



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

500 James Robertson Parkway  
Davy Crockett Tower  
Nashville, TN 37243-1141  
615-741-2550 or 888-453-6150

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

A meeting of the Tennessee State Board of Accountancy was held on Friday, July 14, 2017 at Davy Crockett Tower, 500 James Robertson Parkway in Conference Room 1-A.

### **MEMBERS PRESENT**

Casey Stuart, Acting Chair  
Stephen Eldridge, Secretary (present by phone)  
Janet Booker-Davis  
Pamela Church  
Larry Elmore  
Kevin Monroe  
Gay Moon  
Gabe Roberts  
Trey Watkins  
Judy Wetherbee

### **MEMBERS ABSENT**

Don Royston

### **LEGAL COUNSEL**

Sara Page, Assistant General Counsel  
Liz Goldstein, Assistant General Counsel  
Shilina Brown, Assistant General Counsel

### **STAFF**

Wendy Garvin, Director  
Karen Condon, Board staff  
Vanessa Huntsman, Legal staff  
Shari Waugh, Investigator

### **OTHERS PRESENT**

Joy Wilder  
Jessica Luttrell, NASBA  
Brad Floyd, TSCPA

### **CALL TO ORDER**

Acting Chair Casey Stuart called the meeting to order at 8:30am.

Board Members identified themselves by roll call and established a quorum. Stephen Eldridge participated by phone.

### **ANNOUNCEMENTS**

- The meeting was properly noticed on the Board's website.

- Changes have been made to the Board’s legal representation.
- New Investigator Shari Waugh was introduced to the Board.
- Board members were reminded speak into the microphone.

## REVIEW AGENDA FOR CHANGES AND/OR ADDITIONS

No changes were noted or suggested.

## APPROVAL OF MEETING MINUTES

**MOTION** and second to approve the minutes of the May 5, 2017 meeting. Motion passed by roll call vote as follows:

Pamela Church	aye	Gay Moon	aye
Gabe Roberts	aye	Larry Elmore	aye
Trey Watkins	aye	Judy Wetherbee	aye
Casey Stuart	aye	Kevin Monroe	aye
Janet Booker Davis	aye	Stephen Eldridge	aye

## EXECUTIVE DIRECTOR’S REPORT

Ms. Garvin presented the report (attachment A).

**MOTION** and second to approve the proposed future board meeting dates of Tuesday July 24, 2018 and Tuesday October 23, 2018.

Discussion included:

- The desire of several Board members to change Committee and Board meetings to Monday/Tuesday rather than Thursday/Friday.
- The opportunity for reviewing documents in advance created by such a change

Motion passed by roll call vote as follows:

Pamela Church	aye	Casey Stuart	aye
Gabe Roberts	aye	Janet Booker Davis	aye
Trey Watkins	aye	Gay Moon	aye

Larry Elmore	aye	Kevin Monroe	aye
Judy Wetherbee	aye	Stephen Eldridge	aye

### **REINSTATEMENT REQUEST – Teresa Joy Wilder**

The Board reviewed the applications submitted by Teresa Joy Wilder to reinstate her revoked CPA license and firm permit. Ms. Wilder was present to address the Board.

Discussion included:

- An overview of Ms. Wilder’s licensure history
- Ms. Wilder’s professional activities since the revocation of the CPA license and firm permit
- Ms. Wilder’s understanding of the laws and Rules governing Accounting in Tennessee.
- Peer review history of Ms. Wilder’s firm

**MOTION** to and second approve the reinstatement of Ms. Wilder’s CPA license conditioned on the completion of the current 2 hour TSCPA Tennessee State Ethics course and the completion of at least two hours of education in an appropriate course covering SSARS 21.

Ms. Goldstein reminded the Board of the statute governing license revocation and reinstatement.

**MOTION** amended to require the SSARS 21 class to be four or more hours.

**MOTION** and second to approve the amendment. Motion passed by roll call vote as follows:

Pamela Church	aye	Gay Moon	aye
Gabe Roberts	aye	Larry Elmore	aye
Trey Watkins	aye	Judy Wetherbee	aye
Casey Stuart	aye	Kevin Monroe	aye
Janet Booker Davis	aye	Stephen Eldridge	aye

**MOTION** and second to approve the reinstatement of Ms. Wilder’s CPA license conditioned on the completion of the current 2 hour TSCPA Tennessee State Ethics

course and the completion of at least four hours of education in an appropriate course covering SSARS 21. Motion passed by roll call vote as follows:

Pamela Church	aye	Gay Moon	aye
Gabe Roberts	aye	Larry Elmore	aye
Trey Watkins	aye	Judy Wetherbee	aye
Casey Stuart	aye	Kevin Monroe	aye
Janet Booker Davis	aye	Stephen Eldridge	aye

**MOTION** and second to approve the reinstatement of Ms. Wilder’s firm permit. Motion passed by roll call vote as follows:

Pamela Church	aye	Gay Moon	aye
Gabe Roberts	aye	Larry Elmore	aye
Trey Watkins	aye	Judy Wetherbee	aye
Casey Stuart	aye	Kevin Monroe	aye
Janet Booker Davis	aye	Stephen Eldridge	aye

### **NASBA FIELDS OF STUDY**

Jessica Luttrull, Associate Director, CPE Registry, presented an overview of the current fields of study and NASBA categorizations.

Discussion included:

- The difference between the fields Computer Software and Applications and Information Technology.
- Business Management vs. Management Advisory Services
- The pros and cons of Nano learning. Ms. Luttrell will present a Nano learning course to the Board at the meeting in October 2017.

Mr. Stuart called for a recess, with the meeting reconvening at 10:10 am.

### **NASBA COMMITTEE REPORTS**

#### **NASBA Regional Meeting**

Director Garvin presented an overview of the meeting, which featured:

- Discussion within the Accreditation Committee about the possibility of looking at program accreditation rather than regional accreditation
- Artificial Intelligence and the need for regulatory updates
- Whether the implementation of Blockchain would reduce the need for auditors
- Legal and Legislative updates
- UAA changes
- CPE model Rules exposure draft
- New- member training available at regional meetings

Mr. Elmore noted that Director Garvin presented a positive State Board Report for the meeting. He commended Ms. Garvin for her excellent work for the Board.

#### **Audit Committee (Larry Elmore)**

Mr. Elmore reported that the Committee has held an introductory telephonic meeting, and has planned a meeting in September.

#### **Ethics Committee (Judy Wetherbee)**

Ms. Wetherbee reported that the Committee has held several meetings, discussing these topics, among others:

- non-compliance with Laws and Regulations (NOCLAR), and concern for public interest if processes are not correctly followed
- NASBA's involvement with students throughout the country.

#### **LICENSING COMMITTEE—LARRY ELMORE, COMMITTEE CHAIR**

The Committee discussed the topic of fictitious firm names and the possibility of revision to related Rules. The Committee reviewed the AICPA model rules and a draft of possible revisions developed by Legal. The Committee concluded by asking Director Garvin and staff to work with the legal team in taking a simplified approach using the AICPA's model *Rule 14-1 - CPA firm names*, incorporating this section of the proposed Rule revision:

(4) The Board may approve the use of ambiguous names, including those with a non-traditional spelling of a word, so long as the name:

- (a) Does not harm the public;
- (d) Does not reflect discredit among the accounting profession.

## LAW AND RULES COMMITTEE—TREY WATKINS, COMMITTEE CHAIR

The Committee reviewed the Law and Rules related to licensees over the age of 65. Though a recently-implemented Rule allows the Board to forgo license renewal fees for Inactive licensees over that age, the Rule is not in accordance with existing Law. The Committee recommended that Director Garvin initiate a change in legislation that would make the law consistent with the rule and allow the renewal of an Inactive license for a CPA over the age of 65 to be accomplished without a renewal fee. The economic impact of the estimated loss of \$68,000 in license renewal fees over a two-year period was noted. It was also noted that the Board did not wish to have a retired status.

## EXECUTIVE COMMITTEE—CASEY STUART, ACTING COMMITTEE CHAIR

### FY17 YTD Financial Results

Discussion included:

- Year-to-date numbers through May of 2017
- Surplus funds which would allow the Board to absorb the loss of revenue resulting from the proposed change to license renewals for Inactive licensees over 65
- A fully-staffed office with a resultant increase in salaries and benefits
- Reduction in salary costs due to having one Investigator

### Travel Report

The Board reviewed details of travel by Investigator Waugh.

### TSCPA Memorandum of Understanding (MOU) and Sponsor Application

The Committee reported on the review of the MOU, which outlines the duties of the Tennessee Society of CPAs (TSCPA), the Board, and prospective State Ethics presenters in the development and utilization of the new State Ethics program. The Committee also reviewed an application by which potential sponsors may request to present the course by purchasing the course content from TSCPA.

**MOTION** and second to approve the Memorandum of Understanding (MOU) and Sponsor Application. Motion passed by roll call vote as follows:

Pamela Church	aye	Casey Stuart	aye
Gabe Roberts	aye	Janet Booker Davis	aye
Trey Watkins	aye	Gay Moon	aye

Larry Elmore	aye	Kevin Monroe	aye
Judy Wetherbee	aye	Stephen Eldridge	aye

### Use of Titles Exposure Draft

A recent Exposure Draft issued by NASBA and AICPA Boards of Directors proposed new wording be added to the Uniform Accountancy Act (UAA) that would allow for the use of certain management accounting titles by non-CPAs, which is in conflict with current Tennessee law.

Discussion included:

- The changing nature of the Chartered Global Management Accountant (CGMA) designation, which was at first presented as a supplement to CPA licensure
- The effect the use of such titles may have on the Accounting profession
- The role of the AICPA in representing CPAs

The Committee recommended a response to the draft similar to the response provided by the Nevada State Board of Accountancy, which asserts that titles such as CGMA imply knowledge and skills in the practice of public accounting and would tend to confuse the public.

**MOTION** and second to approve the recommend response, giving authority to Director Garvin to draft the response, with final editing and signing by the Board Chair. Motion passed by roll call vote as follows:

Pamela Church	aye	Gay Moon	aye
Gabe Roberts	aye	Larry Elmore	aye
Trey Watkins	aye	Judy Wetherbee	aye
Casey Stuart	aye	Kevin Monroe	aye
Janet Booker Davis	aye	Stephen Eldridge	aye

### ENFORCEMENT COMMITTEE—GABE ROBERTS, COMMITTEE CHAIR

The Committee reviewed the status of open complaints, recognizing the work done by Board staff and the Legal team.

The Committee also reviewed the discipline matrix provided by Legal, which is to be used as a guide in determining disciplinary outcomes.

A revised legal report was presented to Board. The Committee had amended the recommended discipline for items 7, 9, and 10. The amendments were incorporated in the new report. No action was taken on item 12, as the Board declined to change the assessed penalty as requested by the Respondent.

**MOTION** and second to approve Legal’s recommendations for all items as presented on the revised legal report. Motion passed by roll call vote as follows:

Pamela Church	aye	Gay Moon	aye
Gabe Roberts	aye	Larry Elmore	aye
Trey Watkins	aye	Judy Wetherbee	aye
Casey Stuart	aye	Kevin Monroe	aye
Janet Booker Davis	aye	Stephen Eldridge	aye

Mr. Roberts noted that the expiration of a license between the time the Board decides on discipline and the time such discipline is enacted may prohibit a formal hearing in such cases. The Committee requested a review of current policy to allow the Board to initiate proceedings more quickly so that those Board actions are preserved.

## LEGISLATIVE UPDATE

Ms. Goldstein informed the Board of the progress of changes to the Rules recently approved by the Board.

- Rules regarding peer review have been sent to the Attorney General for review, and will subsequently be sent to the Governor.
- Edits to Rules regarding CPE and changes to definitions within Accountancy Rules are still internal and with General Counsel. The proposed changes will also be reviewed by the Commissioner and forwarded to the Attorney General.

## OLD BUSINESS

No old business was noted.



**NEW BUSINESS**

Election of Officers

The Board was charged with electing members to the positions of Chair, Vice-Chair, and Secretary. Mr. Watkins nominated a slate of officers as follows:

- Mr. Stuart—Chair
- Mr. Eldridge—Vice-Chair
- Ms. Moon—Secretary

Ms. Wetherbee nominated Mr. Monroe to serve in one of the Executive positions. Mr. Monroe expressed his gratitude and asserted his support of the slate nominated by Mr. Watkins.

The duties of each position were described and defined.

**MOTION** and second to accept the nomination made by Mr. Watkins and to appoint Mr. Stuart as Chair, Mr. Eldridge as Vice-Chair, and Ms. Moon as Secretary. Motion passed by roll call vote as follows:

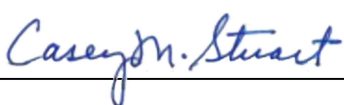
Pamela Church	aye	Gay Moon	aye
Gabe Roberts	aye	Larry Elmore	aye
Trey Watkins	aye	Judy Wetherbee	aye
Casey Stuart	aye	Kevin Monroe	aye
Janet Booker Davis	aye	Stephen Eldridge	aye


**Formation of Board Committees**

Mr. Stuart requested each member to notify Director Garvin of the Committee assignments desired by each. The Board Chair will review the suggestions and arrange the Committees accordingly.

**ADJOURN**

With no further business before the Board, the meeting was adjourned at 11:04am.

  
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 Chairman

  
 \_\_\_\_\_  
 Secretary