

Meeting Agenda
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Conference Call
Call in Number 1-844-833-2681 Access Code 0865706#
May 7, 2020
9:00 a.m. (CT)

A=Action
D=Discussion
I=Information

- | | |
|---------------------------------------------------------|---------|
| A. Call to Order..... | Budahl |
| B. Roll Call | Kasin |
| C. Public Comment..... | Oratory |
| D. A-Approval of Minutes of Meeting April 28, 2020..... | 2-3 |
| E. A-9:00 Rules Hearing..... | 4-18 |

FUTURE MEETING DATES (all times CT)

- F. Meeting Dates
 - June 10 – 9:00 Conference Call
 - July 22 – 9:00 Conference Call
 - August 20 – 8:30 Board Office Sioux Falls
- G. Adjournment

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Conference Call
April 28, 2020 9:00 a.m. CT

Chair Diedre Budahl called the meeting to order at 9:00 a.m. Nicole Kasin called the roll. A quorum was present.

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

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

Chair Budahl asked if there were any additions to the agenda:
Addition to Certificates
AICPA Guidance for CPAs on Payroll Protection Program

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

The Chair opened the floor for public comment. No comments were received.

David Pummel made a motion to approve the March 24, 2020 meeting minutes. Jeff Smith seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Guindon-yea; Pummel-yea; Smith-yea; Strand-excused; Budahl-yea)

Jay Tolsma made a motion to approve the issuance of certificates through April 24, 2020. Jeff Strand seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Guindon-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Marty Guindon made a motion to approve the financial statements through March 2020. David Pummel seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Guindon-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

The Board reviewed the report on the CPA exam grades for the 64th Window.

Jeff Strand made a motion to ratify the CPA exam scores for the 64th window through March 2020. David Pummel seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma-yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

The board discussed a request from a candidate to have an expired score extended.

David Pummel made a motion to deny the candidate request for an extension on an expired CPA exam score for failing to meet the requirements of ARSD 20:75:01:07. Jeff Strand seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Guindon-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Executive Director Kasin discussed her report on NASBA committee interest, the NASBA

Western Regional conference, the CPE reporting project, and issues due to COVID-19.

The Board discussed the AICPA Maintaining the Relevance of the Uniform CPA Exam Exposure Draft and the AICPA Guidance for Payroll Protection Program.

Jeff Strand made a motion to enter executive session for the deliberative process for peer reviews and follow-ups. Marty Guindon seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma-yea; Guindon-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

The Board came out of executive session.

David Pummel made a motion to accept the peer reviews and follow-ups as discussed in executive session. Jay Tolsma seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma-yea; Guindon-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

FUTURE MEETING DATES (all times CT)

May 7, 2020 – 9:00 a.m. conference call – Public hearing to adopt rules

June 10, 2020 – 9:00 a.m. conference call

July 22, 2020 – 9:00 a.m. conference call

August 20, 2020 – 8:30 a.m. Board office, Sioux Falls

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

All business having come before the board was concluded and Chair Deidre Budahl adjourned the meeting at 9:52 a.m.

Deidre Budahl, CPA, Chair

Attest: _____
Nicole Kasin, Executive Director

Jeff Smith, Sec/Treasurer

20:75:02:07. Definition of disability -- Learning disability. A disability is a physical or mental impairment that substantially limits one or more of the major life activities of an individual; having a record of such an impairment; or being regarded as having such an impairment. Mental impairment includes any mental or psychological disorder, such as organic brain syndrome, emotional or mental illness, and specific learning disabilities.

A learning disability is individual evidence of significant learning difficulties which substantially affect or limit one or more major life activities and which are not primarily due to cultural, emotional, or motivational factors. The term does not include learning problems which are primarily the result of a visual, hearing, or motor ~~disabilities~~ disability, intellectual disability; ; emotional disturbance; ; or environmental, cultural, or economic disadvantage. The individual must show evidence of significant impairment in one or more of the following areas of intellectual functioning and information processing:

- (1) Attention and concentration;
- (2) Efficiency and speed of information processing;
- (3) Reception (perception and verbal comprehension);
- (4) Memory (ability for new learning);
- (5) Cognition (thinking); ~~and~~ or
- (6) Expression.

Significant impairment is determined by a discrepancy of 1.5 standard deviations, or more, between the individual's intellectual functioning, as measured by one of the general cognitive ability tests listed in the List of Most Commonly Used Reliable Standardized Psychometric Tests in Appendix A at the end of this chapter and actual performance on reliable standardized measures of attention and concentration, memory, language reception and expression, cognition, and in the

academic areas of reading, spelling, writing, and mathematics. If a measurement instrument is used which is not on this list, it may be considered if it is listed in the **Mental Measurements Yearbook** issued by Buros Institute of Mental Measurement, University of Nebraska, and is being used for the purpose for which it was developed.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 35 SDR 165, effective December 22, 2008; 39 SDR 33, effective September 5, 2012; 41 SDR 111, effective January 19, 2015.

General Authority: SDCL 36-20B-12(16).

Law Implemented: SDCL 36-20B-12(16).

Reference: **Mental Measurements Yearbook** ~~19~~ 20, January ~~2014~~ 2017 edition, Buros Mental Measurement Institute, University of Nebraska. Copies of the yearbook may be ordered from the University of Nebraska Press, PO Box 880484, Lincoln, NE 68588. The cost of the yearbook is \$210. The South Dakota State Library has the yearbook in its reference collection.

CHAPTER 20:75:02

EXAMINATION REQUIREMENTS

Section

- 20:75:02:01 Initial and reexamination applicants.
- 20:75:02:02 Application for examination.
- 20:75:02:03 Examination fees.
- 20:75:02:04 Education.
- 20:75:02:05 Misconduct during examination.
- 20:75:02:06 Request for accommodation of disability.

- 20:75:02:07 Definition of disability -- Learning disability.
- 20:75:02:08 Qualifications of evaluator for physical or mental disabilities.
- 20:75:02:09 Qualifications of evaluator for learning disabilities.
- 20:75:02:10 Professional verification of the disability.
- 20:75:02:11 Repealed
- 20:75:02:12 Recognized colleges and universities.
- 20:75:02:13 Non-accredited institutions.
- 20:75:02:14 (Effective through June 30, 2020) Examination -- Grades. (Effective July 1, 2020)
Examination – Grades.
- 20:75:02:15 Repealed.
- 20:75:02:16 Repealed.
- 20:75:02:17 Confidentiality of examination questions -- Failure to comply.
- 20:75:02:18 Repealed.
- 20:75:02:19 Repealed.
- 20:75:02:20 Rescore request and fees.
- 20:75:02:21 Candidate score appeal and fees.

Appendix A List of Most Commonly Used Reliable Standardized Psychometric Tests.

20:75:02:14. (Effective through June 30, 2020) Examination -- Grades. The examination required by SDCL 36-20B-13 must test the applicant's knowledge and skills required for performance as an entry-level certified public accountant. The examination shall include the subject areas of accounting, auditing, business law, taxation, finance,

communications, information technology, and related knowledge and skills as the board may require

A candidate may take the required test sections individually and in any order. Credit for any test section(s) passed shall be valid for a rolling qualifying period as measured from the actual date the candidate took that test section, without having to attain a minimum score on any failed test section(s), and without regard to whether the candidate has taken other test sections. The qualifying period shall be eighteen months. The passing grade is based on a 0-99 scale and is 75 percent.

Each candidate must pass all four test sections of the examination within a single rolling qualifying period, which begins on the date that a given test section(s) passed is taken.

Each candidate may not retake a failed test section(s) in the same examination "window." An examination window refers to a three-month period comprised initially of two months in which the examination is available to be taken and one month in which the examination will not be offered while routine maintenance is performed and the test item bank is refreshed. A candidate will be able to test two out of the three months within an examination window.

If all four test sections of the examination are not passed within a given rolling qualifying period, credit for any test section(s) passed outside that qualifying period will expire and that test section(s) must be retaken.

A candidate is deemed to have passed the examination once the candidate holds, at the same time, valid credit for passing each of the four test sections for the examination. For purposes of this section, credit for passing a test section of the computer-based examination is valid from the actual date of the testing event for that test section, regardless of the date the candidate actually receives notice of the passing grade.

Transfer of grades shall be accepted from other states when a candidate for transfer of grades has met all the requirements of South Dakota candidates.

The board may not notify an applicant of grades received on the examination until verification of graduation or completion of required courses has been submitted to the board. Until such verification is received, the board may not transfer grades to any other state, accept any future examination application, or issue a certificate to an individual receiving passing grades.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006.

General Authority: SDCL 36-20B-18.

Law Implemented: SDCL 36-20B-18.

Cross-Reference: Expiration of conditional credit for candidates accepted under educational requirement effective prior to January 1, 1998, § 20:75:02:18.

(Effective July 1, 2020) Examination -- Grades. The examination required by SDCL 36-20B-13 must test the ~~applicant's~~ candidate's knowledge and skills required for performance as an entry-level certified public accountant. The examination ~~shall~~ must include the subject areas of accounting, auditing, business law, taxation, finance, communications, information technology, and related knowledge and skills as the board may require

A candidate may take the required test sections individually and in any order. Credit for any test section(s) passed ~~shall be~~ is valid for a rolling qualifying period as measured from the actual date the candidate took that test section, without having to attain a minimum score on any failed test section(s), and without regard to whether the candidate has taken other test sections. The

qualifying period ~~shall be~~ is eighteen months. The passing grade is based on a 0-99 scale and is 75 percent.

Each candidate must pass all four test sections of the examination within a single rolling qualifying period, which begins on the date that a given test section(s) ~~passed~~ is taken and passed.

Each candidate may not retake a failed test section(s) until the candidate has received the score for the most recent attempt of that section. ~~in the same examination "window."~~ An ~~examination window refers to a three month period comprised initially of two months in which the examination is available to be taken and one month in which the examination will not be offered while routine maintenance is performed and the test item bank is refreshed. A candidate will be able to test two out of the three months within an examination window.~~

If all four test sections of the examination are not passed within a given rolling qualifying period, credit for any test section(s) passed outside that qualifying period will expire and that test section(s) must be retaken.

A candidate is deemed to have passed the examination once the candidate holds, at the same time, valid credit for passing each of the four test sections for the examination. For purposes of this section, credit for passing a test section of the computer-based examination is valid from the actual date of the testing event for that test section, regardless of the date the candidate actually receives notice of the passing grade.

Transfer of grades shall be accepted from other states when a candidate for transfer of grades has met all the requirements of ~~South Dakota candidates~~ a candidate in this state.

The board may not notify ~~an applicant~~ a candidate of grades received on the examination until verification of graduation or completion of required courses has been submitted to the board.

Until ~~such~~ verification is received, the board may not transfer grades to any other state, accept any future examination application, or issue a certificate to an individual receiving passing grades.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006.

General Authority: SDCL 36-20B-18.

Law Implemented: SDCL 36-20B-18.

Cross-Reference: Expiration of conditional credit for candidates accepted under educational requirement effective prior to January 1, 1998, § 20:75:02:18.

20:75:05:01. Independence. A licensee shall comply with Section ET 1.200 of the American Institute of Certified Public Accountants (~~AICPA~~), and ~~additionally comply~~ with the independence rules of the United States Securities and Exchange Commission (~~SEC~~), United States Department of Labor (~~DOL~~), Public Company Accounting Oversight Board (~~PCAOB~~) and United States Government Accountability Office (~~GAO~~) applicable to the licensees' engagement.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012; 39 SDR 219, effective June 24, 2013; 41 SDR 111, effective January 19, 2015; 45 SDR 84, effective December 20, 2018.

General Authority: SDCL 36-20B-12(4).

Law Implemented: SDCL 36-20B-12(4).

References: **AICPA Professional Standards, Volume 2, ET Section 1.200**, as of ~~June 1,~~ 2018 July 1, 2019, American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036. Cost: Annual Online Subscription, Member ~~\$159~~ \$199/Non-Member ~~\$199~~ \$249.

Government Auditing Standards, by the United States Government Accountability Office (~~GAO~~) December 2011 Revision, or July 2018 Revision, as applicable. Copies may be viewed at the board's office or obtained from the United States Government Accountability Office, Washington, D.C. 20548; or from their website at www.gao.gov/yellowbook. Cost: first document free, each additional copy \$2.

United States Department of Labor (~~DOL~~): 29 CFR §2509.75-9 (July 1, 2016). Available online at: <https://www.gpo.gov/fdsys/pkg/CFR-2016-title29-vol9/pdf/CFR-2016-title29-vol9-sec2509-75-9.pdf> .

Public Company Accounting Oversight Board (~~PCAOB~~): Rules Section 3, Auditing and Related Professional Practice Standards (May 2, 2014). Available online at: http://pcaobus.org/Rules/PCAOBRules/Pages/Section_3.aspx.

United States Securities and Exchange Commission (~~SEC~~): 68 FR 6005 (February 5, 2003). Available online at: <https://www.sec.gov/rules/final/33-8183a.htm>.

20:75:05:05. Auditing, accounting, and review standards. A licensee may not permit the licensee's name to be associated with a report on financial statements as defined by SDCL 36-20B-3 unless the licensee complied with generally accepted auditing standards or accounting

and review standards as applicable. Generally accepted auditing standards and accounting and review **standards are the standards set forth in the AICPA Professional Standards, Volume 1, AU Sections 100 through 901, as of ~~June 1, 2018~~ July 1, 2019; AICPA Professional Standards, Volume 2, AR Sections 20 through 9600, as of ~~June 1, 2018~~ July 1, 2019; AICPA Professional Standards, Volume 1, AT Sections 20 through 801, as of ~~June 1, 2018~~ July 1, 2019; and AICPA Professional Standards, Volume 2, ET Sections 0.300 through 3.400, as of ~~June 1, 2018~~ July 1, 2019**; by the American Institute of Certified Public Accountants. **Government Auditing Standards by the United States Government Accountability Office, December 2011 Revision, or July 2018 Revision, as applicable.** Licensees must justify departures from these standards.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012; 39 SDR 219, effective June 24, 2013; 41 SDR 111, effective January 19, 2015; 45 SDR 84, effective December 20, 2018.

General Authority: SDCL 36-20B-12(4).

Law Implemented: SDCL 36-20B-40, 36-20B-41.

References: **AICPA Professional Standards, Volume 1, AU Sections 100 through 901, as of ~~June 1, 2018~~ July 1, 2019; AICPA Professional Standards, Volume 2, AR Sections 20 through 9600, as of ~~June 1, 2018~~ July 1, 2019; AICPA Professional Standards, Volume 1, AT Sections 20 through 801, as of ~~June 1, 2018~~ July 1, 2019; and AICPA Professional Standards,**

Volume 2, ET Sections 0.300 through 3.400, as of ~~June 1, 2018~~ July 1, 2019, by the American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from the American Institute of Certified Public Accountants, 220 Leigh Farm Road, Durham, NC 27707. Cost: **AICPA Professional Standards**, Annual Online Subscription. Member ~~\$159~~ \$199/Non-Member ~~\$199~~ \$249.

Government Auditing Standards by the United States Government Accountability Office, December 2011 Revision, or July 2018 Revision, as applicable. Copies may be viewed at the board's office or obtained from the United States Government Accountability Office, Washington, D.C. 20548; or from their website at www.gao.gov/yellowbook. Cost: **Government Auditing Standards**, first document free, each additional copy \$2.

20:75:05:07. Professional standards and conduct. A licensee shall comply with professional ethical standards and conduct. Professional standards and conduct are those established and set forth in the **AICPA Professional Standards, Volume 2, ET Section** as of ~~June 1, 2018~~ July 1, 2019, by the American Institute of Certified Public Accountants.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012; 39 SDR 219, effective June 24, 2013; 41 SDR 111, effective January 19, 2015; 45 SDR 84, effective December 20, 2018.

General Authority: SDCL 36-20B-12(4).

Law Implemented: SDCL 36-20B-40, 36-20B-41.

Reference: AICPA Professional Standards, Volume 2, as of ~~June 1, 2018~~ July 1, 2019, American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from the American Institute of Certified Public Accountants, 220 Leigh Farm Road, Durham, NC 27707. Cost: Members ~~\$159~~ \$199/Non-Members ~~\$199~~ \$249.

20:75:05:08. Interpretations. In the interpretation and application of this chapter, the board shall consider interpretations of similar rules issued by the American Institute of Certified Public Accountants.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012; 39 SDR 219, effective June 24, 2013; 41 SDR 111, effective January 19, 2015; 45 SDR 84, effective December 20, 2018.

General Authority: SDCL 36-20B-12(4).

Law Implemented: SDCL 36-20B-40, 36-20B-41.

Reference: AICPA Professional Standards, Volume 2, as of ~~June 1, 2018~~ July 1, 2019, American Institute of Certified Public Accountants, 220 Leigh Farm Road, Durham, NC 27707. Cost: Members ~~\$159~~ \$199/Non-Members ~~\$199~~ \$249.

20:75:05:17. Records retention. A licensee shall comply with the record retention rules of the American Institute of Certified Public Accountants (~~AICPA~~), United States Government Accountability Office (~~GAO~~), United States Securities and Exchange Commission (~~SEC~~), Public

Company Accounting Oversight Board (~~PCAOB~~), and United States Department of Labor (~~DOL~~) as applicable to the engagement.

Source: 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012; 39 SDR 219, effective June 24, 2013; 41 SDR 111, effective January 19, 2015; 45 SDR 84, effective December 20, 2018.

General Authority: SDCL 36-20B-12(4).

Law Implemented: SDCL 36-20B-12(4).

References: **AICPA Professional Standards, Volume 2, ET Section 1.200**, as of ~~June 1, 2018~~ July 1, 2019, by the American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from the American Institute of Certified Public Accountants, 220 Leigh Farm Road, Durham, NC 27707. Cost: Annual Online Subscription, Member ~~\$159~~ \$199/Non-Members ~~\$199~~ \$249.

Government Auditing Standards, by the United States Government Accountability Office, December 2011 Revision, or July 2018 Revision, as applicable. Copies may be viewed at the board's office or obtained from the United States Government Accountability Office, Washington, D.C. 20548; or from their web site at www.gao.gov/yellowbook. Cost: **Government Auditing Standards**, first document free, each additional copy \$2.

United States Securities and Exchange Commission (~~SEC~~): Regulation S-X, 17 CFR § 210.2-06 (March 3, 2003). Available online at: <http://www.sec.gov/rules/final/33-8180.htm>.

Public Company Accounting Oversight Board (~~PCAOB~~): AS 1215 Appendix A (June 9, 2004). Available online at:

https://pcaobus.org/Standards/Auditing/Pages/AS1215_Appendix_A.aspx.

United States Department of Labor (~~DOL~~): 29 CFR § 2509.75-9 (July 1, 2016).

Available online at:

<https://www.gpo.gov/fdsys/pkg/CFR-2016-title29-vol9/pdf/CFR-2016-title29-vol9-sec2509-75-9.pdf>.

20:75:07:01. Definitions. Terms As used in this chapter ~~mean~~:

(1) "Accounting and auditing practice;" means all engagements covered by "Statements on Auditing Standards" (~~SAS~~), "Statements on Standards for Accounting and Review Services" (~~SSARS~~), "Statements on Standards for Attestation Engagements" (~~SSAE~~) for Financial Forecasts and Projections (AICPA, Professional Standards, vol. 1, AT sec. 301 and 801), attest services on financial information when the firm audits, reviews, or compiles the historical financial statements of the client, and standards for financial and compliance audits contained in **Government Auditing Standards** ("~~Yellow Book~~") December 2011 Revision, or July 2018 Revision, as applicable, issued by the U. S. General Accounting Office;

(2) "Engagement review;" means a review required of a firm that only performs services under "Statements for Accounting and Review Services" or "Statements on Standards for Attestation Engagements" not included in system reviews;

(3) "Equivalent review;" means a peer review conducted by the American Institute of Certified Public Accountants, a state licensing board, or an accounting association or society in accordance with the review standards in §§ 20:75:07:09 ~~to~~ through 20:75:07:15, ~~inclusive~~;

(4) "Pass report;" means a report issued as the result of a peer review that describes no significant deficiencies in the professional standards in §§ 20:75:05:05 and 20:75:05:06;

(5) "Pass with deficiency or fail report;" means a ~~pass with deficiency or fail~~ report issued as the result of a peer review that describes significant deficiencies in the professional standards in §§ 20:75:05:05 and 20:75:05:06;

(6) "Professional standards;" ~~professional~~ means the standards in §§ 20:75:05:05 and 20:75:05:06;

(7) "Quality control system;" means the five elements of quality control described in "Statement on Quality Control Standards (~~SQCS~~)," No. 2, vol. 2, QC Section 10, and "Statements on Quality Control Standards," published in **AICPA Professional Standards, Volume 2**, as of ~~June 1, 2018~~ July 1, 2019;

(8) "Report review;" means a review required of a firm that only performs compilation engagements under "Statements for Accounting and Review Services" where the firm has compiled financial statements that omit substantially all disclosures;

(9) "System review;" means a review required of a firm that performs engagements under the "Statements on Auditing Standards" (~~SAS~~), "Statements on Standards for Accounting and Review Services" (~~SSARS~~), "Statements on Standards for Attestation Engagements" (~~SSAE~~), or "Government Auditing Standards" (~~GAS~~), or performs examinations of prospective financial statements under "Statements on Standards for Attestation Engagements";

(10) "Year of review;" means the calendar year during which a peer review is to be conducted; in the case of an equivalent review, the fiscal or calendar year during which a peer review is to be conducted;

(11) "Year under review;" means the calendar year prior to the year of review; in the case of an equivalent review, the fiscal or calendar year prior to the year of review.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012; 39 SDR 219, effective June 24, 2013; 41 SDR 111, effective January 19, 2015; 45 SDR 84, effective December 20, 2018 (effective January 1, 2020).

General Authority: SDCL 36-20B-12(9).

Law Implemented: SDCL 36-20B-36.

References: **Government Auditing Standards**, December 2011 Revision, or July 2018 Revision, as applicable. United States Government Accountability Office. Copies may be viewed at the board's office or obtained from the United States Government Accountability Office, Washington, DC 20548, or their website at www.gao.gov/yellowbook. Cost: **Government Auditing Standards**, December 2011 Revision, first copy free, each additional copy \$2;

AICPA Professional Standards, Volume 2, as of ~~June 1, 2018~~ July 1, 2019, American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from American Institute of Certified Public Accountants, 220 Leigh Farm Road, Durham, NC 27707. Cost: Member ~~\$159~~ \$199/Non-Members ~~\$199~~ \$249.

Cross-Reference: Conduct of review -- Requirements, § 20:75:07:09.