



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND
INSURANCE TENNESSEE STATE BOARD OF
ACCOUNTANCY

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Program Website:

<https://www.tn.gov/commerce/section/accountancy>

A meeting of the Tennessee State Board of Accountancy was held on Tuesday, July 26, 2022,
at Davy Crockett Tower, 500 James Robertson Parkway in Conference Room 1B

MEMBERS PRESENT

Kevin Monroe, Chair
Andy Bonner, Vice-Chair
Dr. Pamela Church
David Crenshaw
John Griesbeck
Gay Moon
Robert Vance
Judy Wetherbee

MEMBERS PRESENT REMOTELY

Larry Elmore, Secretary
Greg Gilbert
Janet Booker-Davis

LEGAL COUNSEL

Tsveta Todorova-Kelly, Associate General Counsel

STAFF

Wendy Garvin, Executive Director
Shari Waugh, Investigator, remotely via Teams
Karen Condon, Board Staff

OTHERS ATTENDING

Kara Fitzgerald, President/CEO, TSCPA
Katie Cheek, Chief Operating Officer, TSCPA
Elizabeth Snyder, applicant

Call to Order

Chairman Monroe called the meeting to order at 8:30 am.

Public Disclaimer and Roll-call

The meeting time and date have been properly noticed on the website. Members made their presence known via roll call and a quorum was established. Mr. Gilbert will be joining the meeting later.

Announcements

The Board welcomed Tsveta Todorova-Kelly, the new Associate General Counsel, and extended a welcome to all those viewing remotely.

Review and Adopt Agenda

Motion and second to adopt the agenda as presented. Motion was unanimously passed by roll call vote.

Approval of Meeting Minutes

Motion and second to approve the minutes of the May 3, 2022, meeting. Motion was unanimously passed by roll call vote

Executive Director's Report – Wendy Garvin, Executive Director

Director Garvin presented the report, which included a proposed future Committee meeting date of October 19, 2023, and a Board meeting date of October 20, 2023. This differs from the normal dates, as they occur on a Thursday and Friday. The proposed changes are due to a scheduling conflict with another Board.

Motion and second to approve the Board meeting date Friday October 20, 2023. Motion was unanimously passed by roll call vote.

Reinstatement Application Presentation - James Bickmore

Mr. Bickmore submitted an application to reinstate a suspended CPA license. This first meeting is to review the completeness of the application and the Board's rules governing reinstatement. If accepted, the Board will review the application for approval at the next meeting.

Motion and second to accept the reinstatement application as complete for review at the October 2022 meeting and to request the applicant's appearance at that meeting. Motion was unanimously passed by roll call vote, with Ms. Wetherbee abstaining.

Good Moral Character Review – Elizabeth Snyder

Ms. Snyder submitted an initial CPA license application and has not previously held a CPA License. She voluntarily surrendered a Louisiana nursing license in 2014 following formal disciplinary action. Ms. Snyder was present to address the Board and answer their questions.

Motion and second to not consider the items arising from the 2014 surrender of the Louisiana nursing license as a disqualifying event in reviewing the CPA license application, noting that Ms. Snyder must meet all standard licensing requirements. Motion was unanimously passed by roll call vote.

Board Committee Reports

Chairman Monroe noted that each committee meets the day prior to the Board meeting to review and discuss each matter in depth. The committee makes a recommendation for action to the Board.

Licensing Committee—Pamela Church, Chair

Exam Extension Requests

Candidate Cantrell requests an extension of the FAR credit which expired June 21, 2022, due to a combination of a COVID diagnosis and the heavy schedule at a new job. She had scheduled a testing date in June and was unable to site due to a diagnosis of vertigo. The committee acknowledged that a heavy work schedule is not considered to be an extenuating circumstance, but the committee did consider the medical issues. The Committee recommends granting an extension of the FAR section to 10/31/2022.

Motion and second to approve the committee's recommendation of an extension to 10/31/2022 for the FAR section of the exam. Motion was unanimously passed by roll call vote.

Candidate Moore requests a three-month extension for REG which expired on 5/2/2022, due to having twice been diagnosed with COVID, exam scheduling difficulties, and a heavy work schedule. The release

of Ms. Moore's REG scores is pending. If receiving a passing score for REG, she will have passed the exam in its entirety. The committee recommends extending the REG section to July 12, 2022.

Motion and second to approve the committee's recommendation of an extension to July 12, 2022, for REG. Motion was unanimously passed by roll call vote.

Certified Treasury Exam for CPE Credit

A licensee requests approval for the Certified Treasury Exam for CPE credit. The Committee determined that the exam appears to be in line with other exams previously approved and is essentially related to accounting and finance. The exam has 170 questions and is four hours in length.

Motion and second to allow the exam to count for CPE credit. Motion was unanimously passed by roll call vote.

Enforcement Committee—Kevin Monroe

Mr. Monroe presented the Committee items in Chairman Gilbert's absence. The Board received an amended version of the report, based on the changes made by the Committee. The Committee modified the proposed discipline for items 8, 9, 10, and 13 of the report.

Items 1-8 of the report are cases for which Legal has recommended for closure with no action, issuance of a letter of warning, or issuance of a letter of instruction.

Motion and second to accept the recommendations for items 1-6 of the report, case numbers 2022009391, 2022018851, 2022003851, 2022005121, 2022016121, and 2022007171. Motion was unanimously passed by roll call vote.

Motion and second to accept the recommendation for item 7, case number 2022009281. Motion was unanimously passed by roll call vote with Ms. Moon abstaining.

Motion and second to accept the recommendation for item 8, case number 2022004031, as revised by the Committee. Motion was unanimously passed by roll call vote

Items 9-14 of the report are cases for which Legal has recommended discipline.

Motion and second to accept the recommendation for item 9, case number 2022013651, as revised by the Committee. Motion was unanimously passed by roll call vote

Motion and second to accept the recommendation for item 10, case number 2022015541, as revised by the Committee. Motion was unanimously passed by roll call

Motion and second to accept the recommendations for items 11, 12, and 14 of the report, case numbers 2022009231, 2022009261, and 2022013641. Motion was unanimously passed by roll call vote.

Motion and second to accept the recommendation for item 13, case number 2022012441, as revised by the Committee. Motion was unanimously passed by roll call vote

Items 15 and 16 of the report are cases in which the Board has previously made a decision, but for which new information has come to light.

Motion and second to accept the recommendation for item 15, case number 2022006941. Motion was unanimously passed by roll call vote with Ms. Moon abstaining.

Motion and second to accept the recommendation for item 16, case number 2021072641. Motion was unanimously passed by roll call vote.

Law and Rules Committee – Andy Bonner, Chair

Rule Change Considerations

The following matters are under consideration for the Board’s attention at a later meeting:

- CPA evolution, with a possible modification of the way the 18-month window is measured. Currently starts on the date one sits for the exam; the Board will discuss whether this should be changed to the date the score is released. The new exam and licensure model will begin on January 1, 2024 and could result in delays for scoring and release.
- Peer review section of the rules is outdated, the Board will discuss updating the rules to mirror the model rules.
- “Principal place of business” is interpreted in a variety of ways nationally, with the licensee making the determination. With the proliferation of remote work, how is principal place of business best defined and interpreted? Should a licensee’s principal place of business be reported to the Board? Should it be further defined?
- Exam transition recommendations, which will be included in the CPA Evolution agenda item

Executive Committee – Kevin Monroe, Chair

Mutual Recognition Agreement (MRA) between the US CPA and CPA Ireland

NASBA recently announced a newly approved MRA with CPA Ireland, providing an abbreviated path toward licensure for eligible CPAs in the US and Ireland to practice in partner countries. The Board has typically approved established MRAs that have been executed by the International Qualifications Appraisal Board (IQAB) along with NASBA and AICPA.

Motion and second to accept the committee’s recommendation to accept the MRA as executed by IQAB/NASBA/AICPA with CPA Ireland. Motion was unanimously passed by roll call vote.

Travel

The Committee reviewed Executive Director and Investigator travel costs, noting that travel will likely increase in the coming year.

FY22 YTD Financial Results

Director Garvin presented an overview of the Board’s financial results.

CPA EVOLUTION

Transition Recommendation

As discussed by the Law and Rules Committee, implementation of the new exam model is likely to cause score release delays. NASBA’s Computer-Based Testing (CBT) and Executive Directors Committees have discussed the possibility of automatic extensions for conditional exam credit and made a recommendation for all boards across the country to consider.

The suggested recommendation specifies that any candidate with credit on 1/1/2024 would have an automatic extension to 6/30/2025. The Board has authority under current rules to grant such an extension. It is further noted that after the new exam begins on 1/1/2024, there will likely be additional score holds affecting candidates. Those issues will be addressed later.

Motion and second to grant an 18-month extension, to 6/30/2025, for those candidates having credit on any exam section on 1/01/2024.

Discussion included:

- Six states have approved the extension and given notice, two have decided but not given notice, several other Boards have this under consideration
- A candidate may need to undertake new coursework or otherwise gain new knowledge to pass the new version of the exam.
- The Board may receive petitions, particularly from those who lose credit in December 2023 and prior.
- The 18-month extension may not be applicable to all candidates in the same way, depending on the timing of the acquired credits

Motion was unanimously passed by roll call vote.

Exposure Draft

As part of CPA Evolution process, a practice analysis was undertaken by the AICPA to determine the content needed in the Uniform CPA Exam. Exam blueprints lay out the structure of the exam and the content of each section. An exposure draft of the revised blueprints of the exam has been issued, with a response requested by 9/30/2022.

Discussion included:

- NASBA's CBT Committee has received many comments regarding clarification of specific topics to be covered. Until the exam has been administered, and statistics released, it is difficult to determine how to prepare for the exam.
- Candidates and professors have relied on CPA Exam review companies to review sample questions.
- There will be a gap in conveying specific exam information to candidates.
- This is the end of years of study and research. Rather than going line by line to suggest changes, the Board should rely on those who have done intense analysis.
- Universities are determining how they will go about making changes to curriculum.
- Several Board members serve on committees and can provide insight to NASBA's response.

NASBA UPDATES

NASBA Board of Directors – Larry Elmore/Andy Bonner

Mr. Gilbert joined the meeting at this point.

Administration and Finance committee—Andy Bonner

UAA committee—Larry Elmore

Audit Committee—Judy Wetherbee

CBT Committee—Pamela Church

Ethics Committee—Greg Gilbert

Nominating Committee—Janet Booker-Davis

Regulatory Response Committee—John Griesbeck and Kevin Monroe

Old/New Business

Election of Officers

Director Garvin had requested Board members to express any interest in serving as an officer. Mr. Monroe does not have an interest in serving another term as chair, noting that we have a high-quality Board with a variety of experiences. The Board is well-balanced in experience and geographically, and it would serve the Board well to rotate the officers.

Chair

Andy Bonner has expressed an interest in serving as Chair. **Motion** and second to nominate Andy Bonner as Chair. With no other nominations for this position, nominations were closed. Mr. Bonner is elected as the new Chair by acclamation.

Vice-Chair

Larry Elmore has expressed an interest in serving as Vice-Chair. **Motion** and second to nominate Larry Elmore as Vice-Chair. With no other nominations for this position, nominations were closed. Mr. Elmore is elected as the new Vice-Chair by acclamation.

Secretary

Motion and second to nominate Greg Gilbert as Secretary. With no other nominations for this position, nominations were closed. Mr. Gilbert is elected as the new Secretary by acclamation.

Formation of Committees

Members with an interest in serving or chairing a committee should notify Director Garvin.

Dr. Church noted that Carnival Memphis, which recognizes and promotes a profession each year, has chosen Accountancy as a profession this year. Carnival Memphis is a member-based non-profit Association founded in 1931. Their mission is to recognize and promote an industry that has a major economic impact on the Mid-South community, to promote the city of Memphis as a great place to live and work, and to hold an annual celebration in honor of the industry and the people of the Mid-South.

Motion and second to amend the May 2022 minutes to reflect Mr. Crenshaw's presence. Motion was unanimously passed by roll call vote.

ADJOURN

The meeting was adjourned at 11:26 am.


Chair


Secretary