



**State of Tennessee  
Department of Commerce and Insurance  
Tennessee State Board of Accountancy  
Davy Crockett Tower  
500 James Robertson Parkway  
Nashville, TN 37243  
615-741-2550 or 888-453-6150**

**Executive Committee Meeting Minutes  
26 July 2012**

Board Members present were Lisa Stickel, Chair; Casey Stuart, Vice-Chair; Bill Blaufuss, Secretary, and Stan Sawyer, immediate past Chair.

Staff members present were Mark Crocker, Executive Director; Don Mills, Investigator; Ray Butler, Investigator; Kathy Riggs and Karen Condon.

Ms. Stickel called the meeting to order at 4:00pm.

The first item on the agenda was a discussion of the policy to adhere to new law concerning remedy for licensees who default on student loans. After discussion, the Committee decided to recommend that such licenses will be suspended at the first default. Mr. Crocker will then contact the licensee to determine the reason for default. If upon the second default the same excuse is used, Board staff will open a complaint against the licensee.

Next followed discussion of rewording Policy II.6 relative to Ethics Education and the new Rule effective June 24, 2012. Mr. Stuart moved to recommend the deletion of section II.6 of the Policy statement. Mr. Sawyer seconded and the motion passed unanimously.

The third item was a review of the two-hour Ethics course presented by PASS Online-Thompson Reuters. Mr. Sawyer moved to recommend Board approval of the course. Mr. Blaufuss seconded and the motion passed unanimously.

Philip Babin, CPA, requested permission to use the Two Hour State Specific Ethics Course created by TNSBA staff members. Mr. Babin had previously requested the same permission for the TNSBA One Hour State Specific Ethics Course and had been granted approval. Mr. Blaufuss moved to recommend to the Board that permission be granted. The motion was seconded by Mr. Sawyer and passed unanimously.

Jerry W. Goodman, CFP requested permission to use the Two Hour State Specific Ethics Course created by the TNSBA staff. Mr. Goodman, while an accounting graduate, is not a CPA. Following a brief discussion it was determined to defer his request at this time since there are no written guidelines concerning instructor qualifications. The Board's staff is to begin drafting the qualifications and consider whether or not the instructorship should be limited to practicing CPAs.

The Committee then reviewed financial information using a report of the TNSBA's operating results. As NASBA meeting costs are now listed as training expenses, Ms. Stickel asked Mr. Crocker to prepare a report detailing the NASBA-driven training costs.

The next item concerned the Executive Director's Travel for FY 2011 and 2012. Mr. Blaufuss questioned the need to attend every NASBA meeting. The remainder of the Committee felt that it is important to have a Board presence at the NASBA meetings.

Mr. Crocker presented a list of firms that have applied for exemption from peer review, as requested by the Board.

Ms. Stickel brought to the Committee's attention a request made by the Board at the May 3, 2012 meeting to recommend the Executive Committee's review of the fee structure after the legislative study into certain Regulatory Boards is concluded. As the Board of Accountancy is not included in the study, the Committee will recommend a review of the fee structure to take place at the October 2012 meeting.

Mr. Crocker presented the details of the CPE audit, which is undertaken by Kathy Riggs. This year's audit has a 75% compliance rate, with only two responses not yet received. Credit was given to Dr. Riggs for her diligence in conducting the audit.

The Board then discussed the evaluation of the Executive Director. Mr. Crocker has requested a raise from the Board. Ms. Stickel noted the Board requested at the May 2012 meeting to be involved as a body in future evaluations. Following discussion, Mr. Sawyer moved to recommend to the Board a 2% merit increase for the Executive Director. Mr. Stuart seconded, and votes were cast as follows:

Mr. Sawyer	Yea
Mr. Stuart	Yea
Ms. Stickel	Yea
Mr. Blaufuss	Nay

The motion passed by majority vote.

Mr. Sawyer suggested specifying an effective date for Mr. Crocker's proposed salary increase. Mr. Stuart recommended an effective date of August 1, 2012. There followed discussion of the Executive Director's relationship with the Assistant Commissioner's office and ways to improve upon it.

The last item was a discussion of changing the meeting dates of the Board. The Board will recommend moving the January and July meetings in 2013 to the third Friday of the month.

Mr. Blaufuss asked that the May 2012 Board meeting minutes be amended to include a synopsis of the Formal Hearings. Mr. Crocker stated that a summary of the hearings will be added to the May meeting minutes and to all future minutes.

With no further business before the Committee, the meeting was adjourned.