240.00	400.00	-160.00	60.0%
5203230 · OS-Auto Private High Mileage	335.16	100.00	235.16	335.2%
5203260 · OS-Air Commercial Carrier	5,546.88	6,000.00	-453.12	92.4%
5203280 · OS-Other Public Carrier	473.10	500.00	-26.90	94.6%
5203300 · OS-Lodging	6,916.43	7,800.00	-883.57	88.7%
5203320 · OS-Incidentals to Travel	418.00	450.00	-32.00	92.9%
5203350 · OS-Non-Taxable Meals Overnigt	651.00	1,300.00	-649.00	50.1%
5204010 · Subscriptions	557.58	1,000.00	-442.42	55.8%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	7,100.00	-7,100.00	0.0%
5204050 · Consultant Fees - Computer	0.00	15,000.00	-15,000.00	0.0%
5204080 · Consultant Fees--Legal	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	4,170.00	6,000.00	-1,830.00	69.5%
5204180 · Computer Services-State	3,021.90	6,000.00	-2,978.10	50.4%
5204181 · Computer Development Serv-State	0.00	5,000.00	-5,000.00	0.0%

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July 2016 through March 2017

	Jul '16 - Mar 17	Budget	\$ Over Budget	% of Budget
5204200 · Central Services	5,149.06	9,000.00	-3,850.94	57.2%
5204220 · Equipment Service & Maintenance	27.36	300.00	-272.64	9.1%
5204230 · Janitorial/Maintenance Services	1,173.06	1,600.00	-426.94	73.3%
5204340 · Computer Software Maintenance	0.00	2,000.00	-2,000.00	0.0%
5204360 · Advertising-Newspapers	0.00	1,000.00	-1,000.00	0.0%
5204440 · Newsletter Publishing	0.00	100.00	-100.00	0.0%
5204460 · Equipment Rental	2,448.00	4,000.00	-1,552.00	61.2%
5204480 · Microfilm and Photography	0.00	0.00	0.00	0.0%
5204490 · Rents Privately Owned Property	11,425.05	15,234.00	-3,808.95	75.0%
5204510 · Rent-Other	318.04	500.00	-181.96	63.6%
5204530 · Telecommunications Services	2,338.64	3,500.00	-1,161.36	66.8%
5204540 · Electricity	510.95	865.00	-354.05	59.1%
5204560 · Water	89.40	240.00	-150.60	37.3%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	4,735.88	6,000.00	-1,264.12	78.9%
5204960 · Other Contractual Services	672.00	0.00	672.00	100.0%
5205020 · Office Supplies	628.39	2,000.00	-1,371.61	31.4%
5205028 · OFFICE SUPPLIES-2	0.00	0.00	0.00	0.0%
5205310 · Printing State	0.00	500.00	-500.00	0.0%
5205320 · Printing/Duplicating/Binding Co	200.10	1,000.00	-799.90	20.0%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205340 · Microfilm Supplies/Materials	0.00	0.00	0.00	0.0%
5205350 · Postage	1,036.17	2,500.00	-1,463.83	41.4%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	0.00	4,800.00	-4,800.00	0.0%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	224.13	500.00	-275.87	44.8%
5228000 · Operating Transfers Out-NonBudg	4,304.90	7,400.00	-3,095.10	58.2%
Total Expense	153,870.77	280,000.00	-126,129.23	55.0%
Net Ordinary Income	69,990.35	-47,780.00	117,770.35	-146.5%
Net Income	69,990.35	-47,780.00	117,770.35	-146.5%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
March 2017

	Mar 17	Mar 16	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	100.00	125.00	-25.00	-20.0%
4293551 · Certificate Renewals-Active	100.00	10.00	90.00	900.0%
4293554 · Initial Firm Permits	100.00	250.00	-150.00	-60.0%
4293557 · Initial Audit	60.00	60.00	0.00	0.0%
4293558 · Re-Exam Audit	360.00	330.00	30.00	9.1%
4293561 · Late Fees-Certificate Renewals	50.00	0.00	50.00	100.0%
4293564 · Late Fees-Peer Review	50.00	0.00	50.00	100.0%
4293566 · Firm Permit Owners	2,065.00	3,170.00	-1,105.00	-34.9%
4293567 · Peer Review Admin Fee	0.00	75.00	-75.00	-100.0%
4293569 · Initial FAR	30.00	60.00	-30.00	-50.0%
4293570 · Initial REG	60.00	30.00	30.00	100.0%
4293571 · Initial BEC	60.00	30.00	30.00	100.0%
4293572 · Re-Exam FAR	210.00	180.00	30.00	16.7%
4293573 · Re-Exam REG	180.00	330.00	-150.00	-45.5%
4293574 · Re-Exam BEC	240.00	300.00	-60.00	-20.0%
Total Income	3,665.00	4,950.00	-1,285.00	-26.0%
Gross Profit	3,665.00	4,950.00	-1,285.00	-26.0%
Expense				
5101010 · F-T Emp Sal & Wages	8,205.48	4,389.05	3,816.43	87.0%
5101020 · P-T/Temp Emp Sal & Wages	2,794.28	1,872.10	922.18	49.3%
5102010 · OASI-Employer's Share	736.64	407.69	328.95	80.7%
5102020 · Retirement-ER Share	659.98	375.65	284.33	75.7%
5102060 · Health /Life Ins.-ER Share	2,342.70	1,151.03	1,191.67	103.5%
5102080 · Worker's Compensation	13.21	5.01	8.20	163.7%
5102090 · Unemployment Insurance	4.26	2.45	1.81	73.9%
5203260 · OS-Air Commercial Carrier	1,254.98	536.70	718.28	133.8%
5203280 · OS-Other Public Carrier	41.00	84.00	-43.00	-51.2%
5203300 · OS-Lodging	1,060.16	708.54	351.62	49.6%
5203320 · OS-Incidentals to Travel	89.00	90.00	-1.00	-1.1%
5203350 · OS-Non-Taxable Meals Overnight	100.00	122.00	-22.00	-18.0%
5204010 · Subscriptions	297.75	298.92	-1.17	-0.4%
5204180 · Computer Services-State	0.00	302.95	-302.95	-100.0%
5204200 · Central Services	1,085.10	144.50	940.60	650.9%
5204220 · Equipment Service & Maintenance	1.55	1.18	0.37	31.4%
5204230 · Janitorial/Maintenance Services	130.34	126.55	3.79	3.0%
5204460 · Equipment Rental	71.00	71.00	0.00	0.0%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	151.18	306.96	-155.78	-50.8%
5204540 · Electricity	58.78	58.25	0.53	0.9%
5204560 · Water	22.35	0.00	22.35	100.0%
5204740 · Bank Fees and Charges	89.24	101.40	-12.16	-12.0%
5205320 · Printing/Duplicating/Binding Co	48.30	10.35	37.95	366.7%
5207960 · Computer Software Expense	0.00	66.30	-66.30	-100.0%
5228000 · Operating Transfers Out-NonBudg	522.94	353.56	169.38	47.9%
Total Expense	21,049.67	12,855.59	8,194.08	63.7%
Net Ordinary Income	-17,384.67	-7,905.59	-9,479.08	-119.9%
Net Income	-17,384.67	-7,905.59	-9,479.08	-119.9%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2016 through March 2017

	Jul '16 - Mar 17	Jul '15 - Mar 16	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,500.00	1,600.00	900.00	56.3%
4293551 · Certificate Renewals-Active	59,630.00	60,210.00	-580.00	-1.0%
4293552 · Certificate Renewals-Inactive	19,700.00	20,100.00	-400.00	-2.0%
4293553 · Certificate Renewals-Retired	1,200.00	1,040.00	160.00	15.4%
4293554 · Initial Firm Permits	650.00	500.00	150.00	30.0%
4293555 · Firm Permit Renewals	13,500.00	13,700.00	-200.00	-1.5%
4293557 · Initial Audit	390.00	660.00	-270.00	-40.9%
4293558 · Re-Exam Audit	1,830.00	1,770.00	60.00	3.4%
4293560 · Late Fees-Initial Certificate	100.00	0.00	100.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,750.00	2,950.00	-200.00	-6.8%
4293563 · Late Fees-Firm Permit Renewals	400.00	400.00	0.00	0.0%
4293564 · Late Fees-Peer Review	700.00	400.00	300.00	75.0%
4293566 · Firm Permit Owners	106,645.00	98,405.00	8,240.00	8.4%
4293567 · Peer Review Admin Fee	975.00	825.00	150.00	18.2%
4293568 · Firm Permit Name Change	225.00	100.00	125.00	125.0%
4293569 · Initial FAR	750.00	660.00	90.00	13.6%
4293570 · Initial REG	570.00	630.00	-60.00	-9.5%
4293571 · Initial BEC	870.00	510.00	360.00	70.6%
4293572 · Re-Exam FAR	1,470.00	1,320.00	150.00	11.4%
4293573 · Re-Exam REG	1,830.00	1,740.00	90.00	5.2%
4293574 · Re-Exam BEC	1,710.00	1,650.00	60.00	3.6%
4491000 · Interest and Dividend Revenue	5,466.12	4,714.96	751.16	15.9%
4896021 · Legal Recovery Cost	0.00	200.00	-200.00	-100.0%
Total Income	223,861.12	214,084.96	9,776.16	4.6%
Gross Profit	223,861.12	214,084.96	9,776.16	4.6%
Expense				
5101010 · F-T Emp Sal & Wages	46,724.83	41,685.62	5,039.21	12.1%
5101020 · P-T/Temp Emp Sal & Wages	18,485.38	18,014.60	470.78	2.6%
5101030 · Board & Comm Mbrs Fees	3,360.00	2,760.00	600.00	21.7%
5102010 · OASI-Employer's Share	4,654.50	4,243.98	410.52	9.7%
5102020 · Retirement-ER Share	3,912.59	3,563.51	349.08	9.8%
5102060 · Health /Life Ins.-ER Share	13,861.30	11,108.19	2,753.11	24.8%
5102080 · Worker's Compensation	78.13	47.68	30.45	63.9%
5102090 · Unemployment Insurance	25.27	23.25	2.02	8.7%
5203010 · Auto--State Owned	111.55	78.65	32.90	41.8%
5203020 · Auto-Private-Ownes Low Mileage	364.78	103.96	260.82	250.9%
5203030 · In State-Auto- Priv. High Miles	881.16	1,108.80	-227.64	-20.5%
5203100 · In State-Lodging	564.10	319.60	244.50	76.5%
5203120 · In State-Incidentals to Travel	25.00	20.00	5.00	25.0%
5203140 · InState-Tax Meals Not Overnight	11.00	11.00	0.00	0.0%
5203150 · InState-Non-Tax Meals OverNight	240.00	268.00	-28.00	-10.5%
5203230 · OS-Auto Private High Mileage	335.16	0.00	335.16	100.0%
5203260 · OS-Air Commercial Carrier	5,546.88	1,727.10	3,819.78	221.2%
5203280 · OS-Other Public Carrier	473.10	208.00	265.10	127.5%
5203300 · OS-Lodging	6,916.43	2,439.00	4,477.43	183.6%
5203320 · OS-Incidentals to Travel	418.00	248.00	170.00	68.6%
5203350 · OS-Non-Taxable Meals Overnight	651.00	356.00	295.00	82.9%
5204010 · Subscriptions	557.58	507.90	49.68	9.8%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	0.00	10,607.50	-10,607.50	-100.0%
5204160 · Workshop Registration Fees	4,170.00	2,085.00	2,085.00	100.0%
5204180 · Computer Services-State	3,021.90	2,616.85	405.05	15.5%
5204181 · Computer Development Serv-State	0.00	1,312.85	-1,312.85	-100.0%
5204200 · Central Services	5,149.06	4,878.28	270.78	5.6%
5204220 · Equipment Service & Maintenance	27.36	18.97	8.39	44.2%
5204230 · Janitorial/Maintenance Services	1,173.06	1,138.95	34.11	3.0%
5204340 · Computer Software Maintenance	0.00	614.50	-614.50	-100.0%
5204460 · Equipment Rental	2,448.00	2,448.00	0.00	0.0%
5204490 · Rents Privately Owned Property	11,425.05	11,425.05	0.00	0.0%
5204510 · Rent-Other	318.04	248.80	69.24	27.8%
5204530 · Telecommunications Services	2,338.64	2,706.66	-368.02	-13.6%
5204540 · Electricity	510.95	442.39	68.56	15.5%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July 2016 through March 2017

	<u>Jul '16 - Mar 17</u>	<u>Jul '15 - Mar 16</u>	<u>\$ Change</u>	<u>% Change</u>
5204560 · Water	89.40	89.40	0.00	0.0%
5204740 · Bank Fees and Charges	4,735.88	4,438.86	297.02	6.7%
5204960 · Other Contractual Services	672.00	0.00	672.00	100.0%
5205020 · Office Supplies	628.39	784.95	-156.56	-20.0%
5205320 · Printing/Duplicating/Binding Co	200.10	138.00	62.10	45.0%
5205350 · Postage	1,036.17	0.00	1,036.17	100.0%
5207900 · Computer Hardware	0.00	2,783.12	-2,783.12	-100.0%
5207960 · Computer Software Expense	224.13	1,092.60	-868.47	-79.5%
5228000 · Operating Transfers Out-NonBudg	4,304.90	3,057.76	1,247.14	40.8%
Total Expense	<u>153,870.77</u>	<u>144,971.33</u>	<u>8,899.44</u>	<u>6.1%</u>
Net Ordinary Income	<u>69,990.35</u>	<u>69,113.63</u>	<u>876.72</u>	<u>1.3%</u>
Net Income	<u><u>69,990.35</u></u>	<u><u>69,113.63</u></u>	<u><u>876.72</u></u>	<u><u>1.3%</u></u>

REPORT TO BOARD ON CPE REQUEST

An individual has submitted a book to be considered for CPE.

20:75:04:01. Standards for continuing professional education program measurement.

The following standards are used to measure the hours of continuing professional education credit:

(7) The board may grant credit for the writing of published articles, books, or CPE programs to include credit for research and writing time provided the board determines the activity maintains or improves professional competence. The article, book, or CPE program must be formally reviewed by an independent party. CPE credits should be claimed only upon publication. Not more than half the three-year continuing professional education credit required may be gained through publications;

20:75:04:05. Non-group continuing professional education program criteria. The non-group programs which qualify as acceptable continuing professional education programs if they meet the requirements of § 20:75:04:02 include the following:

(4) **Published articles, books, or continuing professional education programs.** A CPA or PA may be given credit for research and writing time upon determination by the board that the CPA's and PA's competency has been maintained or increased as a result of the activity.

20:75:04:02. General continuing professional education program criteria. To qualify as acceptable continuing professional education, a program must be a learning activity that contributes directly to the professional competence of a CPA or PA in the practice of accountancy. A CPA and PA performing professional services must have a broad range of knowledge, skills, and abilities. Acceptable continuing professional education encompasses programs contributing to the development and maintenance of both technical and nontechnical professional skills. A program that promotes professional competence in the practice of accountancy is defined as one that refers to the process, methods, or principles of accounting or directly relates to the CPA's and PA's employment and is above the level of the CPA's and PA's current knowledge. Acceptable subjects include accounting, assurance/auditing, consulting services, specialized knowledge and applications, management, taxation, and ethics. Other subjects, including personal development, may be acceptable if they maintain or improve the CPA's and PA's competence. A CPA or PA may use a learning plan to evaluate learning and competency development. The learning plan may be reviewed periodically and modified as competency needs change.

The individuals request follows, along with the chapters of the book and introduction and the letter from the independent reviewer.

The individual is requesting 60 CPE hours for the period of July 1, 2016 to June 30, 2017.

The Board needs to make a determination in regards to the request.

Follow-Up Response from CPA:

Over the course of a year, I have put in at minimum 250 hours brainstorming, writing, editing and proof reading, researching information, copyrighting, collaborating with external professionals to self-publish the book. I feel that I could have earned at least 40 up to 60 hours of CPE credits during this time; instead I sacrificed it to develop a personal development material for others to enjoy.

Thanks,
Yolanda

February 8, 2016

Dear Board members,

It brings me great pleasure to announce the release of my E-book "Discover The Ultimate You – There's More Beneath The Surface". I am writing to request half the 3 years of continuing professional education credit. My book was published January 29, 2017.

As I wrote my book, I can truly say that it has developed the ultimate me and inspired to do even greater things. It allowed me to maintain my professional competence by requiring a lot of time, effort, a variety of skills, and research to self-publish all on my very own. I have maintained my competence by sharing words of integrity and honesty with others. I have improved effective communication skills as I had to apply correct sentence structures, grammar and punctuations. Moreover, I had to use my ideas and thoughts to get important messages across. I have improved my project management skills by organizing the book from the beginning and publishing and copyrighting as an end process. Information in my book required research. I have strategically established a good relationship and partnered with another to prepare my cover page virtually. I have used my business and accounting knowledge to budget my finance and choose the most cost-effective materials, and resources.

Writing this book has allowed me to better myself as a professional in the way it has improved my business writing skills and enhanced my emotional intelligence. I am more disciplined in my time management as I handled other personal projects very well. Writing my book forced me to be creative yet think logically about important topics to include. I have been able to share problems and possible solutions of handling conflict and ways to deal with people under different situations. Publishing this book is allowing me to improve my marketing skills to promote myself as a CPA and highlight my technical audit and accounting skills.

The book developed even more the consultant in me. I normally offer advice verbally but it has allowed me to put my work in writing. It has allowed me to provide advice to individuals on their career, professional and personal life. One of the reason for my writing is to motivate others to complete their goals particularly those wishing to enter the accounting profession. As a professional, this exemplifies leadership skills.

My book is serving its purpose to motivate and inspire others in their personal lives, which is needed to balance both work and play. I hope that you read my book and give a review. More importantly, I hope that you are inspired to give me full CPE credits. Thank you for your time and consideration.

Sincerely,

Yolanda Theophilus

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DEDICATION

I would like to dedicate this book to my mother, Elizabeth Lewis who has supported me during the process of writing, "Discover the Ultimate You – There's More Beneath the Surface." She is someone that I treasure because she is truly a gem. My mother is someone I can rely on and has been there for me through all of my life's decisions, including writing this book. I can always gain comfort in her own writing skills as I found that if it's anything I agreed with her fully on, is her choice of words as she speaks and writes with sincerity and dignity. I am inspired by her unconditional love, independence, and devotion to everything that she does. She continuously

teaches my sister and I to be kind, productive citizens, and healthy in mind and body. I am honored to call her my mother. If it weren't for her, I would not be here to fulfill one of my purposes in life, which is to help make a positive difference in your life.



ACKNOWLEDGEMENT

I would like to express my gratitude to my mother for reading over the draft of my eBook and giving me advice during the process of selecting my cover page. She has encouraged me to finish and publish the eBook because of her positive remarks towards it. Thank you Thomas Shutt for your hard work and creativity on my cover page. To my family and friends, I am grateful to you for every great moment that we share, your kind words and positive actions. It is because of my connections with you, I can give inspirations to others. To my niece, Anijah Bullard – I am very proud of you and wish only great things for you. I hope that you, including all the children of the world, are empowered, positively influenced, and become your best selves.

INTRODUCTION

There are twelve fundamental ways that I thought would help you develop the ultimate you and maximize your true potential. Firstly, you must understand more about what your desires and dreams are and what brings you to self-actualization. Establishing your goals and finding ways to achieve them will help get you on a path of success. Your goals may be work related, relationship driven or more specifically about personal development.

I believe that reading this eBook is a great start to understanding the challenges that you may encounter and identifying ways to overcome barriers and achieve personal success. Your success may differ than someone else and that is expected since we all are unique and have different interests and motivation levels. However, what matters most is that you are content in your life and that you are accomplishing your desired goals. If you feel there is room for growth to develop the ultimate you, then you are doing the right thing by reading this eBook.

I find truth in the serenity prayer which states, “God grant me the serenity to accept the things I cannot change, courage to change the things I can, and wisdom to know the difference.” In essence, focus on the things that you can control while adjusting to and planning around those situations you cannot. The journey to success is a recipe of a cup of efforts and resources, a spoonful of goals in a bowl of valuable experiences stirred with passion and baked over time. However, the recipe to love cannot be composed nor forced; rather, it will happen naturally over the course of time.

My inspiration to write this eBook is based on the fact that I enjoy making a difference in people's lives. I have helped companies improve their processes, internal controls, and financial matters for over 10 years. I really enjoy my day-to-day career obligation as a consultant and professional accountant to help good companies become great ones. More importantly, as I matured I realized that my passion is about people and their inner health, which is directly related to their visible progress and achievements.

People come first and all of the things that matter in our lives should be spoken about. It is my desire to be an inspiration in your life and make good change happen for you even in the simplest

way. Sometimes we are faced with challenges and shortcomings and we do not know how to find our way in this world of confusion. Other times we are afraid to ask questions and may not know what are the questions we need to ask. There are some people who do not have anyone they can talk to or let alone someone they feel they can trust to share their goals and dreams, their inner fears, their strengths and weaknesses, and their current situations with.

*

"Discover The Ultimate You: There's More Beneath The Surface" authored by Yolanda Theophilus is an exciting read for the audience. It delivers an entertaining and exciting account and viewpoint on personal growth and development. I find this book to be a great resource of learning and discovering oneself. One of the many amazing features of the book is that it captivates the attention of multiple audiences - whether you are embarking on your life's journey just out of high school or you are a seasoned professional, there is so much that you can learn from this book. Yolanda herself is a well qualified professional who has great academics and work experiences in different places. Her book clearly demonstrates the skills that she has developed and her tips stated in the book comes in handy for the readers and would help them avoid many mistakes in life's journey.

I also enjoyed reading Yolanda's personal experiences in the book which proves that the strategies for personal growth that she shares in her book have been tested firsthand by her. The tone of book's language is very positive and keeps the reader attached to it. The division of book in twelve chapters is a strong point as it helps the reader in picking from where s/he left. The flow of content from chapter to chapter and within each chapter is logical, helps the reader understand and follow the idea being discussed. The questions Yolanda poses to readers in her book are intriguing and thought provoking. It is a great tool for the reader to stop from running in day to day life and look back to reflect on what s/he has been doing and if all the related stress, worries or fear are worth the material rewards.

The inspirational quotes used from different sources are apt and give an opportunity for the reader to learn how the great minds in the world think and allow the reader to adapt the learning in their lives. Yolanda's enthusiasm to share her wealth of knowledge is obvious everywhere in the book and demonstrates her passion for the subject. Lastly, the book is a short

one (about 72 pages) that could be finished in a single reading. I personally believe that this book would be a treat for the seekers of happiness and self realization.

Reviewed by:

Siddharth Vats, MBA, CPA

(347) 282-9145

March 5, 2017

REPORT TO BOARD ON GRADES

Nicole Kasin

The grades were posted for review for the 52nd window. These grades are through March 2017. I have included the average scores per school since CBT started along with the number of students that have sat for their school respectively. The last chart shows the averages for the past 8 windows.

Overall Average Window 1-52

Window	(All)
--------	-------

Average of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	
Augie	75	73	73	74	74
BHSU	71	71	70	72	71
COTech	65	69	69	73	69
DSU	69	70	62	69	67
DWU	70	66	65	75	69
Mt. Marty	65	67	72	69	68
NAU	69	65	67	69	67
NSU	72	69	72	71	71
OS	74	73	70	72	72
SDSU	74	75	76	77	76
USD	77	75	74	74	75
USF	73	75	74	77	74
Grand Total	73	73	72	73	73

Students per section per school since CBT Began (3 or more parts)

Window	(All)
--------	-------

Count of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	
Augie	98	102	89	108	397
BHSU	119	124	105	102	450
COTech	23	21	14	14	72
DSU	16	18	16	14	64
DWU	18	17	19	14	68
Mt. Marty	26	28	17	20	91
NAU	15	19	25	22	81
NSU	99	115	78	95	387
OS	246	262	240	231	979
SDSU	40	39	29	36	144
USD	268	281	271	278	1098
USF	85	81	80	66	312
Grand Total	1053	1107	983	1000	4143

Average for past 8 windows (3 or more parts)

Window	(Multiple Items)
--------	------------------

Average of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	Grand Total
Augie	75	78	73	77	76
BHSU	70	73	73	74	72
DSU		68			68
DWU		64	74	72	70
Mt. Marty	62	53	76		62
NAU	72	74	72	71	72
NSU	71	67	66	73	69
OS	72	76	71	69	73
SDSU	77	79	76	78	78
USD	76	74	72	72	74
USF	72	80	76	75	75
Grand Total	73	74	72	73	73

The Board needs to Approve the 2017-1 (52nd Window) grades.

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

NASBA Update

Janice Gray of Oklahoma has been nominated for Vice-Chair 2017-2018.

Database update

The board staff is working with GL Solutions to create the database. Calls began at the beginning of September. We are wrapping up the design process and moving into the mapping of data with various processes. After looking at calendars and seeing the work yet to complete along with our renewal process where we limit our time with GL due to staff time commitment, we are setting a goal of testing the database starting in September and then adjusting schedules with results of the testing.

Board Audit

The Board staff is working with the auditors on the two years ending June 30, 2016 audit. The contract was extended to have the audit completed by June 30, 2016.

Board Discussion

- Any New Business/topics?

Proposed Evolution of Peer Review Administration

Revised January 2017

A discussion paper seeking input from state CPA societies and state boards of accountancy

Background

In February 2016, the American Institute of CPAs (AICPA) released a discussion paper to state CPA society (society) CEOs to solicit input on the evolution of peer review administration of the AICPA Peer Review Program (Program), with a companion paper sent to state boards of accountancy (boards) in July. The evolution of peer review administration is part of the AICPA's Enhancing Audit Quality (EAQ) initiative, with the objective to ultimately improve audit performance by increasing consistency, efficiency and effectiveness of Program administration.

The February paper proposed a model for a peer review administering entity (AE) of the future, specifying various criteria, including a required number of AEs, specific staffing requirements/qualifications, structural requirements for Peer Review Committees (Committees) and Report Acceptance Bodies (RABs) and the administration of a minimum of 1,000 peer reviews annually. The model demonstrated one potential way in which the consistency, efficiency and effectiveness in the administration of peer review could be increased, resulting in improved audit performance by practitioners.

The discussion paper and its companion paper to the boards generated significant discussion and response, including formal comment letters from 30 societies and 25 boards. The overwhelming majority of respondents agreed inconsistencies exist among AEs and the administration model needs to change. Most respondents agreed a reduction in the number of AEs would improve consistency.

In addition, stakeholders submitted ideas on how best to achieve the stated objective including several alternatives to the model. A group of society staff leadership and AICPA staff carefully considered these alternatives, and agreed that a model using modified staffing requirements/qualifications and specific performance benchmarks could most effectively achieve the objective. In addition, the Planning Task Force of the AICPA's Peer Review Board (PRB) provided additional input while concurring with the approach as a whole. **Based on this feedback, the model has been revised to eliminate the required number of AEs, the requirement to administer a minimum of 1,000 reviews annually and many of the AE staffing requirements.**

Proposed Benchmark Model

The most common suggestion for the evolution of peer review administration was to allow existing, effective AEs that operate in full accordance with Program Standards and guidance, to continue administering the Program, without consideration given to the number of peer reviews administered, and to discontinue administration by poor performing AEs. Many respondents indicated they believed their AE was operating effectively because they were unaware of any evidence to the contrary. **Accordingly, the model proposed in this paper requires AEs to meet specific benchmarks, diligently monitored by the AICPA, and increases transparency of AE performance.**

Under this model, AEs that choose to continue administering peer reviews must meet specific benchmarks, which include qualitative, objective and measurable criteria. AEs will be evaluated based upon whether they consistently meet these benchmarks. AE performance will be made transparent through new reporting requirements to various stakeholders, such as society CEOs and boards, as appropriate. If this approach is undertaken, the specific benchmarks illustrated in this paper are subject to changes and approval by the PRB, and may be modified over time due to advances in technology and other factors.

Inconsistencies in administrative processes and report acceptance have been identified by PRB Oversight Task Force (OTF) members and AICPA staff through RAB observations, AE oversight visits and other processes. These inconsistencies, though communicated only to the AE in the past, resulted in peer reviews being administered untimely and with results not in compliance with the Program. The proposed benchmarks have been developed by identifying how to:

- Minimize the inconsistencies
- Increase the probability that individuals with the appropriate knowledge, experience and skepticism perform and give adequate consideration to technical reviews and the RAB process, and
- Optimize the peer review process so firms can meet their licensing requirements efficiently

Two Important Criteria Retained and Modified

Two key criteria from the original proposed model are included, though slightly modified, in this revised proposal related to staffing and Technical Reviewer requirements.

- 1) Staffing: Ultimately, the society CEO is responsible for determining the necessary staffing and hiring appropriately qualified individuals.

Though the primary focus of the proposed model is the achievement of identified benchmarks, each AE will be required to have at least one CPA employed on staff, who is actively engaged, knowledgeable about the Program Standards and administrative requirements and processes, and has the authority and sufficient knowledge to identify and correct inadequate performance of an administrator or technical reviewer. If the AE administers for more than one state, the CPA staff member must be employed full-time. This individual should

- Be fully committed to the objectives of the Program and its administration and have the moral courage to challenge Committees/RABs, when necessary
- Conduct monitoring procedures and present results to the society CEO
- Be responsible for day to day operations of the Program, which allows continuity and a backup plan

- 2) Technical Reviewer Requirements: Based on stakeholder feedback the requirement for a full-time technical reviewer to be employed on staff has been removed. Additionally, the requirement that all working papers be evaluated as a part of the technical review has been removed. However, there will be a change in process in that administrators will make all peer review working papers available to the technical reviewer who will be required to take a risk-based approach in determining which working papers should be evaluated during the technical review. In addition, the requirement for the technical reviewer to be present during RAB meetings has been retained.

Failure to Meet Benchmarks

If performance benchmarks are not met, a society (or organization) will lose its ability to be an AE. The OTF and AICPA staff will monitor AE compliance through reports generated from the new peer review software program launching in 2017, Peer Review Integrated Management Application (PRIMA), observations of Committee and RAB meetings and AE oversight visits. If an AE fails to meet the benchmarks and appropriate, timely remediation is not achieved, the

PRB will rescind the AE's ability to administer the Program. Fair procedures will be developed and followed to determine the appropriate remediation and, if necessary, termination.

Benchmarks

Benchmarks fall into three categories: administrator, technical reviewer and Committee/RAB. AEs will be required to develop policies and procedures to address how the AE will comply with the benchmarks. These policies and procedures will become part of each AE's annual Plan of Administration (POA). The POA is a document outlining operational details as to how the AE will implement the Program under Program Standards and is subject to annual approval by the PRB.

In addition, each AE will be required to develop and disclose in its POA its policies and procedures designed to mitigate the familiarity threat that exists among Committees/RABs, technical reviewers, peer reviewers, and firms subject to review, based on the AE's particular circumstances. Such procedures may include one or more of the following (not all inclusive):

- Redacting identifying information about firm and/or peer reviewers from documents presented to RAB
- Arranging for the acceptance of its committee members' peer reviews by another AE
- Arranging for the acceptance of its high-volume reviewers' reviews by another AE
- Arranging for RAB members or specialists from other states to participate in RABs
- Engaging qualified individuals from another state to perform all technical reviews

In addition to the policies and procedures designed to mitigate the familiarity threat developed by each AE, all committee and RAB members will annually be required to: (1) participate in guided discussion which will emphasize the importance of maintaining objectivity and the appropriate level of skepticism, and (2) sign confirmations indicating their agreement to comply with Program Standards and maintain objectivity and an appropriate level of skepticism.

For each AE, the applicable society CEO(s) will be accountable for the peer review administrative process under his/her organization's responsibility. Accordingly, the CEO will be responsible for:

- Determining the necessary staffing
- Hiring appropriately qualified individuals
- Monitoring compliance with the benchmarks, and
- Signing the POA, agreeing to the responsibilities outlined above

See Exhibit 1 for descriptions of proposed benchmarks.

Benchmark Violations and Fair Procedures

If an AE fails to meet the required benchmarks, fair procedures will be followed to determine the appropriate remediation, or depending on the significance of the benchmarks not achieved, termination. The fair procedures developed will provide the AE an opportunity to remedy the situation(s) that created the violation(s), with disqualification as an AE resulting only from a failure to remediate to acceptable levels of performance. When remediation is required, the individual within the AE responsible for the Program should immediately take required actions, and the society CEO should oversee the remediation.

Violations will fall into one of two categories: egregious and non-egregious, with both types of violations resulting in required remediation and appropriate transparency to stakeholders. A pattern of non-egregious violations will result in additional oversight, with failure to remediate causing the AE to move into "probation." Egregious violations will cause immediate "probation," with the AE incurring the cost of external oversight during remediation.

Exhibit 2 provides a flow chart and an illustrated example of fair procedures. The fair procedures will be fully developed and shared with all stakeholders, including the costs to the AE for remediation and probationary activities.

As previously indicated, the specific benchmarks illustrated in this paper are subject to changes and approval by the PRB, including the determination of which benchmark violations are considered egregious. Below are examples of proposed egregious benchmark violations which will cause an AE to move into probation:

- Late submission of the Annual POA (or not including all required information) by due date (note that the PRB is currently considering revising the due date of the Annual POA to a time where submission of complete information is reasonably achievable)
- Not completing the required annual minimum number of oversights by the due date (note that, similar to the consideration noted above for the Annual POA, the PRB is currently considering the date by which all oversights must be completed.)
- Not addressing reviewer performance issues timely
- Technical reviewer and Committee/RAB members not applying appropriate level of objectivity and skepticism (familiarity threat)
- Receiving repeat comments in a RAB observation report from the immediate preceding report
- Releasing confidential peer review information to an external party without written permission from firm
- Sending over 15% of required communications late
- RABs accepting reviews without the presence of members who have appropriate experience/expertise or a quorum
- Not performing administrative oversight
- RAB consistently deferring or delaying over 10% of reviews
- Not engaging/using technical reviewers who possess appropriate experience, training or expertise
- Technical reviewers not present at RAB meetings
- Not structuring and scheduling RAB meetings appropriately
- Not responding timely to requests from the OTF or AICPA staff

State Board Oversight

While this paper does not propose a separate set of board oversight benchmarks, **such oversight will continue to be a critical component of the Program's administration.** The proposed model will not be effective without external oversight such as that performed by board-appointed Peer Review Oversight Committees (PROC)s. We will continue to work closely with the National Association of State Boards of Accountancy (NASBA) and boards to support an effective PROC process. We will also continue our collaboration with NASBA's Compliance Assurance Committee (CAC) to discuss and develop appropriate oversight procedures.

In addition, we will create a panel of board executive directors as an additional channel of input for administrative matters. Through this model, we will provide an additional avenue of discussion regarding AE administration and other peer review matters.

Stakeholder Feedback Requested by June 30, 2017

Feedback is integral to the evolution of peer review administration. The AICPA is requesting your feedback of this proposed model and the benchmark criteria for AEs of the future. All input will be considered and will shape the final plan. The intent is to communicate a final plan, along with a transition process, by August 31, 2017.

Please consider the following questions when formulating your response.

- Considering the benchmark criteria presented, what changes do you believe will best increase consistency and audit quality in the peer review administration process?
- What suggestions do you have to help mitigate familiarity threats to the process?
- Are there proposals within this paper that are not feasible? If so, what suggestions do you have for otherwise meeting the objective of increasing consistency, efficiency and effectiveness of Program administration?
- Considering the benchmark criteria presented, would any new criteria be unreasonable to implement by May 1, 2018?
- Are there additional benchmark criteria that should be included?
- Are there aspects discussed within the paper that need further clarification?

If you have concerns about aspects of the proposed plan, please share alternative suggestions for meeting the quality initiative.

Comments and responses should be sent to Beth Thoresen, Director – Peer Review Operations, AICPA Peer Review Program, AICPA, 220 Leigh Farm Road, Durham, NC 27707-8110 or prsupport@aicpa.org, and are requested by June 30, 2017.

Thank you in advance for your thoughtful consideration of the issues facing Peer Review administration, and your commitment to enhancing audit quality throughout the profession.

Exhibit 1 – Benchmarks

The following are proposed performance benchmarks for which each AE will be held accountable. All benchmarks in this paper are illustrative and are subject to modification and approval by the PRB. The OTF and AICPA staff will monitor compliance utilizing PRIMA, observations of Committee and RAB meetings and AE oversight visits.

Some benchmarks may require changes to guidance and others may be revised as PRIMA is implemented during 2017. Current benchmarks will be monitored upon approval of the concept. Certain benchmarks are currently implied and thus expected to be currently met, and guidance will be changed such that they will be explicitly required. Benchmarks that are not currently implied or required will be phased in, with all benchmarks effective by May 1, 2018.

Administrator Benchmarks:

Current Requirements

- Enter committee decision for reviews when acceptance has been delayed or deferred and send letters within two weeks of RAB meetings
- Submit complete annual POA by due date, including completion of all requirements
- Select appropriate reviews for oversight based on written criteria in the policies and procedures, which considers risks associated with both the reviewer and the firm
- Ensure the minimum number of oversights and the related criteria are met and performed throughout the year
- Send overdue letters and other communications when appropriate as required by guidance
- Make appropriate decisions on exceptions (e.g. extensions, team members, off-site reviews, etc.) and maintain support for exceptions
- Perform the reviewer resume verification process timely and in accordance with the Oversight Handbook
- Follow the documentation retention criteria policy established within Interpretation 25-1

Implied Requirements

- Comply with confidentiality requirements of the Program and the boards for the states the AE administers; this includes:
 - Establish internal confidentiality procedures
 - Communicate the policies and procedures to all parties involved in the peer review administration process
 - Observe that the policies and procedures are followed
- Complete administration checklist and record working papers received (within four business days of receipt)
- Fully implement recommendations from RAB observations in a timely manner upon receipt of the report
- Fully implement recommendations from RAB observations such that no comments are repeated in subsequent observations
- Provide RAB materials electronically to RAB members one week in advance of RAB meetings
- Respond timely to requests from the OTF or AICPA staff

New Requirements

- Weekly investigate reviews for which review team composition can't be approved
- Record committee decisions timely in PRIMA after RAB meetings for reviews that are accepted which will result in documents being uploaded to FSBA
- Address the familiarity threat for Committee and RAB composition within the POA

Technical Reviewer Benchmarks:

Current Requirements

- Perform the technical review timely and in accordance with the RAB Handbook requirements (including applying appropriate levels of objectivity and skepticism)
- Recommend reviews or engagements for oversight when appropriate

Implied Requirements

- Limit reviews with open items and missing relevant information from being included in the RAB package unless RAB consultation necessary (overall over time, an AE should have less than 10% of its reviews delayed or deferred to another meeting)
- Fully implement recommendations from RAB observations in a timely manner upon receipt of the report
- Fully implement recommendations from RAB observations such that no comments are repeated in subsequent observations
- Be familiar with guidance issued by the PRB and the board licensure laws for the states in which the AEs administer peer reviews
- Propose due date for corrective actions or implementation plans after discussing feasibility with the firm in advance of RAB meeting to be included in the RAB materials
- Respond timely to requests from the OTF or AICPA staff

New Requirements

- Prepare reviewer feedback forms and letters in advance of RAB meeting to be included in the RAB materials
- Obtain must-select training to perform technical reviews of peer reviews that have engagements from must-select industries
- Be present during RAB meetings in which his/her reviews are presented to answer RAB member questions to avoid deferrals or delays
- Be CPAs
- Thoroughly prepare peer reviews for RAB meetings to minimize the number of reviews that are deferred or delayed accepted subject to missing information

Committee/RAB Benchmarks:

Current Requirements

- Conduct RAB meetings with sufficient frequency to meet 120-day rule for timeliness of presentation of reviews (60-day rule for engagement reviews with certain criteria)¹

¹ This model does not propose a minimum number of RAB meetings per year.

- Structure each meeting's RAB member composition to include members with relevant industry experience (regarding must-select engagements)
- Ensure each review has a quorum of RAB members to vote on it in accordance with the RAB Handbook
- Be familiar with guidance issued by the PRB
- Meet qualifications as established in the RAB Handbook
- Read materials prior to the RAB meeting and come prepared to discuss agenda items
- Discuss peer reviews and do not overly rely on the technical reviewer (including applying appropriate levels of objectivity and skepticism)
- Assign corrective actions and implementation plans in the appropriate situations with due dates that are feasible and will benefit the firm
- Issue timely the appropriate level of reviewer feedback that the situation dictates
- Shepherd reviews through the completion process timely, including generally not waiving or extending corrective actions and implementation plans (exception – hardships)
- Perform oversights on firms and reviewers timely in accordance with the Oversight Handbook and each AE's own written policies and procedures
- Annually evaluate qualifications and competencies of technical reviewer(s)
- Perform administrative oversight in accordance with the Oversight Handbook

Implied Requirements

- Establish RAB meeting length so that the entire meeting is productive; the length is appropriate to adequately discuss each peer review given its complexity (suggestion: conference calls should not be scheduled for more than two hours)
- Fully implement recommendations from RAB observations in a timely manner upon receipt of the report
- Fully implement recommendations from RAB observations such that no comments are repeated in subsequent observations
- Respond timely to requests from the OTF or AICPA staff

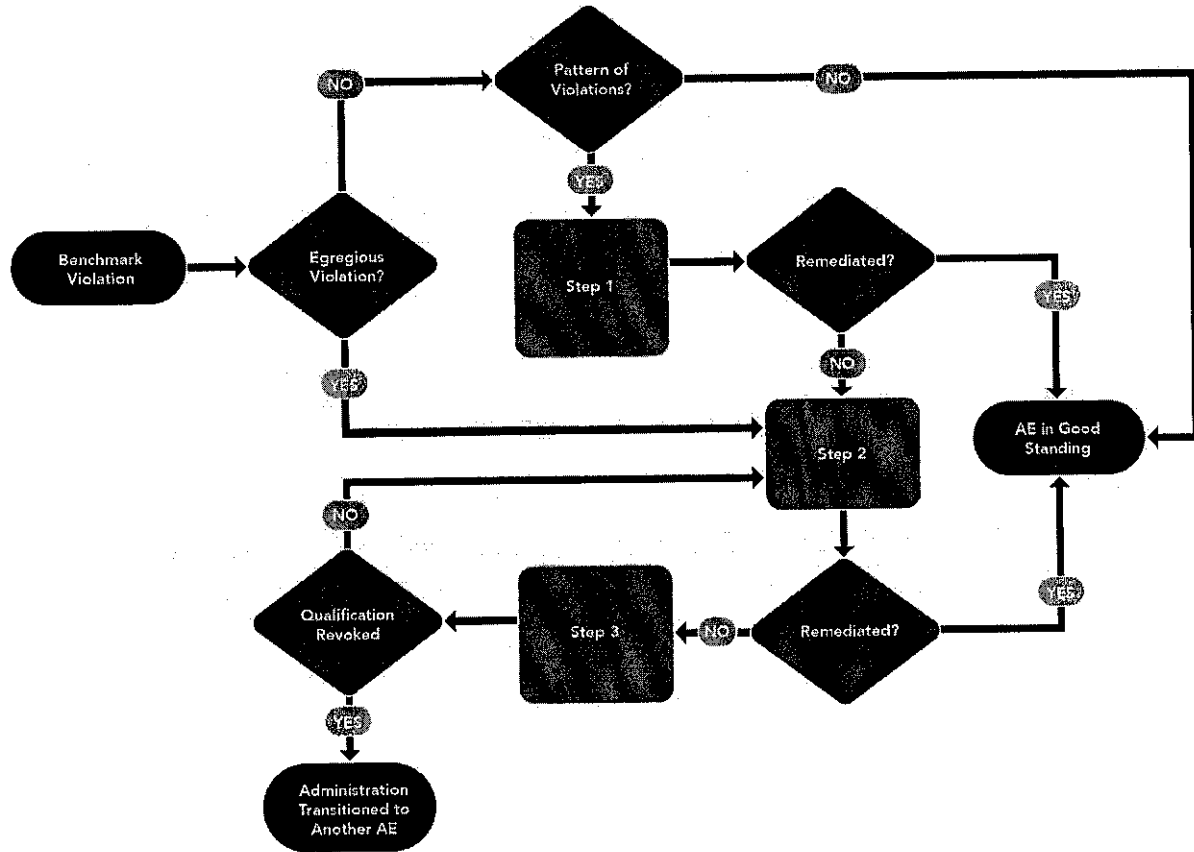
New Requirements

- Schedule RAB meetings no later than two weeks in advance
- Establish a written RAB rotation policy regarding RAB composition within the POA
- Ensure an oversight plan is approved by the Committee and is in place by a required date
- Present pertinent facts on each review (not on the consent agenda) prior to discussion and voting
- All RAB members will formally attest to having read all materials prior to RAB meeting and will maintain objectivity and a professionally skeptical attitude when considering reviews presented for acceptance.

Exhibit 2 – Fair Procedures

If an AE fails to meet the established benchmarks, fair procedures will be followed. The anticipated process will include multiple steps, including required remediation and, if remediation is not successful, termination of the AE's qualification to administer the Program.

Process Flow:



Steps in Fair Procedures:

Step 1: Increased monitoring performed remotely by AICPA staff. Determination to move to Step 1 made by AICPA staff, with periodic reporting of activity to the OTF.

- Accelerated RAB observations to include all reviews presented to RAB. (Second RAB observation to occur no sooner than 30 days after the first.)
 - Procedures include reviewing RAB materials, observing the RAB meeting and preparing the report.
- Monitor status of open reviews monthly during this period.

Step 2: Probation – increased monitoring performed by AICPA staff and/or OTF member at AE's expense, which may include on-site oversight at an appropriate hourly rate and reimbursement of travel expenses. Determination to move to Step 2 made by OTF.

Step 2 Example: Below are activities that may occur with increased monitoring during the probation period. Multiple activities, including repetitions, may be required, and could cost the AE anywhere from \$10,000 to \$40,000. Note, however, that actual hours, rates and resulting costs may vary greatly.

- RAB meeting observation – procedures include reviewing materials, observing the meeting and preparing a report to the OTF (time estimate – 5 hours)
- Test AE's compliance with administrative procedures (time estimate – 4 hours)
- Committee meeting observation (time estimate – 4 hours)
- Travel to AE for in-person observation (time estimate – 4 to 10 hours)

Step 3: Referral to hearing panel to determine whether:

- The AE's qualification to administer the Program will be terminated (with its administration transitioned to another AE), or
- The AE will be allowed to continue to remediate (i.e., return to Step 2).

**Approved for exposure for comment by NASBA Board of Directors
On January 6, 2017**

Comment deadline: April 17, 2017
Send comments to lhaberman@nasba.org

**Draft Model Rules for Continuing Professional Education (CPE)
as approved by the UAA Committee on December 20, 2016**

ARTICLE 3 – DEFINITIONS

Rule 3-4 – Continuing Professional Education (CPE).

Continuing Professional Education (CPE) is an integral part of the lifelong learning required to provide competent service to the public. It is the set of activities that enables CPAs to maintain and improve their professional competence.

Rule 3-5 - CPE reporting period.

A “CPE reporting period” is the period of time as to which a licensee must report or attest to the completion of CPE requirements to the Board of Accountancy.

Rule 3-6 - Subject matter expert.

A “subject matter expert” is a person who is an authority in a particular area or topic. A subject matter expert is involved in developing CPE materials where knowledge expertise is needed.

Rule 3-7 - Technical committee.

A “technical committee” is a committee that serves as a resource to identify issues regarding the practice of accountancy and develop technical or policy recommendations on those issues.

Rule 3-8 - Technical fields of study.

“Technical fields of study” are technical subjects that contribute to the competence of a CPA in the profession of accountancy and that directly relate to the CPA’s field of business. These fields of study include, but are not limited to:

- (a) Accounting;
- (b) Accounting (Government);
- (c) Auditing;
- (d) Auditing (Government);
- (e) Business Law;
- (f) Economics;
- (g) Finance;
- (h) Information Technology;

- (i) Management Services;
- (j) Regulatory Ethics;
- (k) Specialized Knowledge;
- (l) Statistics; and
- (m) Taxes.

Rule 3-9 - Non-technical fields of study.

“Non-technical fields of study” are subjects that contribute to the competence of a CPA in areas that indirectly relate to the CPA’s field of business. These fields of study include, but are not limited to:

- (a) Behavioral Ethics;
- (b) Business Management & Organization;
- (c) Communications and Marketing;
- (d) Computer Software & Applications;
- (e) Personal Development;
- (f) Personnel/Human Resources; and
- (g) Production.

**ARTICLE 6 – ISSUANCE OF CERTIFICATES AND RENEWAL OF CERTIFICATES AND REGISTRATIONS,
CONTINUING PROFESSIONAL EDUCATION AND RECIPROCITY**

Rule 6-1 - Applications.

No proposed change to current rule. Not within scope of project.

Rule 6-2 – Experience required for initial certificate.

No proposed change to current rule. Not within scope of project.

Rule 6-3 – Evidence of applicant’s experience.

No proposed change to current rule. Not within scope of project.

Rule 6-4 – CPE requirements for renewal of the certificate or registration.

The following requirements of CPE apply to the renewal of certificates and registrations pursuant to Section 6(d) of the Act.

- (a) An applicant seeking renewal of a certificate, registration or license from a Board shall assert in a manner acceptable to the Board, that the applicant for renewal meets all of the following CPE requirements:
 - (1) Completion of qualifying CPE during the CPE reporting period that averages no fewer than forty (40) credits of qualified CPE, including an average of two (2) credits of qualifying ethics CPE, for each annual period included in the CPE reporting period; and

- (2) Completion of a minimum of twenty (20) credits of qualifying CPE during each annual period included in the CPE reporting period.
- (3) Completion of a minimum of fifty percent (50%) of the total CPE credits required for the CPE reporting period in technical fields of study.

Qualifying subject areas for CPE are categorized as either technical or non-technical fields of study as set forth in Rules 3-8 and 3-9 above. Subjects other than technical and non-technical fields of study may be acceptable for CPE if the licensee can demonstrate to the satisfaction of the Board that such subjects or specific programs contribute to the maintenance of the licensee's professional competence.

- (b) A person who obtains a certificate, registration or license for the first time shall complete at least forty (40) credits of acceptable CPE during the first full annual period following the year in which the original certificate, registration or license was obtained. There is no provision for carry-over from an annual period in which CPE was not required.
- (c) An applicant whose certificate, registration or license has lapsed or has been suspended shall complete qualifying CPE that averages no fewer than forty (40) credits of qualified CPE, for each annual period included in the CPE reporting period preceding the date of reapplication, not to exceed a total of one hundred twenty (120) credits. An applicant whose certificate or registration has lapsed or has been suspended shall be required to identify and complete a program of learning designed to demonstrate the currency of the licensee's competencies directly related to his or her area of practice.
- (d) Licensees granted an exception from the competency requirement by the Board may discontinue use of the word "inactive" or "retired" in association with their license upon showing that they have completed qualifying CPE that averages no fewer than forty (40) credits of qualified CPE for each annual period included in the CPE reporting period preceding the request to discontinue use of the word "inactive" or "retired," not to exceed a total of one hundred twenty (120) credits.
- (e) Upon request by the Board, the applicant for renewal shall provide proof of completion or other evidence acceptable to the Board that supports the assertion by the applicant that the applicant has met the CPE renewal requirements. If the Board so requests, the applicant shall also submit an explanation of how any portion of CPE credits for renewal questioned by the Board relate to the applicant's continuing professional competence.
- (f) For a certificate, registration or license that has been lapsed, suspended or inactive for a period of five (5) years or more, the Board has the discretion to determine the number and type of CPE credits as a requirement for reinstatement.

Rule 6-5 –Activities qualifying for CPE credit.

CPE activities are learning opportunities that contribute directly to a licensee's knowledge, ability and/or competence to perform his or her professional responsibilities. CPE activities should address the licensee's current and future work environment, current knowledge and skills and desired or needed knowledge and skills to meet future opportunities and/or professional responsibilities.

(a) The following learning activities shall qualify for CPE credit:

- (1) A learning activity that complies with the Statement on Standards for Continuing Professional Education (CPE) Programs, issued jointly by the AICPA and NASBA, and is coordinated and presented by a qualifying CPE program sponsor as set forth below in Rule 6-5 (b).

The sources of qualifying learning activities include but are not limited to the following:

- (A) Group Programs;
 - (B) Self-Study Programs;
 - (C) Blended Learning Programs;
 - (D) Nano-Learning Programs;
 - (E) Instructor/Developer of CPE programs in (A) through (D) above or in (2) and (4) below;
 - (F) Technical Reviewer of CPE programs in (A) through (D) above or in (2) and (4) below; and
 - (G) Independent Study.
- (2) A college or university course that is coordinated and presented by a qualifying university or college as set forth in Rule 6-5 (b)(2) below, and is in a qualifying subject area as set forth in Rule 6-4 (a) above;

No CPE credit shall be permitted for attending or instructing college or university courses considered to be basic or introductory accounting courses or CPA exam preparation/review courses.

- (3) Authorship of published articles, books and other publications relevant to maintaining professional competence.
- (4) A group learning activity that is coordinated and presented by a person, firm, association, corporation or group, other than a qualifying learning program sponsor as defined in Rule 6-5 (b) below. These programs are generally related

to topics of the specialized knowledge field of study by persons or organizations with expertise in these specialized industries.

- (5) Participation and work on a technical committee of an international, national or state professional association, council or member organization, or a governmental entity that supports professional services or industries that require unique and specific knowledge in accounting or tax compliance.

(b) The following are deemed to be qualifying CPE program sponsors:

- (1) The AICPA and state CPA societies;
- (2) Universities or colleges accredited at the time the CPE program was delivered by virtue of accreditation by an organization recognized by the Council for Higher Education Accreditation as a specialized, professional, or regional accrediting organization;
- (3) Persons, firms, associations, corporations or other groups that are members of NASBA's National Registry of CPE Sponsors; and
- (4) Persons, firms, associations, corporations or other groups that are recognized by the Board.

(c) Acceptable evidence for completion of qualifying learning activities shall include the following:

- (1) For programs or courses as set forth in Rule 6-5 (a) (1) and (2), acceptable evidence should include a certificate of completion or transcript issued by the qualifying learning program sponsor.
- (2) For activities set forth in Rule 6-5 (a) (3), acceptable evidence may include a copy of the publication that names the licensee as author or contributor; a statement from the licensee supporting the number of CPE credits claimed; and the name and contact information of the independent reviewer(s) or publisher.
- (3) For programs or courses as set forth in Rule 6-5 (a) (4), acceptable evidence may include a certificate of attendance or other verification supplied by the program sponsor. If a certificate of attendance or other verification is not available, then acceptable evidence shall include copies of the course agenda, program materials, or other documents attributable to the learning activity.

- (4) For activities set forth in Rule 6-5 (a) (5), acceptable evidence shall include a written certificate of the licensee setting forth all of the following:
- (A) The nature of the activity (e.g., topic or specific new competency acquired), the items discussed and the source/materials considered.
 - (B) The dates on which the learning activity occurred.
 - (C) The number of CPE credits attributed to the learning activity.
 - (D) Details of the relevance of the learning activity to the participant's current or future professional development.

Rule 6-6 – Continuing professional education records.

(a) Computation of CPE credits.

Each approved CPE course, program, or activity shall be measured by program length, with one 50-minute period equal to one CPE credit.

(1) Computation of CPE credits for qualifying CPE programs shall be as follows:

- (A) Group programs, independent study and blended learning programs – A minimum of one credit must be earned initially, but after the first credit has been earned, credits may be earned in one-fifth or one-half increments.
- (B) Self-study – A minimum of one-half credit must be earned initially, but after the first credit has been earned, credits may be earned in one-fifth or one-half increments.
- (C) Nano-learning – The credit to be earned for a single nano-learning program is one-fifth credit.
- (D) For blended learning programs included in Rule 6-5 (a)(1)(C), CPE credit must equal the sum of the CPE credit determination for the various completed components of the program.
- (E) An instructor/developer of qualifying CPE programs included in Rule 6-5 (a) (1) (A) through (D) may receive CPE credit for actual preparation time up to two times the number of CPE credits to which participants would be entitled, in addition to the time for presentation. For repeat presentations, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for instructor/developer CPE credit.

- (F) A technical reviewer of qualifying CPE programs included in Rule 6-5 (a) (1) (A) through (D) may receive CPE credit for actual review time up to the actual number of CPE credits for the learning activity. For repeat technical reviews, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for technical reviewer CPE credit.
- (G) Authors of published articles, books and other publications may receive CPE credit for their research and writing time to the extent it maintains or improves their professional competence. For the author to receive CPE credit, the article, book or CPE program must be formally reviewed by an independent party. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for author CPE credit.
- (H) For courses that are part of the curriculum of a university, college or other educational institution, each semester hour credit shall equal fifteen (15) CPE credits, and each quarter hour shall equal ten (10) CPE credits.

For non-credit courses, CPE credit shall equal actual time in class.

CPE credit for instructing a college or university course shall be twice the credit that would have been granted participants for the first presentation of a specific course or program and none thereafter, except if the course content has been substantially revised. To the extent a course has been substantially revised, the revised portion shall be considered a first presentation. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for instructor CPE credit.

- (I) Not more than twenty-five percent (25%) of the total qualifying CPE credits for a CPE reporting period may consist of a combination of the learning activities defined in Rule 6-5 (a) (4) and (5).

(b) CPE records.

An applicant seeking renewal of a certificate, registration or license from the Board shall, as a prerequisite for such renewal, certify in a manner acceptable to the Board, that the applicant for renewal meets all of the CPE requirements set forth in Rule 6-4 above. Responsibility for documenting the acceptability of the program and the validity of the credits rests with the applicant who should retain such documentation for the longer of a period of five years or two reporting periods following completion of each learning activity.

The Board will verify, on a test basis, information submitted by applicants for renewal of a certificate, registration or license. In cases where the Board determines that the requirement is not met, the Board may grant an additional period of time in which the deficiencies can be cured or seek disciplinary action, at the Board's discretion. Fraudulent reporting is a basis for disciplinary action.

Rule 6-7 –CPE Reciprocity.

A non-resident licensee seeking renewal of a certificate in this state shall be determined to have met the CPE requirement (including the requirements of Rule 6-4(a)) of this rule by meeting the CPE requirements for renewal of a certificate in the state in which the licensee's principal place of business is located.

(a) Non-resident applicants for renewal shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee's principal place of business is located by signing a statement to that effect on the renewal application of this state.

(b) If a non-resident licensee's principal place of business state has no CPE requirements for renewal of a certificate, the non-resident licensee must comply with all CPE requirements for renewal of a certificate in this state.

Rule 6-8 – Exceptions.

Not within scope of this task force's project.

Rule 6-9 – Interstate practice.

Not within scope of this task force's project.

Rule 6-10 – International reciprocity.

Not within scope of this task force's project.

Rule 6-11 – Peer review for certificate holders who do not practice in a licensed firm.

Not within scope of this task force's project.