

Meeting Agenda
SOUTH DAKOTA BOARD OF ACCOUNTANCY
 Conference Call
 Call in Number 1-844-833-2684 Access Code 0669724#
 May 2, 2018
 9:00 a.m. (CT)

A=Action
 D=Discussion
 I=Information

A. Call to Order.....	Pummel
B. Roll Call	Kasin
C. A-Approval of Minutes of Meeting March 21, 2018.....	2-3
D. A-Approval of Certificates & Firm Permits.....	4-5
E. A-Approval of Financial Statements through March 2018.....	6-15
F. A- Report to Board on NASBA Western Regional Conference.....	16-21
G. A-Report to Board on Grades.....	22-23
H. D-Executive Director's Report.....	24-28

AICPA

I. D-Board of Examiners Meeting Highlights January 25-26, 2018.....	29-32
---	-------

EXECUTIVE SESSION

J. Equivalent Reviews, South Dakota Review, and Follow-Up for Board Approval	Spt. Pkt.
--	-----------

FUTURE MEETING DATES (all times CT)

- K. Meeting Dates
 June 6, 2018 – 9:00 Conference Call
- L. Adjournment

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Conference Call
March 21, 2018 8:30 a.m. CST

Chair David Pummel called the meeting to order at 8:30 a.m. Nicole Kasin called the roll. A quorum was present.

Members Present: Jeff Strand, Jay Tolsma, Marty Guindon, Deidre Budahl, and David Pummel.

Others Present: Nicole Kasin, Executive Director, Julie Iverson, Sr. Secretary and Graham Oey, Staff Attorney, DLR.

Member Not Present: Jeff Smith

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

Jeff Strand made a motion to approve the agenda. Deidre Budahl seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Strand-yea; Tolsma-yea; Guindon-yea; Budahl-yea; Pummel-yea)

Marty Guindon made a motion to approve the January 8, 2018 meeting minutes. Deidre Budahl seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Strand-yea; Tolsma-yea; Guindon-yea; Budahl-yea; Pummel-yea)

Deidre Budahl made a motion to approve the issuance of individual certificates and firm permits through March 13, 2018. Jay Tolsma seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Strand-yea; Tolsma-yea; Guindon-yea; Budahl-yea; Pummel-yea)

Marty Guindon made a motion to approve the financial statements through February 2018. Deidre Budahl seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Strand-yea; Tolsma-yea; Guindon-yea; Budahl-yea; Pummel-yea)

Executive Director Kasin discussed her report with an update on the new database, CPE audits, and NASBA committee interest form.

The Board discussed the NASBA Board of Directors meeting minutes from October 27, 2017 and October 31, 2017; the Board of Directors Meeting Highlights from January 12, 2018, and the Executive Summary and Regional Directors Focus Questions December 2017.

The Board answered the NASBA Quarterly Focus Questions.

Jeff Strand made a motion to enter into executive session for the deliberative process for peer reviews, follow-ups, an off-site request, CPE consent agreements, and a consent agreement. Jay Tolsma seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Strand-yea; Tolsma-yea; Guindon-yea; Budahl-yea; Pummel-yea)

The Board came out of executive session.

Marty Guindon made a motion to accept the peer reviews, the follow-ups, the off-site request, the CPE consent agreements and the consent agreement as discussed in executive session. Jay Tolsma seconded the motion. A roll call vote was taken. **MOTION PASSED** (Strand-yea; Tolsma-yea; Guindon-yea; Budahl-yea; Pummel-yea)

FUTURE MEETING DATES (all times CT)

May 2, 2018 – 9:00 a.m. conference call

June 6, 2018 - 9:00 a.m. conference call

Jay Tolsma made a motion to adjourn the meeting. Jeff Strand seconded the motion. A roll call vote was taken. **MOTION PASSED** (Strand-yea; Tolsma-yea; Guindon-yea; Budahl-yea; Pummel-yea)

All business having come before the board was concluded and Chair David Pummel adjourned the meeting at 9:15 a.m.

David Pummel, CPA, Chair

Attest: _____
Nicole Kasin, Executive Director

Jeff Smith, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through April 24, 2018

Number	Name	Date Issued	Location
3364	Katie Marie Crawford	03/20/18	Aberdeen, SD
3365	Jackie Lynn Abel	04/10/18	Yankton, SD
3366	Jennifer Marie Hill	04/10/18	Rapid City, SD
3367	Lina Viktorovna Gayduchik	04/13/18	Sioux Falls, SD
3368	Dominic J. Nibbelink	04/24/18	Sioux Falls, SD

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

**Issued Through
April 24, 2018**

Number	Name	Date Issued	Basis/Comments
1714	Myers and Stauffer, LC Kansas City, MO	04/06/18	New Firm

BA1409R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 03/31/2018

PAGE

125

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	431,404.67	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			431,404.67	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			431,404.67	DR **	
BUDGET UNIT TOTAL 1031			431,404.67	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 03/31/2018

AGENCY BUDGET CENTER-5	UNIT 10310	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
COMPANY NO 6503 COMPANY NAME PROFESSIONAL & LICENSING BOARDS													
6503	1031000061802	51010100			CGEX180227	03/02/2018						2,534.99	DR
6503	1031000061802	51010100			CGEX180313	03/16/2018						2,729.96	DR
6503	1031000061802	51010100			CGEX180328	03/31/2018						2,553.44	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES													
6503	103100061802	51010200			CGEX180227	03/02/2018						7,818.39	DR
6503	103100061802	51010200			CGEX180313	03/16/2018						998.30	DR
6503	103100061802	51010200			CGEX180328	03/31/2018						938.44	DR
6503	103100061802	51010200			CGEX180328	03/31/2018						1,164.96	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES													
6503	103100061802	51010300			CGEX180328	03/31/2018						3,101.70	DR
OBJSUB: 5101030 BOARD & COMM MBRG FEES													
OBJECT: 5101 EMPLOYER SALARIES													
6503	103100061802	51020100			CGEX180227	03/02/2018						240.00	DR
6503	103100061802	51020100			CGEX180227	03/16/2018						11,160.09	DR
6503	103100061802	51020100			CGEX180313	03/16/2018						236.73	DR
6503	103100061802	51020100			CGEX180328	03/31/2018						246.53	DR
6503	103100061802	51020100			CGEX180328	03/31/2018						269.21	DR
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE													
6503	103100061802	51020200			CGEX180227	03/02/2018						752.47	DR
6503	103100061802	51020200			CGEX180227	03/16/2018						211.99	DR
6503	103100061802	51020200			CGEX180313	03/16/2018						220.12	DR
6503	103100061802	51020200			CGEX180328	03/31/2018						223.10	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE													
6503	103100061802	51020600			CGEX180227	03/02/2018						655.21	DR
6503	103100061802	51020600			CGEX180227	03/16/2018						745.13	DR
6503	103100061802	51020600			CGEX180313	03/16/2018						769.06	DR
6503	103100061802	51020600			CGEX180328	03/31/2018						1,052.12	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE													
6503	103100061802	51020800			CGEX180227	03/02/2018						2,566.31	DR
6503	103100061802	51020800			CGEX180227	03/16/2018						6.72	DR
6503	103100061802	51020800			CGEX180313	03/16/2018						6.97	DR
6503	103100061802	51020800			CGEX180328	03/31/2018						7.06	DR
OBJSUB: 5102080 WORKER'S COMPENSATION													
6503	103100061802	51020900			CGEX180227	03/02/2018						20.75	DR
6503	103100061802	51020900			CGEX180227	03/16/2018						1.58	DR
6503	103100061802	51020900			CGEX180313	03/16/2018						1.65	DR
6503	103100061802	51020900			CGEX180328	03/31/2018						1.68	DR
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION													
OBJECT: 5102 EMPLOYEE BENEFITS													
GROUP: 51 PERSONAL SERVICES													
6503	103100061802	52040500			189C10022A 7897	03/28/2018		00491530	GLSOLUTION	12290765		4.91	DR
OBJSUB: 5204050 COMPUTER CONSULTANT													
6503	103100061802	52041600			ORDER-08433	03/07/2018		00487093	NATLASSNST	12005047		6,518.75	DR
OBJSUB: 5204160 COMPUTER CONSULTANT													
6503	103100061802	52041600			ORDER-08433	03/07/2018		00487093	NATLASSNST	12005047		695.00	DR

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 03/31/2018

AGENCY	BUDGET UNIT	CENTER	LABOR & REGULATION	BOARD OF ACCOUNTANCY	BOARD OF ACCOUNTANCY	COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
10	1031	10310	LABOR & REGULATION BOARD OF ACCOUNTANCY BOARD OF ACCOUNTANCY			6503	103100061802	5204160	WORKSHOP REGISTRATION FEE	DP802099	03/21/2018				695.00	DR *
						6503	103100061802	5204180	COMPUTER SERVICES-STATE	DP802099	03/21/2018				99.30	DR *
						6503	103100061802	5204181	BIT DEVELOPMENT COSTS	PL802062	03/21/2018				105.75	DR *
						6503	103100061802	5204200	CENTRAL SERVICES	IN484249	03/21/2018				89.82	DR *
						6503	103100061802	5204220	EQUIPMENT SERV & MAINT	18-014 JUL-JUN18	03/28/2018				134.25	DR *
						6503	103100061802	5204460	JANITORIAL & MAINT SERV	N7012807	03/14/2018				603.00	DR *
						6503	103100061802	5204490	EQUIPMENT RENTAL	ACCOUNTRENT2018	03/28/2018				1,269.45	DR *
						6503	103100061802	5204530	RENTS-PRIVATE OWNED PROP.	TL802151	03/09/2018				141.10	DR *
						6503	103100061802	5204530		1111090019253	03/09/2018				255.00	DR *
						6503	103100061802	5204530		8381416X02242018	03/21/2018				49.35	DR *
						6503	103100061802	5204530	TELECOMMUNICATIONS SVCS	5159417006 0218	03/21/2018				73.54	DR *
						6503	103100061802	5204740	ELECTRICITY	CI108A-024	03/31/2018				79.87	DR *
						6503	103100061802	5204960	BANK FEES AND CHARGES	13817718	03/09/2018				5,829.40	DR *
						6503	103100061802	5204960		13821008	03/28/2018				2,536.80	DR *
						6503	103100061802	5205020	OTHER CONTRACTUAL SERVICE	CONTRACTUAL SERVICES	03/21/2018				18,538.46	DR **
						6503	103100061802	5205020	CONTRACTUAL SERVICES	IN1938824	03/21/2018				195.30	DR **
						6503	103100061802	5205320	OFFICE SUPPLIES	22760	03/07/2018				195.30	DR *
						6503	103100061802	5228000	PRINTING-COMMERCIAL	SUPPLIES & MATERIALS	03/21/2018				17.25	DR *
						6503	103100061802	5228000	SUPPLIES & MATERIALS	TI108-097	03/21/2018				212.55	DR **
						6503	103100061802	5228000	OPER TRANS OUT -NON BUDGT	NONOP EXP/NONBGTD OP TR					465.98	DR **
						6503	103100061802	5228000	OPER TRANS OUT -NON BUDGT	NONOP EXP/NONBGTD OP TR					465.98	DR **

STATE OF SOUTH DAKOTA
 MONTHLY EXPENDITURE REPORT
 FOR PERIOD ENDING: 03/31/2018

AGENCY	10	LABOR & REGULATION								
BUDGET UNIT	1031	BOARD OF ACCOUNTANCY								
CENTER-5	10310	BOARD OF ACCOUNTANCY								
COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
GROUP:	52	OPERATING EXPENSES							19,216.99	DR ***
COMP:	6503								34,376.73	DR *****
CNTR:	103100061802								34,376.73	DR *****
B. UNIT:	1031								34,376.73	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of March 31, 2018

	Mar 31, 18
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - Great Western	2,930.13
1140000 · Pool Cash State of SD	431,404.67
Total Checking/Savings	434,334.80
Other Current Assets	
1131000 · Interest Income Receivable	4,246.81
1213000 · Investment Income Receivable	1,522.99
Total Other Current Assets	5,769.80
Total Current Assets	440,104.60
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	455,405.60
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	1,430.30
Total Accounts Payable	1,430.30
Other Current Liabilities	
2430000 · Accrued Wages Payable	9,844.91
2810000 · Amounts Held for Others	29,319.34
Total Other Current Liabilities	39,164.25
Total Current Liabilities	40,594.55
Long Term Liabilities	
2960000 · Compensated Absences Payable	19,161.66
Total Long Term Liabilities	19,161.66
Total Liabilities	59,756.21
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	9,019.48
Net Income	68,804.89
Total Equity	395,649.39
TOTAL LIABILITIES & EQUITY	455,405.60

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July 2017 through March 2018

	Jul '17 - Mar 18	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,825.00	2,500.00	-675.00	73.0%
4293551 · Certificate Renewals-Active	65,650.00	58,000.00	7,650.00	113.2%
4293552 · Certificate Renewals-Inactive	20,400.00	21,000.00	-600.00	97.1%
4293553 · Certificate Renewals-Retired	1,280.00	1,050.00	230.00	121.9%
4293554 · Initial Firm Permits	600.00	700.00	-100.00	85.7%
4293555 · Firm Permit Renewals	14,850.00	15,500.00	-650.00	95.8%
4293557 · Initial Audit	390.00	900.00	-510.00	43.3%
4293558 · Re-Exam Audit	1,680.00	2,460.00	-780.00	68.3%
4293560 · Late Fees-Initial Certificate	150.00	0.00	150.00	100.0%
4293561 · Late Fees-Certificate Renewals	3,050.00	3,000.00	50.00	101.7%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	450.00	500.00	-50.00	90.0%
4293564 · Late Fees-Peer Review	600.00	1,300.00	-700.00	46.2%
4293566 · Firm Permit Owners				
5208003 · REFUNDS	-65.00			
4293566 · Firm Permit Owners - Other	115,455.00	105,000.00	10,455.00	110.0%
Total 4293566 · Firm Permit Owners	115,390.00	105,000.00	10,390.00	109.9%
4293567 · Peer Review Admin Fee	1,275.00	5,500.00	-4,225.00	23.2%
4293568 · Firm Permit Name Change	200.00	100.00	100.00	200.0%
4293569 · Initial FAR	1,050.00	1,140.00	-90.00	92.1%
4293570 · Initial REG	390.00	660.00	-270.00	59.1%
4293571 · Initial BEC	420.00	930.00	-510.00	45.2%
4293572 · Re-Exam FAR	1,200.00	1,860.00	-660.00	64.5%
4293573 · Re-Exam REG	1,740.00	2,310.00	-570.00	75.3%
4293574 · Re-Exam BEC	810.00	2,310.00	-1,500.00	35.1%
4491000 · Interest and Dividend Revenue	5,470.45	4,000.00	1,470.45	136.8%
4896021 · Legal Recovery Cost	1,100.00	1,000.00	100.00	110.0%
Total Income	239,970.45	231,720.00	8,250.45	103.6%
Gross Profit	239,970.45	231,720.00	8,250.45	103.6%
Expense				
5101010 · F-T Emp Sal & Wages	49,779.18	76,588.00	-26,808.82	65.0%
5101020 · P-T/Temp Emp Sal & Wages	19,885.41	31,035.00	-11,149.59	64.1%
5101030 · Board & Comm Mbrs Fees	4,620.00	4,683.00	-63.00	98.7%
5102010 · OASI-Employer's Share	5,039.13	8,281.00	-3,241.87	60.9%
5102020 · Retirement-ER Share	4,180.05	6,495.00	-2,314.95	64.4%
5102060 · Health /Life Ins.-ER Share	14,652.09	21,183.00	-6,530.91	69.2%
5102080 · Worker's Compensation	123.36	43.00	80.36	286.9%
5102090 · Unemployment Insurance	31.40	108.00	-76.60	29.1%
5203010 · Auto--State Owned	97.44	400.00	-302.56	24.4%
5203020 · Auto-Private-Ownees Low Mileage	103.04	400.00	-296.96	25.8%
5203030 · In State-Auto- Priv. High Miles	767.76	1,500.00	-732.24	51.2%
5203100 · In State-Lodging	218.00	1,000.00	-782.00	21.8%
5203120 · In State-Incidentals to Travel	10.00	100.00	-90.00	10.0%
5203140 · InState-Tax Meals Not OverNigt	11.00	100.00	-89.00	11.0%
5203150 · InState-Non-Tax Meals OverNight	143.00	400.00	-257.00	35.8%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	2,981.98	6,000.00	-3,018.02	49.7%
5203280 · OS-Other Public Carrier	492.99	500.00	-7.01	98.6%
5203300 · OS-Lodging	6,364.16	7,800.00	-1,435.84	81.6%
5203320 · OS-Incidentals to Travel	327.00	450.00	-123.00	72.7%
5203350 · OS-Non-Taxable Meals Overnight	615.00	1,000.00	-385.00	61.5%
5204010 · Subscriptions	283.83	1,000.00	-716.17	28.4%
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	7,200.00	7,100.00	100.00	101.4%
5204050 · Consultant Fees - Computer	6,518.75	15,000.00	-8,481.25	43.5%
5204080 · Consultant Fees--Legal	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	3,742.06	6,000.00	-2,257.94	62.4%
5204180 · Computer Services-State	922.95	5,000.00	-4,077.05	18.5%
5204181 · Computer Development Serv-State	2,952.60	2,000.00	952.60	147.6%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July 2017 through March 2018

	Jul '17 - Mar 18	Budget	\$ Over Budget	% of Budget
5204200 · Central Services	5,548.66	9,000.00	-3,451.34	61.7%
5204220 · Equipment Service & Maintenance	23.24	300.00	-276.76	7.7%
5204230 · Janitorial/Maintenance Services	1,208.25	1,650.00	-441.75	73.2%
5204340 · Computer Software Maintenance	192.00	2,000.00	-1,808.00	9.6%
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	15,734.00	-4,308.95	72.6%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204530 · Telecommunications Services	3,631.36	3,500.00	131.36	103.8%
5204540 · Electricity	536.77	865.00	-328.23	62.1%
5204560 · Water	99.40	240.00	-140.60	41.4%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	4,624.56	6,500.00	-1,875.44	71.1%
5204960 · Other Contractual Services	431.10	0.00	431.10	100.0%
5205020 · Office Supplies	855.86	2,000.00	-1,144.14	42.8%
5205028 · OFFICE SUPPLIES-2	0.00	0.00	0.00	0.0%
5205310 · Printing State	132.75	250.00	-117.25	53.1%
5205320 · Printing/Duplicating/Binding Co	93.15	1,000.00	-906.85	9.3%
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	7.20	2,000.00	-1,992.80	0.4%
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	0.00	500.00	-500.00	0.0%
5228000 · Operating Transfers Out-NonBudg	4,646.03	6,000.00	-1,353.97	77.4%
Total Expense	171,165.56	274,415.00	-103,249.44	62.4%
Net Ordinary Income	68,804.89	-42,695.00	111,499.89	-161.2%
Net Income	68,804.89	-42,695.00	111,499.89	-161.2%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
March 2018

	Mar 18	Mar 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	75.00	100.00	-25.00	-25.0%
4293551 · Certificate Renewals-Active	0.00	100.00	-100.00	-100.0%
4293554 · Initial Firm Permits	0.00	100.00	-100.00	-100.0%
4293557 · Initial Audit	60.00	60.00	0.00	0.0%
4293558 · Re-Exam Audit	180.00	360.00	-180.00	-50.0%
4293561 · Late Fees-Certificate Renewals	0.00	50.00	-50.00	-100.0%
4293564 · Late Fees-Peer Review	0.00	50.00	-50.00	-100.0%
4293566 · Firm Permit Owners	0.00	2,065.00	-2,065.00	-100.0%
4293569 · Initial FAR	150.00	30.00	120.00	400.0%
4293570 · Initial REG	0.00	60.00	-60.00	-100.0%
4293571 · Initial BEC	0.00	60.00	-60.00	-100.0%
4293572 · Re-Exam FAR	180.00	210.00	-30.00	-14.3%
4293573 · Re-Exam REG	270.00	180.00	90.00	50.0%
4293574 · Re-Exam BEC	120.00	240.00	-120.00	-50.0%
4896021 · Legal Recovery Cost	400.00	0.00	400.00	100.0%
Total Income	1,435.00	3,665.00	-2,230.00	-60.9%
Gross Profit	1,435.00	3,665.00	-2,230.00	-60.9%
Expense				
5101010 · F-T Emp Sal & Wages	7,818.39	8,205.48	-387.09	-4.7%
5101020 · P-T/Temp Emp Sal & Wages	3,101.70	2,794.28	307.42	11.0%
5101030 · Board & Comm Mbrs Fees	240.00	0.00	240.00	100.0%
5102010 · OASI-Employer's Share	752.47	736.64	15.83	2.2%
5102020 · Retirement-ER Share	655.21	659.98	-4.77	-0.7%
5102060 · Health /Life Ins.-ER Share	2,566.31	2,342.70	223.61	9.5%
5102080 · Worker's Compensation	20.75	13.21	7.54	57.1%
5102090 · Unemployment Insurance	4.91	4.26	0.65	15.3%
5203010 · Auto--State Owned	97.44	0.00	97.44	100.0%
5203260 · OS-Air Commercial Carrier	602.01	1,254.98	-652.97	-52.0%
5203280 · OS-Other Public Carrier	68.00	41.00	27.00	65.9%
5203300 · OS-Lodging	679.32	1,060.16	-380.84	-35.9%
5203320 · OS-Incidentals to Travel	82.00	89.00	-7.00	-7.9%
5203350 · OS-Non-Taxable Meals Overnight	59.00	100.00	-41.00	-41.0%
5204010 · Subscriptions	0.00	297.75	-297.75	-100.0%
5204180 · Computer Services-State	101.55	175.05	-73.50	-42.0%
5204200 · Central Services	89.82	1,085.10	-995.28	-91.7%
5204220 · Equipment Service & Maintenance	1.28	1.55	-0.27	-17.4%
5204230 · Janitorial/Maintenance Services	134.25	130.34	3.91	3.0%
5204460 · Equipment Rental	56.80	71.00	-14.20	-20.0%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	160.83	242.61	-81.78	-33.7%
5204540 · Electricity	60.57	58.78	1.79	3.1%
5204560 · Water	22.35	22.35	0.00	0.0%
5204740 · Bank Fees and Charges	79.87	89.24	-9.37	-10.5%
5204960 · Other Contractual Services	0.00	39.70	-39.70	-100.0%
5205320 · Printing/Duplicating/Binding Co	0.00	48.30	-48.30	-100.0%
5228000 · Operating Transfers Out-NonBudg	465.98	522.94	-56.96	-10.9%
Total Expense	19,190.26	21,355.85	-2,165.59	-10.1%
Net Ordinary Income	-17,755.26	-17,690.85	-64.41	-0.4%
Net Income	-17,755.26	-17,690.85	-64.41	-0.4%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2017 through March 2018

	Jul '17 - Mar 18	Jul '16 - Mar 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,825.00	2,500.00	-675.00	-27.0%
4293551 · Certificate Renewals-Active	65,650.00	59,630.00	6,020.00	10.1%
4293552 · Certificate Renewals-Inactive	20,400.00	19,700.00	700.00	3.6%
4293553 · Certificate Renewals-Retired	1,280.00	1,200.00	80.00	6.7%
4293554 · Initial Firm Permits	600.00	650.00	-50.00	-7.7%
4293555 · Firm Permit Renewals	14,850.00	13,500.00	1,350.00	10.0%
4293557 · Initial Audit	390.00	390.00	0.00	0.0%
4293558 · Re-Exam Audit	1,680.00	1,830.00	-150.00	-8.2%
4293560 · Late Fees-Initial Certificate	150.00	100.00	50.00	50.0%
4293561 · Late Fees-Certificate Renewals	3,050.00	2,750.00	300.00	10.9%
4293563 · Late Fees-Firm Permit Renewals	450.00	400.00	50.00	12.5%
4293564 · Late Fees-Peer Review	600.00	700.00	-100.00	-14.3%
4293566 · Firm Permit Owners	115,390.00	106,645.00	8,745.00	8.2%
4293567 · Peer Review Admin Fee	1,275.00	975.00	300.00	30.8%
4293568 · Firm Permit Name Change	200.00	225.00	-25.00	-11.1%
4293569 · Initial FAR	1,050.00	750.00	300.00	40.0%
4293570 · Initial REG	390.00	570.00	-180.00	-31.6%
4293571 · Inital BEC	420.00	870.00	-450.00	-51.7%
4293572 · Re-Exam FAR	1,200.00	1,470.00	-270.00	-18.4%
4293573 · Re-Exam REG	1,740.00	1,830.00	-90.00	-4.9%
4293574 · Re-Exam BEC	810.00	1,710.00	-900.00	-52.6%
4491000 · Interest and Dividend Revenue	5,470.45	5,466.12	4.33	0.1%
4896021 · Legal Recovery Cost	1,100.00	0.00	1,100.00	100.0%
Total Income	239,970.45	223,861.12	16,109.33	7.2%
Gross Profit	239,970.45	223,861.12	16,109.33	7.2%
Expense				
5101010 · F-T Emp Sal & Wages	49,779.18	46,724.83	3,054.35	6.5%
5101020 · P-T/Temp Emp Sal & Wages	19,885.41	18,485.38	1,400.03	7.6%
5101030 · Board & Comm Mbrs Fees	4,620.00	3,360.00	1,260.00	37.5%
5102010 · OASI-Employer's Share	5,039.13	4,654.50	384.63	8.3%
5102020 · Retirement-ER Share	4,180.05	3,912.59	267.46	6.8%
5102060 · Health /Life Ins.-ER Share	14,652.09	13,861.30	790.79	5.7%
5102080 · Worker's Compensation	123.36	78.13	45.23	57.9%
5102090 · Unemployment Insurance	31.40	25.27	6.13	24.3%
5203010 · Auto--State Owned	97.44	111.55	-14.11	-12.7%
5203020 · Auto-Private-Ownes Low Mileage	103.04	364.78	-261.74	-71.8%
5203030 · In State-Auto- Priv. High Miles	767.76	881.16	-113.40	-12.9%
5203100 · In State-Lodging	218.00	564.10	-346.10	-61.4%
5203120 · In State-Incidentals to Travel	10.00	25.00	-15.00	-60.0%
5203140 · InState-Tax Meals Not Overnight	11.00	11.00	0.00	0.0%
5203150 · InState-Non-Tax Meals OverNight	143.00	240.00	-97.00	-40.4%
5203230 · OS-Auto Private High Mileage	0.00	335.16	-335.16	-100.0%
5203260 · OS-Air Commercial Carrier	2,981.98	5,546.88	-2,564.90	-46.2%
5203280 · OS-Other Public Carrier	492.99	473.10	19.89	4.2%
5203300 · OS-Lodging	6,364.16	6,916.43	-552.27	-8.0%
5203320 · OS-Incidentals to Travel	327.00	418.00	-91.00	-21.8%
5203350 · OS-Non-Taxable Meals Overnight	615.00	651.00	-36.00	-5.5%
5204010 · Subscriptions	283.83	557.58	-273.75	-49.1%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	7,200.00	0.00	7,200.00	100.0%
5204050 · Consultant Fees - Computer	6,518.75	0.00	6,518.75	100.0%
5204160 · Workshop Registration Fees	3,742.06	4,170.00	-427.94	-10.3%
5204180 · Computer Services-State	922.95	3,196.95	-2,274.00	-71.1%
5204181 · Computer Development Serv-State	2,952.60	0.00	2,952.60	100.0%
5204200 · Central Services	5,548.66	5,149.06	399.60	7.8%
5204220 · Equipment Service & Maintenance	23.24	27.36	-4.12	-15.1%
5204230 · Janitorial/Maintenance Services	1,208.25	1,173.06	35.19	3.0%
5204340 · Computer Software Maintenance	192.00	0.00	192.00	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	0.00	318.04	-318.04	-100.0%
5204530 · Telecommunications Services	3,631.36	2,430.07	1,201.29	49.4%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July 2017 through March 2018

	Jul '17 - Mar 18	Jul '16 - Mar 17	\$ Change	% Change
5204540 · Electricity	536.77	510.95	25.82	5.1%
5204560 · Water	99.40	89.40	10.00	11.2%
5204740 · Bank Fees and Charges	4,624.56	4,735.88	-111.32	-2.4%
5204960 · Other Contractual Services	431.10	711.70	-280.60	-39.4%
5205020 · Office Supplies	855.86	628.39	227.47	36.2%
5205310 · Printing State	132.75	0.00	132.75	100.0%
5205320 · Printing/Duplicating/Binding Co	93.15	200.10	-106.95	-53.5%
5205350 · Postage	7.20	1,036.17	-1,028.97	-99.3%
5207960 · Computer Software Expense	0.00	224.13	-224.13	-100.0%
5228000 · Operating Transfers Out-NonBudg	4,646.03	4,304.90	341.13	7.9%
Total Expense	171,165.56	154,176.95	16,988.61	11.0%
Net Ordinary Income	68,804.89	69,684.17	-879.28	-1.3%
Net Income	68,804.89	69,684.17	-879.28	-1.3%

REPORT TO BOARD ON NASBA REGIONAL CONFERENCE

Nicole Kasin

The NASBA Western Regional Conference will be held in Lake Tahoe, CA on June 26-28, 2018.

This is a request for the Board to approve travel for the Executive Director and Board members that will be attending.

NASBA

2018 Regional Meetings

Waldorf Astoria, Orlando, FL – June 5-7

Resort at Squaw Creek Lake Tahoe, Olympic Valley, CA (Lake Tahoe area) - June 26-28

TENTATIVE AGENDA

Monday, June 4/June 25, 2018

6:00 – 8:00 pm Dinner for New Accountancy Board Members (and guests)

Tuesday, June 5/June 26, 2018

7:30 – 8:30 am New Accountancy Board Member Breakfast

8:30 – 3:00 pm *New Accountancy Board Member Orientation Program*

12:00 – 1:00 pm *Lunch*

4:00 – 5:00 pm *Regional Meeting Registration*

6:00 – 8:00 pm *Welcome Reception*

Wednesday, June 6/June 27, 2018

7:30 – 8:45 am Communications Breakfast Meeting (All Attendees Welcome)

7:30 – 9:00 am BREAKFAST (All Welcome)

MODERATOR: **Stephanie M. Saunders (Eastern)**
Nicola Neilon (Western)

9:00 – 9:15 am Welcome from Regional Directors

9:15 – 10:00 am Update from NASBA Leadership
Theodore W. Long, Jr., Chair, NASBA
Ken L. Bishop, President and CEO, NASBA

10:00 – 10:30 am Legislative Trends
John W. Johnson, Director of Legislative and Governmental Affairs,
NASBA

10:30 – 11:00 am BREAK

NASBA

2018 Regional Meetings

Waldorf Astoria, Orlando, FL – June 5-7

Resort at Squaw Creek Lake Tahoe, Olympic Valley, CA (Lake Tahoe area) - June 26-28

TENTATIVE AGENDA

- 11:00 – 11:45 am Considering a New Pathway to CPA
Colleen K. Conrad, Executive Vice President & COO, NASBA
Daniel J. Dustin, Vice President – State Board Relations, NASBA
- 11:45 - 12:00 pm Overview of International Agreements
Sharon A. Jensen, Chair, IQAB (Western)
Telford A. Lodden, Past Chair, NASBA (Eastern)
- 12:00 – 1:15 pm LUNCH (All meeting attendees – Assigned tables)
- MODERATOR:** **Casey Stuart (Eastern)**
 Katrina Salazar (Western)
- 1:15 – 2:00 pm Asked, Answered and Unknown: Report of the Reorganization Impact Task Force
Moderator: Alfonzo Alexander, Chief Relationship Officer, NASBA
John F. Dailey, Jr., Chair, RITF
Randall Ross, Chair, Executive Directors Committee
- 2:00 – 2:15 pm BREAK
- 2:15 – 4:15 pm Meet with Your Region
(Eastern)
Catherine R. Allen – Northeast Regional Director
W. Michael Fritz – Director-at-Large, Past Great Lakes Regional Dir.
Stephanie M. Saunders – Middle Atlantic Regional Director
Casey Stuart – Southeast Regional Director
(Western)
C. Jack Emmons – Southwest Regional Director
Sharon A. Jensen – Central Regional Director
Katrina Salazar – Pacific Regional Director
Nicola Neilon – Mountain Regional Director
- (Participation limited to Board of Accountancy members, staff and former Board of Accountancy members. Each Region will meet in a separate room with the Regional Director leading the discussion. Election of Nominating Committee Representatives in Central, Middle Atlantic, Pacific and Southeast Regions.)*

NASBA

2018 Regional Meetings

Waldorf Astoria, Orlando, FL – June 5-7

Resort at Squaw Creek Lake Tahoe, Olympic Valley, CA (Lake Tahoe area) - June 26-28

TENTATIVE AGENDA

- 2:15 – 3:15 pm Seminar for Other Attendees: Speak Up on Legislation in Your Jurisdiction
Moderator: John W. Johnson
- 4:15 pm RECESS
- 4:30 pm Call to Leadership Reception

Thursday, June 7/28, 2018

- 7:30 – 8:45 am Board of Accountancy Presidents'/Chairs' Breakfast Meeting
Moderator: Theodore W. Long, Jr.
- 7:30 – 8:45 am Board of Accountancy Executive Directors' Breakfast Meeting
Moderator: Randall Ross
- 7:30 – 9:00 am BREAKFAST (All Welcome)
- MODERATOR:** **Catherine R. Allen (Eastern)**
 Sharon A. Jensen (Western)
- 9:00 – 9:15 am Report from Regional Breakouts
Panelists: Regional Directors
Moderator: Stephanie Saunders (Eastern)
Moderator: Sharon Jensen (Western)
- 9:15 – 9:45 am Education Research Projects
Moderator: Alfonzo Alexander
Panelists: Kimberly Swanson Church (Eastern)
 University of Missouri Kansas City
 Gail Hoover-King (Western)
 Purdue University Northwest
 Brandis Phillips (Eastern & Western)
 North Carolina A&T State University
 Reza Espahbodi (Eastern & Western)
 Washburn University

NASBA

2018 Regional Meetings

Waldorf Astoria, Orlando, FL – June 5-7

Resort at Squaw Creek Lake Tahoe, Olympic Valley, CA (Lake Tahoe area) - June 26-28

TENTATIVE AGENDA

- 9:45 – 10:15 am Legal Update
Noel L. Allen – NASBA Outside Counsel
- 10:15 – 10:30 am Report from the CPA Examination Review Board
Barbara A. Ley, Chair, CPA Examination Review Board
- 10:30 – 10:45 am BREAK
- 10:45 – 11:30 am Getting a Grip on Technology
Speakers to be announced
- 11:30 – Noon Uniform CPA Examination Developments
Colleen K. Conrad
Richard Gallagher, Director, Examination Content, AICPA (Eastern)
Michael A. Decker, Vice President, Examinations, AICPA (Western)
- 12:00 – 1:00 pm LUNCH (Meeting Attendees Only)
- MODERATOR:** **W. Michael Fritz (Eastern)**
C. Jack Emmons (Western)
- 1:00 – 1:30 pm Ethics: What's on the Horizon
Catherine R. Allen, Chair, Ethics Committee
- 1:30 – 2:00 pm Reaching Out – Joining Forces
Moderator: Alfonzo Alexander
Jose A. Campos, ALPFA (Western)
Damaris Garcia-Schneider, ALPFA (Eastern)
Steven L. Harris, NABA (Eastern & Western)
Maria E. Caldwell, Chair, Diversity Committee
- 2:00 – 2:15 pm BREAK
- 2:15 – 2:45 pm Boards and Sexual Harassment
Moderator: Catherine A. Allen (Eastern)
Mary Ellen Clark – Legal Counsel, Florida Board (Eastern)
Moderator: Nicola Neilon (Western)
J. Randell Hill – Legal Counsel, Texas Board (Western)

NASBA

2018 Regional Meetings

Waldorf Astoria, Orlando, FL – June 5-7

Resort at Squaw Creek Lake Tahoe, Olympic Valley, CA (Lake Tahoe area) - June 26-28

TENTATIVE AGENDA

- 2:45 – 3:15 pm Accounting Accreditation Advances
Raymond N. Johnson, Chair, Education Committee
- 3:15 – 3:30 pm Questions and Answers for NASBA
Theodore W. Long, Jr.
Ken L. Bishop
- 3:30 – 3:45 pm Raffle Drawing
- 3:45 pm ADJOURN
- 6:30 pm Celebration

REPORT TO BOARD ON GRADES

Nicole Kasin

The grades were posted for review for the 56th window. These grades are through March 2018. 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 1-56

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

Average of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	
Augie	75	73	73	74	74
BHSU	70	71	70	72	71
COTech	65	69	69	73	69
DSU	70	69	63	69	68
DWU	70	66	64	74	68
Mt. Marty	65	67	72	69	68
NAU	69	66	67	70	68
NSU	73	69	72	71	71
OS	74	74	71	72	73
SDSU	74	75	75	78	76
USD	77	75	74	74	75
USF	72	75	73	76	74
Grand Total	74	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	103	105	99	115	422
BHSU	128	128	110	108	474
COTech	23	21	14	14	72
DSU	17	19	17	14	67
DWU	23	20	22	16	81
Mt. Marty	26	29	17	20	92
NAU	16	21	27	25	89
NSU	103	120	84	100	407
OS	279	275	268	258	1080
SDSU	45	40	32	38	155
USD	290	305	295	303	1193
USF	89	87	87	68	331
Grand Total	1142	1170	1072	1079	4463

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	74	79	74	75	75
BHSU	65	71	73	72	70
DSU		69			69
DWU	70	69	70	65	69
Mt. Marty	62				62
NAU	72	72	70	71	71
NSU	68	64	62	68	65
OS	75	78	74	71	74
SDSU	74	78	67	82	75
USD	77	73	73	71	73
USF	75	77	68	73	73
Grand Total	74	74	72	72	73

The Board needs to ratify the scores of the 2018-1 (56th Window) grades.

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

Database update

The board staff is working with GL Solutions to create the database. Testing the database continues through May 7. We are working with a tentative Go Live date in mid to late May pending results from the testing session.

Peer Review Discussion:

We have talked about the South Dakota Peer Review program and major changes that would need to occur to keep the program. As requested from the January meeting the following is the list of rules that would need to be either amended if the SD Peer Review program was to remain or they would need to be amended/repealed if the SD Peer Review program was to be terminated. ARSD 20:75:07:01(9); 20:75:07:02; 20:75:07:06; 20:75:07:07; 20:75:07:09; 20:75:07:13; 20:75:07:14.

20:75:07:08 – needs to be reviewed in regards to the requirements, due to the declining number of peer reviewers

Here is the list of fees that a firm from SD would have to pay to go under the AICPA peer review program. This is from the Oklahoma Society's website (as they are the administrating entity for SD). These fees will be effective November 1, 2018.

Administrative Fees: The actual cost of a firm's review will vary depending upon the size of the firm, scope of practice, and selection of reviewers. In addition to the review costs that will be incurred every three years, enrolled firms will also pay an annual administrative fee to the Oklahoma Society of CPAs to cover the operational costs of the program. Firms enrolling after the beginning of the program's fiscal year (Nov. 1st) will be billed on a quarterly prorated basis.

South Dakota

- Firms with all partners as South Dakota Society members pay \$305 per firm plus \$25 per CPA in excess of one employed by the firm.
- Firms with partners who are non-South Dakota Society members but are AICPA members pay \$355 per firm plus \$25 per CPA in excess of one employed by the firm.
- Firms without all partners belonging to the South Dakota Society of CPAs or the AICPA pay \$435 per firm, plus \$25 per CPA in excess of one employed by the firm.

Please Note: Any firms, Oklahoma or South Dakota, applying for reinstatement into peer review program who were dropped or terminated from the program for non-compliance will be required to pay a \$250 reinstatement fee in addition to the current year's assessment plus any back fees missed during the period of their non-enrollment in the program.

We also would have to complete the fiscal impact statements to be reviewed by the Rules Review Committee. Those documents follow this report.

As a note: The board reviewed 7 SD Peer Reviews for 2016; 8 SD Peer Reviews for 2017; and are scheduled to review 8 SD Peer Reviews for 2018; those scheduled to have peer review for work in 2018 and the board would review the peer review in 2019 is currently at 6.

NASBA Alternative Pathways to be a CPA

At the NASBA Annual meeting in October there was a brief topic highlight that NASBA was looking into a vision of a new pathway to become a CPA. This is being reviewed as a pathway for data technologists to become a CPA. The proposal is creating a separate pathway meaning different education, different exam and different experience requirements than those in the current pathway to be a CPA. However, the new pathway would provide the same CPA credential.

As we heard a little bit more from the Executive Director's conference, no details have been provided on what the education, exam or experience would be. However, we were told that this was looking to be done in the next two years. This is likely to be a very hot topic at the Regional meetings and beyond.

The NASBA April 2018 State Board report had two articles addressed to this issue also.

Board Discussion

- Any New Business/topics?

FORM 5, BFM 50.10

(NOTE: A copy of this form may be obtained from the Bureau of Finance and Management. If your rules have a negative fiscal impact on a local government, such as a county or a school district, you must direct the Bureau of Finance and Management to send a copy of its fiscal note to the organizations listed in SDCL 1-26-4.2.)

**ADMINISTRATIVE PROCEDURES ACT
FISCAL NOTE
Prepared by Submitting Agency**

	CODE	NAME
DEPARTMENT		
DIVISION		
PROGRAM		

PROPOSED RULE:
Hearing Date:

FISCAL IMPACT STATEMENT:
Brief description of fiscal impact; (Example: Pursuant to 1-26-402, these rules have minimal impact to all entities. No additional staffing or resources are needed.)

FISCAL NOTE SUMMARY:
List state agencies of local governmental subdivisions affected.

COST INCREASES (DECREASES)

State Agencies:	First-Year Impact	Continuous-Yearly Impact
TOTAL		
Local Subdivisions:		
TOTAL		
Small Business Increases (Decreases)		
TOTAL		

REVENUE INCREASES (DECREASES)

Revenue Increases (Decreases) State, Local & Small Business :		
TOTAL		

APPROVED _____ DATE _____
Signature Department Secretary or Board or Commission Chairman

ATTACH: Copy of proposed rules; separate sections for: 1) explanation of rules effect, i.e. what procedures, schedules, activities, etc. will change with its adoption 2) statistics used, and their source, 3) assumptions that were made to arrive at fiscal impact, 4) computations that were made, and 5) small business impact statement

Revised June 2004

FORM 14

SMALL BUSINESS IMPACT STATEMENT FORM

See SDCL 1-26-2.1

(NOTE: This form must be signed by either the head of the agency or the presiding officer of the board or commission empowered to adopt the rules. Check your statutes to see who is authorized to promulgate rules. A small business is defined as any business with 25 or fewer full-time employees. When a set of rules is proposed, a general summary shall be provided; each proposed rule amendment shall also be explained thoroughly. In the case of a large set of proposed rules which all have a single purpose and impact, one explanation is sufficient. The law makes it clear that agencies or commissions shall use readily available information and existing resources to prepare the impact statement.)

1. Our agency has determined that the rule/s we are proposing have the following type of impact on small businesses:
 - Direct impact *(please complete remainder of form)*
 - Indirect impact *(please provide a brief explanation, then sign, date, and submit form. Questions 2 through 8 do not need to be answered)*
 - No impact *(please provide a brief explanation, sign, date, and submit form - Questions 2 through 8 do not need to be answered)*

2. A general narrative and overview of the effect of the rule(s) on small business - written in plain, easy to read language:

3. What is the basis for the enactment of the rules(s)?
 - Required to meet changes in federal law
 - Required to meet changes in state law
 - Required solely due to changes in date (i.e. must be changed annually)
 - Other: _____

4. Why is the rule(s) needed?

5. What small businesses or types of small businesses would be subject to the rule?

6. Estimate the number of small businesses that would be subject to the rule.
 1-99 100-499 500-999 1,000-4,999 More than 5,000
 Unknown - please explain _____
7. Are small businesses required to file or maintain any reports or records under this rule?
 Yes No
- a. If "yes," how many reports must a small business submit to the state on an annual basis?
- b. If "yes," how much ongoing recordkeeping within the business is necessary?
- c. If "yes," what type of professional skills would be necessary to prepare the reports or records?
- The average owner of a small business should be able to complete the reports and/or records with no assistance
 - It is likely that a bookkeeper for a small business should be able to complete the reports and/or records
 - It is likely that a small business person would need the assistance of a CPA to complete the reports and/or records
 - It is likely that a small business person would need the assistance of an attorney to complete the reports and/or records
 - Other _____
 - Unknown - please explain _____
8. Are there any less intrusive or less costly methods to achieve the purpose of the rule (i.e. fewer reports, less recordkeeping, lower penalties)?
 No - please explain _____
 Yes - please explain _____

Dated

Authorized Signature

Name of Agency



AICPA BOARD OF EXAMINERS (BOE) MEETING HIGHLIGHTS January 25 - 26, 2018

Participants

BOE Members: Barry Berkowitz, Michael Daggett (Chair), Jeanne Dee, Evan DeFord, Jeff Hoops, Shelly Holzman, Audrey Katcher, Helen Brown-Liburd, Roberta Newhouse, Ola Smith, Amy Sutherland, Mark Shermis, Dan Sweetwood, Michael Watts, Tom Weirich, Jim Wollack

AICPA Staff: Michael Decker (Staff Liaison), Noel Albertson, Rich Gallagher, John Mattar, and Robin Stackhouse.

NASBA ERB Staff: Sheena Murphy

We are extremely thankful to Michael Daggett (who completes his term as Chair), Roberta Newhouse (SBC Chair), Amy Sutherland (Content Chair), and Mark Shermis for sharing their expertise, and their dedication and service to the Exam's Team. The Exam, AICPA staff, and the Exam's administration have all greatly improved from their contributions.

Roberta Newhouse, Chair of the State Board Committee (SBC), reported on the prior day's meeting, which included the following key points.

- Continued engagement by the Exam's team with the state boards is strongly recommended as valuable information is exchanged.
- Most states granted 3-month (1-window) extensions to the candidates impacted by the 17Q2 score hold and this may continue for candidates impacted by the Gateway blackout and the 18Q2 score hold. The extensions were greatly appreciated by the candidates and minimized any confusion or unnecessary communications between the candidates and the boards.
- Continued efforts to support the removal of barriers to entry as opposed to lowering the bar or making the Exam easier were both supported and encouraged.
- Any issues or challenges raised were not specific to the CPA Exam and there was much positive feedback for the Exam and the Exam's team.
- Continued presentations and information sharing by both the AICPA and NASBA on the exploration of alternative pathways is strongly recommended as there is currently too much confusion with too many questions at this time. The state boards want to be at the table as the Exam and CPA licensure are embedded in law and any changes need to be fully vetted with the regulators.
- Even though it was confirmed that the Exam was owned by the Institute and the Exam's team remained singularly focused on the success of the Exam and remains compliant with the tri-party agreement, there still exists some confusion and questions about the Association. Further discussions are likely at the NASBA Regional Meetings.



Amy Sutherland, Chair of the Content Committee (CC), reported that the CC and its section subcommittees, in collaboration with the AICPA staff, continue to develop content for the updated blueprints and are closely monitoring the re-authoring of all of the items in the sections so that they interface properly with the April 2018 UX software.

The CC is also working with staff to better understand what characteristics of an item or its development contribute to an item's pathway to success (operational status on the Exam). Also being explored are items that are strong items but are not being selected for entry into the test panels. Having a greater understanding of these two areas will help us optimize our item development process and our item bank.

Increasing the assessment of higher-order skills and research into audit data analytics and professional skepticism continues.

A number of the public accounting and B&I members of the CC are keeping the AICPA staff informed of how audit is currently changing and other changes in the profession.

There was extensive discussion on 2017 Tax Reform Legislation and when it should become eligible for testing on the CPA Exam. Based on the unanimous recommendation by both the REG subcommittee, the Content Committee, and after further review, the BOE voted unanimously to assess the 2017 Tax Reform Legislation beginning January 1, 2019. This allows 2017 tax returns to be filed under the former law, text books to be written, review course material to be developed, educators to teach the updated law, time to remove obsolete items and develop new items for REG, and time for future potential changes to the law to be ironed out before it is live in the Exam.

As expected, clear and effective candidate and constituent communications are required.

Jim Wollack, Chair of the Psychometric Oversight Committee (POC), reported on the POC's collaboration with the AICPA's psychometric staff and external consultants on their review of the Exam. The overall reliability of the updated Exam is comparable to that of the previous Exam. While the reliability of the subscores has improved, it is not where the POC or the BOE desire. Therefore, research continues into the scores and subscores in support of changes to the score report.

The POC continues to focus on the candidate timing on the FAR section. The percentage of candidates not completing FAR on time has decreased with the launch of the revised Exam and no structural changes to the exam are recommended.

The POC is also exploring scale anchoring where failing candidates would be provided examples of items that matched their performance or competency and examples of other items that they must master in order to be considered passing. Research and focus groups may be conducted to validate this approach.

Barry Berkowitz BOE FOG (Financial Oversight Group) Chair and Michael Decker, VP of Examinations reviewed the 2017 actuals and the 2018 forecast with the BOE.



Noel Albertson, AICPA Director of Project and Technology Delivery, noted that the BOE Launch Sponsor Group continues to track the launch of the UX software on April 1, 2018. Staff continue to work on the Candidate Journey Map to better understand the candidate mindset, interactions, and steps taken so that we can learn from the candidates' journeys.

Michael Daggett, Jeanne Dee, Shelly Holzman, Roberta Newhouse, Ola Smith, Dan Sweetwood, Michael Watts, Tom Weirich, and Barry Berkowitz, the state board representatives on the BOE led a discussion on current and future state board concerns and challenges, including:

- Many states provide extensions to the 18 months due to the recent score holds.
- While some states recommend extending the 18 months, other states believe it is a “non-starter” where it is not at all being considered. In some cases, states do not want to open statutes.
- Executive Directors and the boards remain very supportive of the Exam and the Exam’s team
- Alternative pathways were discussed with similar feedback to the SBC.
 - The state boards want to be at the table as the Exam and CPA licensure are embedded in law and any changes need to be fully vetted with the regulators.
- Even though it was confirmed that the Exam was owned by the Institute and the Exam’s team remained singularly focused on the success of the Exam and remains compliant with the tri-party agreement, there still exists some confusion and questions about the Association.
- Further discussions on alternative pathways, specializations, etc. are likely at the NASBA Regional Meeting.
- As the Exam continues to evolve it is critical to remain focused on professional standards, responsibilities, and ethics.
- There was a lot of discussion on what the future held for the profession and the Exam and how the rules, regulations, and statutes must also adapt.

Jeanne Dee and Audrey Katcher led a discussion on the changing profession’s impact on the major firms, including:

- The impact of integrated reporting and sustainability
- What does the future staffing model look like (a pyramid, upside down triangle, etc.).
- Particularly in smaller firms, are these firms top heavy and there is nowhere for younger people to grow. Is retention an issue?
- Increasingly, young CPAs and other professionals want to work in their area of specialty. How will that impact future staffing, licensure, and credentialing?
- Are firms acquiring other entities to get the skills they need?
- Young professionals are encouraged to double major in systems courses.
- Obviously, technology is changing the audit in the future.
- Advisory services continues to grow.



Evan DeFord led a discussion on the changes underway in audit

- Three areas where technology continues to shape the profession include computing capabilities and data analytics, robotic process automation ("RPA"), and talent development.
- Technology is revolutionizing all aspects of the traditional audit process
- Audit firms are responding with:
 - Data focused audits and data analytics tools
 - RPA
 - Continued increase in integration with IT auditors, and
 - Cybersecurity groups and specialists
- The impact on the second-year staff appears to be:
 - Data intensive audit procedures
 - Navigation of IT applications
 - Understanding of the data and the sources of data
 - Doesn't replace the need to understand general audit concepts
 - Risk assessment
 - Account assertions
 - Requires higher level cognitive thinking and the ability to ask the right question

Tom Weirich led a discussion on fair value measurement based on the research he has conducted where he has determined that there are little to no valuation courses taken by auditors and colleges should have valuation courses in their curriculums.

Michael Decker, AICPA Vice President of Examinations, and Jeff Hoops, Incoming Chair of the BOE, led the BOE in continued strategic planning discussions, including review of a scenario planning document (exercise), where the BOE and the SBC are providing input on the potential impact and likelihood of approximately 50 different factors or characteristics of the future of the profession and the Exam. Understanding potential scenarios will allow the Exam's team staff to better plan for the future. The BOE voted unanimously to approve the BOE's 2017 Strategic Plan.

Sheena Murphy, NASBA's Director of the Examination Review Board (ERB), shared with the BOE that the interim audit work was complete and successful and the audit work continues.