



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

Agenda
South Dakota Board of Accountancy Meeting
Conference Call
9:00 a.m. (CT)
July 16, 2012

A=Action

D=Discussion

I=Information

Page

A-Approval of Minutes of Meeting June 12, 2012.....	2-3
A-Approval of Certificates & Firm Permits.....	4-5
D-Executive Director's Report.....	6-8
A-Report to Board on Grades.....	9-10
9:30 Rules Hearing.....	11-34

NASBA

D-Nomination of Ron Rotaru for Lorraine Sachs Standard of Excellence Award by TX.....	35
Support from IL.....	36
D-Nomination of Rick Sweeny for Lorraine Sachs Standard of Excellence Award by OR....	37-38
D-Nomination of Diane Rubin for the Willilam Ban Rensselaer Public Service Award by TX..	39
Support from WA.....	40

EXECUTIVE SESSION

Equivalent Reviews, Follow-up and PROC Report for Board Approval.....	Spt. Pkt.
---	-----------

FUTURE MEETING DATES (all times CT)

August 15 – 8:30 – Sioux Falls - Holiday Inn Downtown, Conference Room
September 17 – 9:00 – Conference Call
October 15 – 8:30 – Tentative (Pierre)



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**
301 E. 14th Street, Suite 200
Sioux Falls, SD 57104
(605) 387-5770 / Fax: (605) 387-5773
e-mail southdakota.sdbod@midconnetwork.com
www.accountancy.sd.gov

South Dakota Board of Accountancy
Minutes of Meeting-Conference Call
June 12, 2012-9:00 a.m.

The Board of Accountancy held a meeting by conference call on Tuesday, June 12, 2012. Chair Holly Brunick called the meeting to order at 9:08 a.m.

Roll call was taken to confirm that the following members were present: Holly Brunick, Marty Guindon, John Linn, Jr., John Mitchell, David Olson and John Peterson. A quorum was present.

Also present were Nicole Kasin, Executive Director; Tricia Nussbaum, Secretary; Todd Kolden, Department of Labor & Regulation; and Aaron Arnold, Legal Counsel.

Chair Holly Brunick asked if there were any additions to the agenda. There were four additions:
Addition to Firm Permits
Addition to Financials
Addition to Executive Director's Report
Addition to Peer Review

A motion was made by John Linn, Jr. and seconded by John Mitchell to approve the April 30, 2012, meeting minutes. A roll call vote was taken. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to approve the issuance of individual certificates and firm permits through June 8, 2012. A roll call vote was taken. The motion unanimously carried.

A motion was made by John Mitchell and seconded by Marty Guindon to approve the financial statements through May 2012. A roll call vote was taken. The motion unanimously carried.

Executive Director Kasin discussed her report. The website updates regarding the new layout for the Board of Accountancy page is complete. In regards to firm data, a conference call was held with John Peterson, Laura Coome, and Nicole on 5-29-12. The Board addressed some questions to provide further guidance on the path to take for possible changes to the firm fees. Executive Director Kasin and John Peterson will use the new Board information for continued guidance on the possible changes to the firm fee structure.

The Board discussed the AICPA PROC which would perform a more in-depth (either randomly or case specific) review of materials from the South Dakota reviews. Further information was requested for the next board meeting. The Board was notified that a hearing will be scheduled for one outstanding CPE audit without resolution at the next in-person meeting. The Board reviewed the NASBA Central Region Positions of Central Regional Director and Nominating Committee Representative.

A motion was made by David Olson and seconded by Marty Guindon to nominate John Peterson for the NASBA Central Region Nominating Committee Representative. A roll call vote was taken. The motion carried. 5 aye; 1 abstain (Peterson).

The Board discussed Nicole Kasin's nomination to serve as the NASBA Executive Director Committee Chair for 2012-2013. This position is for a one year term that begins after the October NASBA Annual Conference.

A motion was made by David Olson and seconded by John Peterson to approve support for Nicole Kasin's position as NASBA's Executive Director Committee Chair. A roll call vote was taken. The motion unanimously carried.

The Board discussed the report from NASBA's Central Region Nominating Committee Member.

The Board briefly discussed the nomination letters of Ray Johnson, Telford Lodden, and Kent Smoll for NASBA's Director at Large and the nomination letter of Doug Skiles for NASBA's Central Regional Director.

The Board briefly discussed NASBA's the Board of Directors meeting minutes from January 20, 2012, the Board of Directors meeting highlights from April 27, 2012, and the executive summary and responses to the Regional Director's Focus Questions

John Peterson left the meeting at 9:56 a.m.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to enter into executive session for the deliberative process for peer reviews. A roll call vote was taken. The motion carried 5 aye; 1 excused (Peterson).

The Board came out of executive session.

A motion was made by Marty Guindon and seconded by John Mitchell to accept the peer reviews as discussed in executive session. A roll call vote was taken. The motion carried 5 aye; 1 excused (Peterson).

FUTURE MEETING DATES (all times CT)

July 16 – 9:00 – Conference Call

August 15 – 8:30 – Sioux Falls - Holiday Inn Downtown, Conference Room

September 17 – 9:00 – Conference Call

October 15 – 8:30 – Tentative (Pierre)

A motion was made by Marty Guindon and seconded by John Mitchell to adjourn the meeting. A roll call vote was taken. The motion carried 5 aye; 1 excused (Peterson).

All business having come before the board was concluded and Chair Holly Brunick adjourned the meeting at 10:14 a.m.

Holly Brunick, CPA, Chair

Attest:

Nicole Kasin, Executive Director

John Peterson, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through July 11, 2012

Number	Name	Date Issued	Location
3028	Danielle Lee Ward	6/26/12	Vermillion, SD
3029	Ravi Chandu Jadhaw	7/09/12	Sugarland, TX
3030	Scott Joseph LeBrun	7/09/12	Sioux Falls, SD
3031	Rachel Lynne Hearn	7/09/12	Pierre, SD
3032	Amy Helen Nachtigal	7/10/12	Sioux Falls, SD
3033	Cory Gene Van Maanen	7/10/12	Sioux Falls, SD

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

**Issued Through
July 11, 2012**

Number	Name	Date Issued	Basis/Comments
1575	Houlihan & Associates, P.C. Sioux City, IA	06/19/12	New Firm
1576	Auditwerx, Inc. Palm Harbor, FL	07/09/12	New Firm
1577	James Miller, CPA, PC Waco, TX	07/09/12	New Firm

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

Firm Data

A conference call was held with John Peterson, Laura Coome, and Nicole on 6-19-12. The discussion was tailored around the answers from each board discussion on the series of questions that were posed. The only minor difference we have is using the number of owners in a CPA firm or using the number of CPAs in the firm.

Online License Renewals

The online renewal system became available on June 18. Postcards were sent to firms and licensees. The statistics are provided on the following page.

CPE Audits

There is one outstanding CPE audit without resolution. A hearing is scheduled for August 15.

NASBA Central Region Nominating Committee Representative Update

At the Western Regional Conference, the Central Region voted for our representative. The incoming representative will be Jeff Leiserowitz from Kansas and John Peterson from South Dakota will be the alternate.

Recap of NASBA Western Regional Conference

- Communication Officer's Breakfast Session – Round table discussions on how to effectively communicate as a board to licensees and various ways to reach out to the public
- Update from NASBA Leadership – Programs and services that are being brought in to help state boards and going back to the NASBA mission statement.
- PCAOB Proposals – Study of mandatory rotation of registered CPA firms
- NASBA Educational Research Projects awarded for 2012
 - Global Accountancy Education Recognition Study
 - Best Practices in the Delivery of Online Accounting Education
 - The Influence of Professional Integrity and Client Advocacy on Reporting Decisions
- NASBA Educational Research Projects findings from 2011
 - Are students complying with the spirit of the 150 hour requirement
 - Determinant factors for the dearth of minority CPAs
- Committee Updates
 - UAA – using the term retired or inactive CPA; definition of attest; confidentiality and whistleblowing; definition of independence; registration of foreign auditors; and acts discreditable
 - State Board Relevance and Effectiveness Committee – helping boards become more independent and results of a study performed
 - Global Strategies – International agencies, compacts, advisory boards, and communication

- Legal Updates- Various cases that challenged statutes, grounds for discipline, procedural issues, malpractice and negligence.
- Regional Meeting
- Chair's Breakfast
- ED Breakfast
- Results from Pathways Commission – a timely study of the possible future structure of higher education and the accounting profession
- FAF Plan for Private Company Standard Setting – giving private companies a stronger voice in the standard-setting process
- Breakout Sessions
 - Enforcement – ALD, CPAVerify
 - CPE – Keeping it meaningful and ethics requirements flowchart
 - Communications – Meeting Enhancements, Social Media, Public communications, Relationship management, Development of Annual Reports
 - International Impacts – IFRS, Proposed Regulation and Directive on Auditing, Mutual Recognition Agreements,
- Uniform CPA Exam - Development, security controls, technology assessment, delivery, international delivery, score release schedule, risk assessment, Q&A on international delivery and security.

Online Renewal Statistics 2012 (FY13)

DATE	Form 19-Firm		Form 27-Retired		Form 28-Active		Form 29-Inactive		Daily Totals
	COMP	APVD	BD	APVD	COMP	APVD	BD	APVD	
Monday, June 18, 2012	0	0	0	0	4	3	0	0	7
Tuesday, June 19, 2012	4	0	2	0	14	2	3	0	25
Wednesday, June 20, 2012	4	1	4	0	17	1	4	0	31
Thursday, June 21, 2012	4	0	5	0	20	0	11	0	40
Friday, June 22, 2012	2	0	0	0	7	0	4	1	14
Saturday, June 23, 2012	0	0	0	0	1	1	3	0	5
Sunday, June 24, 2012	0	0	1	0	2	0	1	1	5
Monday, June 25, 2012	5	1	2	0	16	6	15	0	45
Tuesday, June 26, 2012	3	0	0	0	15	1	4	0	23
Wednesday, June 27, 2012	2	0	0	0	14	2	5	0	23
Thursday, June 28, 2012	1	1	1	0	7	3	3	1	17
Friday, June 29, 2012	2	0	0	0	11	2	3	0	18
Saturday, June 30, 2012	0	0	1	0	2	0	1	0	4
Sunday, July 01, 2012	0	0	1	0	2	0	3	0	6
Monday, July 02, 2012	1	1	0	0	14	2	8	0	26
Tuesday, July 03, 2012	1	1	0	0	8	5	5	0	20
Wednesday, July 04, 2012	0	0	1	0	3	0	1	0	5
Thursday, July 05, 2012	2	2	1	0	13	1	4	0	23
Friday, July 06, 2012	4	0	0	0	17	0	1	0	22
Saturday, July 07, 2012	0	0	0	0	1	0	0	0	1
Sunday, July 08, 2012	1	0	0	0	4	2	4	0	11
Monday, July 09, 2012	3	1	0	0	14	2	8	0	28
Totals	39	8	19	0	206	33	91	3	399
Totals per form	47		19		239		94		

Total Renewals

Online & Via Mail	63	31	282	120	496
% Completed Online	74.60%	61.29%	84.75%	78.33%	80.44%

REPORT TO BOARD ON GRADES

Nicole Kasin

The grades were posted for review for the 33rd window. These grades are through June 2012. 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 1-33

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

Average of Score	Section				
School	AUD	BEC	FAR	REG	Grand Total
Augie	74	71	73	72	73
BHSU	68	69	70	70	69
COTech	62	72	66	74	69
DSU	72	69	62	70	68
DWU	68	65	64	75	68
Mt. Marty	67	68	73	67	68
NAU	60	53	58	67	60
NSU	71	68	72	70	70
OS	73	72	70	72	72
SDSU	74	73	78	75	75
USD	77	75	74	75	75
USF	74	74	74	78	75
Grand Total	73	71	72	73	72

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

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

Count of Score	Section				
School	AUD	BEC	FAR	REG	Grand Total
Augie	54	62	46	59	221
BHSU	63	67	51	54	235
COTech	11	9	6	9	35
DSU	12	14	13	9	48
DWU	8	8	8	7	31
Mt. Marty	15	20	6	14	55
NAU	5	7	9	8	29
NSU	63	77	47	58	245
OS	172	176	154	151	653
SDSU	18	25	14	17	74
USD	150	163	154	146	613
USF	39	50	38	34	161
Grand Total	610	678	546	566	2400

Average for past 8 windows (3 or more parts)

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

Average of Score	Section					
School	AUD	BEC	FAR	REG		Grand Total
Augie	78		72	72	74	74
BHSU	68		68	71	71	69
COTech	63				74	66
DWU	77		61	65	74	70
Mt. Marty	72		73	70	67	70
NAU	72			62	68	67
NSU	71		70	75	72	72
OS	72		69	67	69	70
SDSU	70		71	73	72	72
USD	75		74	73	75	74
USF	74		70	73	79	74
Grand Total	73		70	71	72	72

The Board needs to Approve the 2012-2 (33rd Window) grades.

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 visual, hearing, or motor disabilities, mental retardation, 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
- (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.

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

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

Reference: **Mental Measurements Yearbook** ~~17, January 2007 edition,~~ 18, January 2010 edition, Buros Mental Measurement Institute, University of Nebraska. ~~The yearbook is published every other year with a supplement in the following year.~~ Copies of the yearbook ~~or supplement~~ may be ordered from the University of Nebraska Press, PO Box 880484, Lincoln, NE 68588. The cost of the yearbook is ~~\$195~~ \$210 ~~and the cost of the supplement is \$65.~~ The South Dakota State Library has the yearbook in its reference collection.

20:75:02:12. Recognized colleges and universities. For the purpose of evaluating the education qualifications of applicants for certificates under SDCL 36-20B-15, the board shall recognize those junior colleges, colleges, and universities accredited at the time the applicant's degree was received by virtue of membership in one of the following regional accrediting agencies:

- (1) North Central Association of Colleges and Schools;
- (2) Middle States Association of Colleges and Schools;
- (3) New England Association of Colleges and Schools;
- (4) Northwest Commission of Colleges and Universities;
- (5) Western Association of Colleges and Schools;
- (6) Southern Association of Colleges and Schools.

If an applicant's degree was received at an accredited college or university, but the education program used to qualify the applicant included courses taken at either a two-year or a four-year non-accredited institution either before or after graduation, such courses will be deemed to have been taken at the accredited institution from which the applicant's baccalaureate degree was received, if the courses were accepted by virtue of inclusion in an official transcript of the accredited college or university.

A listing of accredited colleges and universities recognized by the board is ~~contained in "Accredited Institutions of Post Secondary Education."~~ on the board website. However, an applicant whose degree was received from a non-accredited college or university may qualify under the provisions of § 20:75:02:13.

Source: 29 SDR 16, effective August 14, 2002; 36 SDR 216, effective July 6, 2010.

General Authority: SDCL 36-20B-12(3).

Law Implemented: SDCL 36-20B-15.

20:75:03:05. Ethics examination. The ethics examination requirement of SDCL 36-20B-16 is satisfied by verification of successful completion of the self-study course of the "American Institute of Certified Public Accountants" entitled ~~"Professional Ethics for Certified Public Accountants"~~ Professional Ethics: The AICPA's Comprehensive Course or its equivalent as determined by the board. Successful completion is achievement of a minimum score of 90 percent. The board may accept the passing score of an ethics examination taken by an applicant as a requirement of a board of another state. The applicant must bear the cost of the course or examination.

In addition to the above ethics exam requirement, the board may require candidates to complete an exam designed by the board, which assesses the candidates' knowledge of the statutes

and regulations governing the practice of accounting in the state of South Dakota as a prerequisite to licensure.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004.

General Authority: SDCL 36-20B-16.

Law Implemented: SDCL 36-20B-16.

20:75:04:00. Definitions. Terms used in this chapter mean:

(1) "Advanced," learning activity level that describes programs most useful for individuals with mastery of the particular topic. This level focuses on the development of in-depth knowledge, a variety of skills, or a broader range of applications. Advanced level programs are often appropriate for seasoned professionals within organizations; however, they may also be beneficial for other professionals with specialized knowledge in a subject area;

(2) "Basic," learning activity level that describes the program level most beneficial to a CPA or PA new to a skill or attribute. These individuals are often at the staff or entry-level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area;

(3) "Continuing professional education" or "CPE," an integral part of the lifelong learning required of a CPA or PA to provide competent service to the public. The set of activities that enables a CPA or PA to maintain and improve their professional competence;

(4) "CPE credit," fifty minutes of participation in a learning activity. A one-half CPE credit increment, equal to 25 minutes, is permitted after the first credit has been earned in a given learning activity;

(5) "CPE program sponsor," an individual or organization responsible for setting a learning objective, facilitating the delivery of a program of study that meets the requirements of this chapter

and that achieves the stated learning objective, and maintains the documentation required by board standards as outlined in chapter 20:75:04. The term, CPE program sponsor, may include associations of accounting professionals, as well as employers who offer in-house programs;

(6) "CPE program developer," an individual or organization responsible for the development of a course of study designed to meet a proscribed learning objective;

(7) "Evaluative feedback," specific response to incorrect answers to questions in self-study programs explaining why that specific answer is wrong. Unique feedback must be provided for each incorrect response, as each one is likely to be wrong for different reasons;

(8) "Group program," an educational process designed to permit a participant to learn a given subject through interaction with an instructor and other participants either in a classroom setting, conference setting, or by using the internet;

(9) "Independent study," educational process designed to permit a participant to learn a given subject under a learning contract with a CPE program sponsor;

(10) "Informal continuing professional education," continuing professional education offered by an organization not in the business of providing continuing professional education, which contributes to, increases, or maintains competency levels of CPAs and PAs;

(11) "Instructional methods," delivery strategies such as case studies, computer-assisted learning, lectures, group participation, programmed instruction, teleconferencing, use of audiovisual aids, or work groups employed in group self-study, ~~or~~ independent study programs, or other innovative programs;

(12) "Intermediate," learning activity level that builds on a basic program most appropriate for a CPA or PA with detailed knowledge in an area. Such individuals are often at the mid-level within the organization, with operational and/or supervisory responsibilities;

(13) "Internet-based programs," a learning activity through a group program or self-study program that is designed to permit a participant to learn the given subject matter via the internet;

(14) "Learning activity," an educational endeavor that maintains or increases professional competence;

(15) "Learning contract," a written contract signed by an independent study participant and a qualified CPE program sponsor prior to the commencement of the independent study, that specifies the nature of the independent program and the time frame over which it is to be completed, specifies that the output must be in the form of a written report to be reviewed by the CPE program sponsor or qualified person selected by the CPE program sponsor and outlines the maximum CPE credit to be awarded for the independent study program, limiting credit to actual time spent;

(16) "Learning objectives," specifications on what participants should accomplish in a learning activity. Learning objectives must be useful to program developers in deciding appropriate instructional methods and allocating time to various subjects;

(17) "Learning plans," structured processes that assist a CPA or PA in guiding their professional development. They are dynamic instruments used to evaluate and document learning and professional competence development. This may be reviewed regularly and modified as a CPA's and PA's professional competence needs change. Plans include:

(a) A self-assessment of the gap between current and needed knowledge, skills, and abilities;

(b) A set of learning objectives arising from this assessment; and

(c) Learning activities to be undertaken to fulfill the learning plan;

(18) "Non-group," programs include self-study programs, independent study programs, service as an instructor, lecturer, or discussion leader, or publishing of articles, books, or continuing professional education programs;

(19) "Overview," learning activity level that provides a general review of subject area from a broad perspective. These programs may be appropriate for professionals at all organizational levels;

(20) "Personal development," a field of study that covers such skills as communication, managing the group process, dealing effectively with others, interviewing, counseling, and career planning;

(21) "Pilot test," sampling of at least three independent individuals representative of the intended participants to measure the ~~average~~ representative completion time to determine the recommended CPE credit for self-study programs;

(22) "Principal place of business," as defined in SDCL 36-20B-1;

(23) "Professional competence," having requisite knowledge, skills, and abilities to provide quality services as defined by the technical and ethical standards of the profession. The expertise needed to undertake professional responsibilities and to serve the public interest;

(24) "Program of learning," a collection of learning activities that are designed and intended as continuing professional education that comply with the standards;

(25) "Reinforcement feedback," specific responses to correct answers to questions in self-study programs. Such feedback restates why the answer selected was correct;

(26) "Self-study program," an educational process designed to permit a participant to learn a given subject without major involvement of an instructor. Self-study programs use a pilot test to measure the average completion time from which the recommended continuing professional education credit is determined;

(27) "University or college," shall mean an accredited institution;

(28) "Update," a learning activity level that provides a general review of new developments. This level is for participants with a background in the subject area who desire to keep current-;

Source: 31 SDR 97, adopted December 17, 2004, effective July 1, 2005; 35 SDR 305, effective July 1, 2009.

General Authority: SDCL 36-20B-12(3).

Law Implemented: SDCL 36-20B-27.

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:

(1) Fifty minutes of participation in a group program, independent study, or self-study program equals one hour of continuing professional education credit. For learning activities in which individual segments are less than 50 minutes, the sum of the segments should be considered one total program;

(2) A one-half continuing professional education credit increment, equal to 25 minutes, is permitted after the first credit has been earned in a given learning activity;

(3) Informal CPE credit is limited to those portions of committee or staff meetings that are designed as programs of learning and comply with these standards to qualify for CPE credit. The amount of credit awarded shall be the time actually spent meeting and measuring a specific learning objective;

(4) Accredited university or college courses count as 15 hours for each semester hour and 10 hours for each quarter hour;

(5) Non-credit university or college courses shall be awarded credit only for the actual classroom time spent in the non-credit course. Credit is not granted to participants for preparation time;

(6) Instructors or discussion leaders of learning activities may receive credit for both preparation and presentation time provided the activities maintain or increase their professional competence and qualify as credit for participants. Instructors may receive 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 may be claimed only if it can be demonstrated that the learning activity was substantially changed and such change required significant additional study or research;

(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;

(8) Self-study CPE credits must be based on a pilot test of the average representative completion time. A sample of intended professional participants should be selected to test program materials in an environment and manner similar to that in which the program is to be presented. CPE credits should be recommended based on the average representative completion time for the sample;

(9) Independent study CPE credits recommended by a CPE program sponsor or developer may not exceed the time the participant devoted to complete the learning activities specified in the learning contract.

Source: 29 SDR 16, effective August 14, 2002; 31 SDR 97, adopted December 17, 2004, effective July 1, 2005; 35 SDR 305, effective July 1, 2009.

General Authority: SDCL 36-20B-12(3).

Law Implemented: SDCL 36-20B-27.

20:75:05:01. Independence. A licensee shall comply with Section ET 101 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.

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

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

References: **AICPA Professional Standards, Volume 2, ET Section 101**, as of ~~February 2010~~ May 2012, 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, ~~Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311~~ 1211 Avenue of the Americas, New York, NY 10036. Cost: Annual Subscription of Loose-leaf Edition, Member \$389/Non-Member \$486.25 a set.

Government Auditing Standards, by the United States Government Accountability Office (GAO) ~~July 2007~~ December 2011 Revision. 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/govaud/ybk01.htm~~ www.gao.gov/yellowbook. Cost: first document free, each additional copy \$2.

United State Department of Labor (DOL): <http://law.justia.com/us/cfr/title29/29-9.1.3.1.1.0.16.7.html>.

Public Company Accounting Oversight Board (PCAOB):

http://pcaobus.org/Rules/PCAOBRules/Pages/Section_3.aspx.

United States Securities and Exchange Commission (SEC):

<http://www.sec.gov/rules/final/33-8183.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 ~~February 2010~~ May 2011; **AICPA Professional Standards, Volume 2**, AR Sections 100 through 9600, as of ~~February 2010~~ May 2012; **Professional Standards, Volume 1**, AT Sections 2500 through 2970-400, as of ~~February 2010~~ May 2012; and **AICPA Professional Standards, Volume 2**, ET Sections 50 through 500, as of ~~February 2010~~ May 2012; by the American Institute of Certified Public Accountants. **Government Auditing Standards by the United States Government Accountability Office**, ~~July 2007~~ December 2011 Revision. 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.

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 ~~February 2010~~ May 2011; **AICPA Professional Standards, Volume 2**, AR Sections 100

through 9600, as of ~~February 2010~~ May 2012; **AICPA Professional Standards, Volume 1**, AT Sections 2500 through 2970-400, as of ~~February 2010~~ May 2012; and **AICPA Professional Standards, Volume 2**, ET Sections 50 through 500, as of ~~February 2010~~ May 2012, 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, ~~Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311~~ 1211 Avenue of the Americas, New York, NY 10036. Cost: **AICPA Professional Standards, Volume 1 and Volume 2**, Annual Subscription of Loose-leaf Edition. Member \$389/Non-Member \$486.25.

Government Auditing Standards by the United States Government Accountability Office, ~~July 2007~~ December 2011 Revision. 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/govaud/ybk01.htm~~ www.gao.gov/yellowbook. Cost: **Government Auditing Standards**, first document free, each additional copy \$2.

20:75:05:06. Accounting principles. If financial statements or other financial data contain any departure from an accounting principle promulgated by the Financial Accounting Standards Board and its predecessors, the Governmental Accounting Standards Board, or by other entities having similar authority as recognized by the board, a licensee may not:

(1) Express an opinion or state affirmatively that the statements or other data of any entity are presented in conformity with generally accepted accounting principles; or

(2) State that the licensee is not aware of any material modifications that should be made to such statements or data in order for them to be in conformity with generally accepted accounting principles.

If, however, the statements or data contain such a departure and the licensee can demonstrate that due to unusual circumstances the financial statements or data would otherwise have been

misleading, the licensee may comply with this section by describing the departure, its approximate effects, if practicable, and the reason why compliance with the principle would result in a misleading statement.

Generally accepted accounting principles for nongovernmental entities are those pronouncements issued by the Financial Accounting Standards Board and its predecessor entities published by the **Financial Accounting Standards Board (FASB)**, in **Accounting Standards, Current Text, General Standards**, as of ~~May 2010~~ December 2011, and **Financial Accounting Standards Board (FASB)**, **Accounting Standards, Current Text, Industry Standards**, as of ~~May 2010~~ December 2011. Generally accepted accounting principles for governmental entities are those pronouncements of the Governmental Accounting Standards Board published in **Codification of Governmental Accounting and Financial Reporting Standards**, as of ~~June 30, 2009~~ June 30, 2011.

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.

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

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

Reference: **Financial Accounting Standards Board (FASB)**, **Accounting Standards** www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Codification of Governmental Accounting and Financial Reporting Standards, as of ~~June 30, 2009~~, ~~Governmental Accounting Standards Board, June 30, 2009~~. Copies may be viewed at the board's office or obtained from ~~Governmental Accounting Standards Board Order Department, P.O. Box 30784, Hartford, CT 06150. Cost: \$90 each~~ <http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176160042391>.

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 ~~February 2010~~ May 2012, 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.

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

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

Reference: **AICPA Professional Standards, Volume 2**, as of ~~February 2010~~ May 2012, 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, ~~Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311~~ 1211 Avenue of the Americas, New York, NY 10036.

Cost: Members \$389/Non-Members \$486.25 a set.

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.

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

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

Reference: AICPA Professional Standards, Volume 2, as of ~~February 2010~~ May 2012, American Institute of Certified Public Accountants, ~~Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311~~ 1211 Avenue of the Americas, New York, NY 10036. Cost: Member \$389/Non-Member \$486.25 a set.

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.

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

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

References: AICPA Professional Standards, Volume 2, ET Section 101, as of ~~February 2010~~ May 2012, 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, ~~Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311~~ 1211 Avenue of the Americas, New York, NY 10036. Cost: Annual Subscription of Loose-leaf Edition, Member \$389/Non-Member \$486.25 a set.

Government Auditing Standards, by the United States Government Accountability Office, ~~July 2007~~ December 2011 Revision. 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/gevaud/ybk01.htm~~ www.gao.gov/yellowbook. Cost: **Government Auditing Standards**, first document free, each additional copy \$2.

United States Securities and Exchange Commission (SEC):
<http://www.sec.gov/rules/final/33-8180.htm>.

Public Company Accounting Oversight Board (PCAOB):
~~http://www.pcaob.org/Standards/Standards_and_Related_Rules/Auditing_Standard_No.3.aspx~~
http://pcaobus.org/Standards/Auditing/Pages/Auditing_Standard_3_Appendix_A.aspx.

United State Department of Labor (DOL): <http://law.justia.com/us/cfr/title29/29-9.1.5.13.1.html>.

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

(1) "Accounting and auditing practice," 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. 200), 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") ~~July 2007~~ December 2011 Revision, issued by the U. S. General Accounting Office;

(2) "Engagement review," 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," 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 20:75:07:15, inclusive;

(4) "Pass report," 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," 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 standards in §§ 20:75:05:05 and 20:75:05:06;

(7) "Quality control system," the five elements of quality control described in "Statement on Quality Control Standards (SQCS)," No. 2, vol. 2, QC Section 20, and "Statements on Quality Control Standards," published in **AICPA Professional Standards, Volume 2**, as of ~~February 2010~~ May 2012;

(8) "Report review," 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) "South Dakota review," a peer review conducted under the South Dakota Board of Accountancy program in accordance with this chapter;

(10) "System review," 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";

(11) "Year of review," 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;

(12) "Year under review," 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.

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

Law Implemented: SDCL 36-20B-36.

References: **Government Auditing Standards**, ~~July 2007~~ December 2011 Revision. 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/govaud/ybk01.htm~~ www.gao.gov/yellowbook. Cost: **Government Auditing Standards**, July 2007 Revision, first copy free, each additional copy \$2;

AICPA Professional Standards, Volume 2, as of ~~February 2010~~ May 2012, American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from American Institute of Certified Public Accountants, ~~Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311~~ 1211 Avenue of the Americas, New York, NY 10036. Cost: Member \$389/Non-Member \$486.25 a set.

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

20:75:07:02. Requirement for review -- Fee -- Areas to be reviewed. A licensed firm, as a condition to renewal of its firm permit pursuant to SDCL chapter 36-20B, must undergo a peer

review in accordance with this chapter once every three years unless prior approval is granted by the board for special circumstances. Special circumstances include a requirement by another reviewing body which would cause a firm's review to be outside the three year cycle.

The board may waive or adjust the peer review requirements for a firm that has entered into a consent agreement as a result of a ~~modified~~ pass with deficiency or fail report.

The administrative fee for a peer review is \$75. For firms having reviews conducted under the South Dakota program, the administrative fee must be accompanied by a Notice of Selection of Reviewer form and be received by the board at the board's office by January 15 of the year of review or must be postmarked by January 15. For firms applying under the equivalent review provision in § 20:75:07:05, the administrative fee must be accompanied by a Request for Acceptance of Equivalent Review form and received by the board at the board's office by June 1 or postmarked by June 1. If the Notice of Selection of Reviewer or Request for Acceptance of Equivalent Review form is submitted late, the administrative fee is \$125. The Notice of Selection of Reviewer and Request for Acceptance of Equivalent Review form may be obtained at the board's office.

If a firm filing a Request for Acceptance of Equivalent Review form has not engaged a reviewer by June 1, the firm must file a copy of the Request for Acceptance of Equivalent Review form by June 1 with the \$75 fee. The original Request for Acceptance of Equivalent Review signed by the firm and reviewer must then be filed within 30 days after the reviewer is engaged. If the original Request for Acceptance of Equivalent Review form is not filed within 30 days after the reviewer is engaged, the firm must submit an additional \$50.

The peer review is limited to the firm's accounting and auditing practice and, if required, may include its related quality control system.

Source: 29 SDR 16, effective August 14, 2002.

General Authority: SDCL 36-20B-12(9)(10).

Law Implemented: SDCL 36-20B-36.

Cross-References:

Equivalent reviews, § 20:75:07:05.

Selection of reviewer, § 20:75:07:06.

Discretion to waive certain requirements, § 20:75:01:07.

20:75:07:03. Exemption from review. A firm is exempt from the peer review requirement set forth in § 20:75:07:02 if it represents to the board that it does not engage in the financial reporting area of practice, including audits, reviews, compilations, and accounting services on prospective financial information; that it does not intend to engage in such a practice during the following year; and that it will immediately notify the board in writing if it engages in such a practice. The representation shall be made in writing under oath on forms provided by the board and shall be made annually at the time the firm applies for renewal of its firm permit.

A firm may declare exemption if the firm is subject to review for the prior year and no longer intends to engage in the financial reporting area of practice, including audits, reviews, compilations, and accounting services on prospective financial information; that it does not intend to engage in such a practice during the following year; and that it will immediately notify the board in writing if it engages in such a practice. ~~The notification shall be made on forms provided by the board.~~

If a firm under exemption notifies the board that it has engaged in the financial reporting area of practice, it must undergo a peer review during the first calendar year after its acceptance of the first engagement following a declaration of exemption from peer review.

Source: 29 SDR 16, effective August 14, 2002.

General Authority: SDCL 36-20B-12(9)(10).

Law Implemented: SDCL 36-20B-36.

20:75:07:08. Conduct of review -- Location. The peer review must be conducted at the office location of the firm under review unless the board gives prior approval for the review to be conducted at another location. A firm that does not perform audits and had a pass report on its preceding review may have a review conducted at a location other than its office. However, the firm must have a review conducted at its office location once every third three-year cycle. A firm that performs audits of historical financial statements, agreed-upon procedures under the **Statements on Standards for Attestation Engagements**, or examinations of prospective financial statements must have a review conducted at its office location because of the public interest in the quality of such engagements and the importance to the accounting profession of maintaining the quality of those services. Prior approval may be granted for a review to be conducted at a location other than the firm's office for firms conducting audits. In granting approval for a review to be conducted at another location, the board shall consider firm size and makeup, the number and types of engagements, distances involved, and prior 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.

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

Law Implemented: SDCL 36-20B-36.

Reference: **AICPA Professional Standards, Volume 1, AT Section** ~~February 2010~~ May 2012, 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, Harborside

~~Financial Center, 201 Plaza III, Jersey City, NJ 07311~~ 1211 Avenue of the Americas, New York, NY 10036. Cost: Member \$389/Non-Member \$481.25 a set.

20:75:07:09. Conduct of review -- Requirements. The peer review must be conducted in accordance with the following requirements:

(1) A review must have an engagement review, report review, or system review as defined in § 20:75:07:01, to ensure that procedures tailored to the size of the firm and the nature of its practice are performed;

(2) A South Dakota review must be conducted between January 1 and October 31 of the year of review unless otherwise agreed by the board and the firm subject to review;

(3) The reviewer must select the engagements to be reviewed. Engagements selected for review must provide a reasonable cross section of the firm's accounting and auditing practice with greater emphasis on those engagements in the practice with higher assessed levels of quality review risk. Factors to be considered in assessing peer review risk at the engagement level are size, industry area, level of service, personnel, litigation in industry area, and initial engagement;

(4) The review must be limited to the reviewed firm's quality control system and the accounting and auditing engagements with client year ends dated within the year under review;

(5) The reviewer must use checklists ~~provided by the board~~ as a basis for performing the review ~~unless reviewing under § 20:75:07:06~~. A separate checklist must be used for system reviews, engagement reviews, and report reviews. The checklists must include questions for the reviewer to answer and must provide sufficient information for the board to determine whether the firm under review complies with the standards and principles in §§ 20:75:05:05 and 20:75:05:06; and

(6) The firm under review must submit to the reviewer the preceding peer review report; the matters for further consideration, if any; the reviewed firm's response to the matters for further

consideration, if any; the findings for further consideration, if any; the reviewed firm's response to the findings for further consideration, if any; the final letter of approval; and any board or review committee performance requirements.

Source: 29 SDR 16, effective August 14, 2002; 35 SDR 165, effective December 22, 2008; 36 SDR 216, effective July 6, 2010.

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

Law Implemented: SDCL 36-20B-36.

Cross-Reference: Definitions, § 20:75:07:01.

20:75:07:11. Report -- Findings for further consideration. Within 30 days after the date of the exit conference, the reviewer must issue a written report and, if applicable, findings for further consideration to the reviewed firm. If the reviewer issues this report after the 30-day period, the reviewer must submit a fee of \$50 to the board.

The report and letter must be addressed to the proprietor, partners, members, officers, or shareholders of the reviewed firm and must be dated as of the date of the exit conference. The report must include the following:

- (1) The year covered by the review;
- (2) A statement of the scope of the review;
- (3) A description of the general characteristics of a system of quality control, if applicable;

and

- (4) The reviewer's opinion. If the opinion is pass with deficiency or fail, the report must include a description of the reasons for the deficiency.

If the reviewer finds deficiencies, the reviewer must issue to the firm under review findings ~~for further consideration~~ outlining the deficiencies and recommending action to correct the deficiencies.

Source: 29 SDR 16, effective August 14, 2002; 35 SDR 165, effective December 22, 2008; 36 SDR 216, effective July 6, 2010.

General Authority: SDCL 36-20B-12(9)(10)(11).

Law Implemented: SDCL 36-20B-36.

Cross-Reference: Discretion to waive certain requirements, § 20:75:01:07.

20:75:07:12. Response to findings for further consideration. The firm under review shall issue a response to findings for further consideration. The ~~letter of~~ response shall contain the following:

(1) A statement addressing each ~~deficiency~~ finding in the reviewer's findings for further consideration;

(2) A statement of agreement or disagreement with the findings of the reviewer. The firm must provide reasons if it disagrees with the findings;

(3) A statement of agreement or disagreement with the corrective action recommended by the reviewer; and

(4) A schedule for correcting ~~deficiencies~~ the findings.

Source: 29 SDR 16, effective August 14, 2002; 35 SDR 165, effective December 22, 2008; 36 SDR 216, effective July 6, 2010.

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

Law Implemented: SDCL 36-20B-36.



Texas State Board of Public Accountancy

333 Guadalupe, Tower III Suite 900, Austin, Texas 78701-3900

William Treacy, Executive Director

June 11, 2012

Billy Atkinson, CPA
Chair, NASBA Awards Committee
150 Fourth Ave. N, Suite 700
Nashville, TN 37219-2417

Dear Billy:

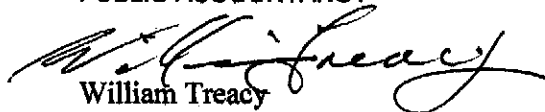
The Texas State Board is pleased to support the nomination of **Ron Rotaru** of Ohio for the **Lorraine P. Sachs Standard of Excellence Award**. Ron is an administrative professional with many years of experience in state and city government, and he has used his considerable skills to the benefit of the Accountancy Board since 1999. As Executive Director of the Ohio Board, he directs all program activities of the Board, but believes in delegating and empowers his staff to carry out the day-to-day operation of the many Board programs under his guidance. Well-known in the community, Ron is the public face of the Board in all matters that come before the legislature, government agencies, professional associations, and the general public.

Ron has served on NASBA's Mobility Task Force as well as on the Global Strategies and CBT Exam Administration committees. A tireless advocate for mobility, Ron has criss-crossed the country speaking on behalf of mobility and substantial equivalency. Under his leadership, the Ohio Board has developed a user-friendly website, strong enforcement program, online renewal process used by over 97% of Ohio licensees, and an active education assistance program; and it has renewed efforts to promote career awareness, especially among minorities, and encouraged Ohio CPAs to continue active involvement in NASBA and other accounting entities. He has also addressed legislative budget cuts by finding ways to operate more efficiently rather than cutting services or human resources.

Ron Rotaru has held positions in city and state government, run his own business, and worked as legislative liaison for the Columbus Convention Bureau. He is also an energetic advocate for the Columbus Zoo, Chamber of Commerce, and Alcohol Drug and Mental Health Board of Franklin County. He has worked steadfastly for the betterment of both the profession and the community.

Sincerely yours,

TEXAS STATE BOARD OF
PUBLIC ACCOUNTANCY


William Treacy
Executive Director

Administration/
Accounting
(512) 305-7800

Automated
Information
(512) 305-7870

CPE
(512) 305-7844

Enforcement
(512) 305-7888

Licensing
(512) 305-7853

Qualifications
(512) 305-7850
(512) 305-7851

Peer
Review
(512) 305-7853

FAX
(512) 305-7876
(512) 305-7854

www.tsbpa.state.tx.us

An equal opportunity, affirmative action employer



Illinois Board of Examiners

100 TRADE CENTRE DRIVE • SUITE 403 • CHAMPAIGN, ILLINOIS 61820-7233

June 19, 2012

Mr. Billy Atkinson, CPA
Chair, NASBA Awards Committee
150 Fourth Avenue North, Suite 700
Nashville, TN 37219-2417

Dear Mr. Atkinson,

On behalf of the Illinois Board of Examiners, I am pleased to submit this letter in support of the Texas Board's nomination of Mr. Ron Rotaru, Executive Director of the Ohio Board for the Lorraine P. Sachs Standard of Excellence Award.

As Executive Director of the Illinois Board of Examiners, it has been my pleasure to work with Ron and I have witnessed the respect other Executive Directors have for Ron's insight and professional leadership. His accomplishments, service to Ohio and to NASBA were clearly articulated by the Texas Board in their letter to you dated June 11, 2012. His dedication to the profession, his community and his peers is a clear testament to the character of Ron Rotaru.

The Illinois Board of Examiners is unanimous in support of this nomination as we recognize Ron's dedication and contribution to the CPA profession.

On Behalf of the Illinois Board of Examiners

A handwritten signature in black ink, appearing to read "Russ Friedewald", is written over a horizontal line.

Russ Friedewald
Executive Director



Oregon

John A. Kitzhaber, MD, Governor

Board of Accountancy

3218 Pringle Road SE #110

Salem, OR 97302-6307

(503) 378-4181

FAX (503) 378-3575

<http://www.oregon.gov/BOA/>

June 18, 2012

Billy Atkinson, CPA
Chair, NASBA Awards Committee
150 Fourth Avenue N Suite 700
Nashville, TN 37219-2417

Re: Nomination of Rick Sweeney for the 2012
Lorraine P. Sachs Standard of Excellence Award

Dear Mr. Atkinson:

The Oregon Board of Accountancy is pleased to enthusiastically support the nomination of Rick Sweeney, CPA, Executive Director of the Washington State Board of Accountancy, to be the recipient of the 2012 Lorraine P. Sachs Standard of Excellence Award.

I have reviewed the nomination form submitted by Don Aubrey, Chair of the Washington Board, which details the vast array of Mr. Sweeney's contributions to the profession and NASBA. Those contributions underscore the high level of Rick's commitment to both the accountancy profession and the effective regulation of the profession. Nonetheless, I offer the following additional examples:

- When I was newly hired as the executive director of the Oregon board in 2008, Rick offered his assistance to me without reservation. He graciously answered innumerable questions I asked him without regard for the time taken from his own duties and responsibilities. His willingness to help me greatly shortened my "learning curve" for being a new executive director. Rick continues to be a valuable resource to me and I continue to seek to learn from his knowledge and experience.
- I have served with Rick on the NASBA State Board Relevance and Effectiveness Committee for the past 3 years. He has co-chaired subcommittees and worked tirelessly to identify strategies to further the development and maintenance of strong and effective boards of accountancy.

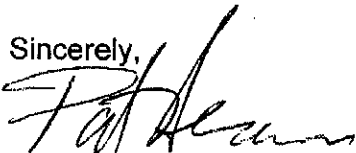
Mr. Atkinson
June 18, 2012
Page 2

- Rick has been licensed to practice for 42 years. Prior to his involvement with the Washington Board and NASBA, he became a highly respected and popular CPE instructor who taught fellow professionals throughout the country. He also served on committees such as the Washington Society of CPAs Ethics Committee and the AICPA Independence-Behavioral Standards Committee.

The Oregon Board of Accountancy encourages the NASBA Nominating Committee to recognize Rick Sweeney for his many decades of giving to the profession of accounting and nominate him to receive the Lorraine P. Sachs Standard of Excellence Award.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Patrick Hearn", written over the word "Sincerely,".

L. Patrick Hearn
Executive Director



Texas State Board of Public Accountancy

333 Guadalupe, Tower III Suite 900, Austin, Texas 78701-3900

William Treacy, Executive Director

June 20, 2012

Billy Atkinson, CPA
Chair, NASBA Awards Committee
150 Fourth Ave. N, Suite 700
Nashville, TN 37219-2417

Dear Billy:

The Texas Board of Public Accountancy is pleased to nominate **Diane Rubin, CPA**, a member of the San Francisco-based CPA firm of Novogradac & Co., LLP, for NASBA's annual **William H. Van Rensselaer Award**. When she took office as chair of NASBA seven years ago, she set as her goals in her inaugural address to strengthen bonds among state boards and to increase public awareness of the role state boards play in protecting the public. In order to gain greater influence for state boards in regulatory matters, she urged NASBA and state boards to focus on communications, regulation, and enforcement as tools by which to fulfill their mission to protect the public.

Rubin has worked for many years toward making state boards, singularly and collectively under the NASBA umbrella, the appropriate guardian of the public interest. She has served on the Auditing Standards Board and Audit Issues Task Force and on the California State Board of Accountancy, including a term as president. She chaired the board's Committee on Professional Conduct and served on the UAA and the Enforcement Program Oversight committees. In addition to several years on the NASBA board, she has chaired NASBA's Examination and the Strategic Initiatives committees and been a member of the New Horizons, the NASBA Services Group, the Non-CPA Ownership, and Regulatory Response committees, all in addition to community service in several sectors.

Diane Rubin has been named one of the Top 100 Most Influential People by *Accounting Today* (2006) and one of the Top 100 Most Influential Practitioners by the National Society of Accountants *NPA Magazine*. It seems appropriate that we sing her praises as well by presenting her the 2012 William H. Van Rensselaer Award.

Sincerely yours,

TEXAS STATE BOARD
OF PUBLIC ACCOUNTANCY

A handwritten signature in black ink, appearing to read "William Treacy", is written over a horizontal line.

William Treacy, Executive Director

Administration/
Accounting
(512) 305-7800

Automated
Information
(512) 305-7870

CPE
(512) 305-7844

Enforcement
(512) 305-7866

Licensing
(512) 305-7853

Qualifications
(512) 305-7850
(512) 305-7851

Peer
Review
(512) 305-7853

FAX
(512) 305-7875
(512) 305-7854

www.tsbpa.state.tx.us

An equal opportunity, affirmative action employer



STATE OF WASHINGTON
BOARD OF ACCOUNTANCY

PO Box 9131 • Olympia, Washington 98507-9131
(360) 753-2585 • FAX (360) 664-9190 • www.cpaboard.wa.gov

June 21, 2012

Billy Atkinson, CPA
Chair, NASBA Awards Committee
150 Fourth Ave N, Suite 700
Nashville, TN 37219-2417

Re: Diane Rubin's Nomination for William H. Van Rensselaer Award

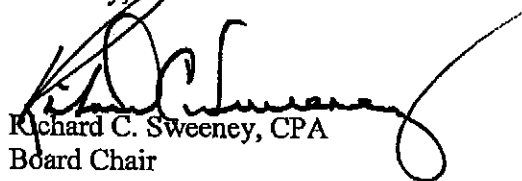
Dear Billy:

The Washington State Board of Accountancy supports the nomination of Diane Rubin, CPA, for NASBA's 2012 William H. Van Rensselaer Public Service Award.

Ms. Rubin's contributions to the development of programs for State Boards of Accountancy and influence towards the passage of rules or statutes to strengthen accountancy regulation is amply demonstrated by her background and participation in NASBA and other professional, educational, and civic organizations as previously submitted by Texas. The Board members have evaluated that background and believe Ms. Rubin deserves this recognition and honor.

The Washington Board respectfully requests that you give this Board's support positive consideration.

Sincerely,


Richard C. Sweeney, CPA
Board Chair

rcs/cms

Enclosure

Copy: Cassandra Gray, Communications Manager
Executive Directors, Board of Accountancy

