



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

500 James Robertson Parkway  
Davy Crockett Tower  
Nashville, TN 37243-1141  
615-741-2550  
Program Website:

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

A meeting of the Tennessee State Board of Accountancy was held on Tuesday May 2, 2023,  
at Davy Crockett Tower, 500 James Robertson Parkway in Conference Room 1A

**MEMBERS PRESENT**

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

**MEMBERS PRESENT REMOTELY**

Janet Booker-Davis

**LEGAL COUNSEL**

Taylor Hilton, Associate General Counsel  
Neil Stauffer, Associate General Counsel

**STAFF**

Wendy Garvin, Executive Director  
Karen Condon, Board Staff  
Duke Speed, Board Investigator

**OTHERS ATTENDING**

Kara Fitzgerald, President/CEO, TSCPA  
Dan Dustin, CPA, Vice President, State Board Relations, NASBA

## CALL TO ORDER

Chairman Bonner called the meeting to order at 8:34 am.

### Public Disclaimer and Roll-call

- The meeting date, time, and location were properly noticed on the Board's website.
- Members made their presence known via roll call and a quorum was established. Ms. Wetherbee was not yet present.

### Announcements and Introductions

- The Board welcomed Neil Stauffer, the new Associate General Counsel.
- Members were reminded to silence cell phones and to speak into the microphone to ensure proper recording.

## Review and Adopt Agenda

**Motion** and second to adopt the agenda, noting that Ms. Fitzgerald with TSCPA has been added to the agenda and will provide an update to the Board. Motion unanimously passed by roll call vote.

## APPROVAL OF MEETING MINUTES

### January 31, 2023 - Regular Meeting

**Motion** and second to approve the minutes as presented. Motion unanimously passed by roll call vote.

## EXECUTIVE DIRECTOR'S REPORT

Director Garvin presented her report of Board activities, including

- Board outreach events
- NASBA 2023 meetings and committee interest forms
- Update on Continuing Professional matters, including the 2023 Tennessee State Ethics course and the upcoming CPE audit.
- Employee performance management cycle changes
- Performance metrics related to licensing efficiency
- CPA Exam candidate news and statistics

**Motion** and second to approve the proposed meeting date of July 30, 2024. Motion unanimously passed by roll call vote.

## NASBA UPDATE – Dan Dustin, CPA, Vice President, State Board Relations, NASBA

Mr. Dustin presented an overview of NASBA activities. He commended Director Garvin for her work and expressed appreciation of the Board's involvement on a national level. Ms. Wetherbee arrived during Mr. Dustin's presentation.

Topics included:

- CPA Exam changes, including the transition from an 18-month to a 30-month exam window; the Board will review a proposed rule change related to this at today's meeting.
- The Experience, Learn and Earn (ELE) program, which focuses on hurdles faced by students striving to reach the 150-hour goal.
- Legislation introduced in Minnesota creating three pathways to licensure and how that affects substantial equivalency with the accepted model of 150 education hours, one year of experience, and passing the CPA exam. A session at the upcoming regional meeting will focus on pathways to licensure.
- An amnesty program geared toward helping those candidates adversely affected by COVID restrictions while in the exam pipeline. NASBA estimates 15,000 candidates who started, but did not complete, the exam during that time period.

- Concerns about possible actions by other Boards or State societies which may affect mobility and substantial equivalency; members are encouraged to voice their concerns at regional meetings among their peers.

## TSCPA UPDATE – Kara Fitzgerald, President/CEO, TSCPA

Ms. Fitzgerald updated the Board about TSCPA activities. Topics included:

- Student initiatives and outreach efforts
- Pipeline Acceleration Plan
- TSCPA's support of the 150-hour requirement for CPA licensure as currently required in the United States and current efforts to develop various alternatives to obtain the additional hours.
- TSCPA's financial contribution to the Center for Audit Quality's Accounting Plus initiative, which promotes the opportunities available in accounting to populations that may not have an awareness.
- The state-specific ethics course for 2023 is out and available to approved sponsors
- The Society's long history of supporting accounting students through the Educational and Memorial Foundation, which is made possible through the support of members who make contributions and have pledged support through the Life Associate Program. Last year, TSCPA awarded 111 students in Tennessee, \$285,000.

## BOARD COMMITTEE REPORTS

Committees meet the day prior to each Board meeting to review matters before them in depth and to develop recommendations for the full Board.

### Licensing – Dr. Pam Church

#### Credit Extension Request – Nassif

Candidate is requesting a 63-day extension for FAR (to 7/13/2023) due to travel to Egypt from 5/20/2022 to 7/22/2022 to care for a sick mother. The FAR score expires 5/11/2023, and appropriate documentation was provided.

**Motion** to approve the Committee's recommendation for an extension for FAR to July 31, 2023. Motion unanimously passed by roll call vote.

### Law and Rules – Larry Elmore

The Committee reviewed proposed changes to Accountancy Rules.

**0020-01-6 (6)** would be amended to increase the time period allowed to complete all required CPA exam test sections from 18 months to 30 months. The time would be calculated from the date the score for the first part of the exam is released to the candidate by NASBA, rather than the date the candidate sits for the first part of the exam.

**0020-01-.06(11)** would be amended to allow candidates to apply for a license more than ten years following completion of the exam by completing 80 hours of technical CPE in the 24 months immediately preceding the application, to include two hours of Board-approved state ethics.

**0020-02-.02 (1) (c)** would be amended to increase the number of hours permitted to be earned through internship to nine (9) semester hours or the equivalent quarter hours. Six (6) semester hours, or the equivalent quarter hours, may be applied to the required accounting education hours.

Executive Director Garvin explained the rulemaking process. After internal review of the proposed changes and a review by the state's Attorney General's office, the Board will hold a Rule-making hearing. At the conclusion of the rule making hearing, the rules will be forwarded back to the Attorney General and then the Secretary of State. The effective date will not be known until the Secretary's review and approval is complete. Implementation will be discussed and communicated at a later time.

**Motion** to accept the committee's recommendation to approve the proposed rule changes as reviewed and amended by the Committee. Motion unanimously passed by roll call vote.

## Enforcement – Kevin Monroe

### Consent Agenda

This agenda details cases in which Legal has not recommended formal discipline. Outcomes may include closure, a letter of warning or a letter of instruction.

The Committee amended #2022040791 on the proposed discipline agenda to issue a letter of warning in lieu of a civil penalty, moving the case to the Consent Agenda.

1. 2022043121
2. 2023002291
3. 2022043701
4. 2022046401
5. 2022044721
6. 2022052691
7. 2023001811
8. 2023001801
9. 2022040791

The Committee made the following changes to items on the Consent Agenda:

- Amended 2022043701 to note that the Complainant was no longer a member of the Respondent's company at the time of the complaint.
- Amended 2022052691 to adjust the language to show the complainant's statements in quotes.

**Motion** and second to accept the Committee's recommendation to approve the items on the consent agenda as amended. Motion unanimously passed by roll call vote.

## Proposed Discipline Agenda

This agenda details cases in which discipline has been recommend.

10. 2023000191
11. 2022033211
12. 2022034971  
2022034981  
2022034991  
2022035001
13. 2022051351
14. 2022051961
15. 2023001491

The Committee made the following changes to items on the Proposed Discipline Agenda:

- Amended #2022033211 to remove the recommendation to refer the matter to law enforcement, and to continue with Litigation Monitoring. The Board further wished to amend the complaint details to remove references to possible criminal activities. The Board encouraged the Investigator to continue to inform the Board of potential criminal activities when appropriate.
- Amended the related cases 2022034971, 2022034981, 2022034991, 2022035001 to change the civil penalty to \$500 per violation (86 instances of sharing an answer key by employees) for a total of \$43,000.
- Amended #2022051351 to increase the recommended the civil penalty from \$500.00 to \$1,000.00.
- Amended 2023001491 to increase the civil penalty from \$1,000.00 to \$1,500.00.

**Motion** and second to accept the amended recommendations for related cases 2022034971, 2022034981, 2022034991, 2022035001 to close the complaints specific to the two offices without any identified employees. Additionally, authorizing a formal hearing with the authority to settle via consent order upon the respondent's payment of a civil penalty in the amount of \$43,000 for the two offices with the identified employees, and opening new complaints against the two identified individuals who allegedly egregiously shared answer keys. Motion passed by the majority via a roll call vote, with Ms. Booker-Davis and Ms. Wetherbee dissenting.

**Motion** and second to accept the Committee's recommendation to approve the items on the Proposed Discipline agenda as amended, with the exception of 2022034971, 2022034981, 2022034991, 2022035001, which have already been disposed.

**Motion** and second to exclude 2022051961 from this vote. Motion unanimously passed by roll call vote.

Amended **motion** to accept the Committee's recommendation to approve the items on the Proposed Discipline agenda as amended, with the exception of 2022034971, 2022034981, 2022034991,

2022035001, which have already been disposed, and 2022051961. Motion unanimously passed by roll call vote.

**Motion** to approve the Committee's recommendation for 2022051961. Motion passed by the majority via a roll call vote, with Mr. Elmore dissenting.

### Re-presentation Agenda

This agenda details cases which were previously heard by the Board, and for which Legal has received new information.

#### 16. 2022034181

**Motion** and second to accept the Committee's recommendation to approve the Re-presentation Agenda as presented. Motion unanimously passed by roll call vote.

The Board discussed the possibility of increasing civil penalty recommendations to reflect changes in firm salaries and fees. Director Garvin will work with Legal to revise the discipline matrix for presentation to the Board for review at the next meeting. Mr. Monroe will assist in these efforts.

**Motion** and second to direct Legal and the Executive Director, assisted by Mr. Monroe, to pursue review of the current penalty matrix structure to evaluate possible revisions for presentation to the Board. Motion unanimously passed by roll call vote.

### Executive – Chairman Bonner

The Committee heard a report from the Director regarding travel expenses and financial results. **Motion** to approve the report as presented.

Mr. Vance left the meeting at this point to attend a prior commitment.

## NASBA UPDATES

### NASBA Board of Directors – Andy Bonner

#### NASBA Committee Updates

- Computer-Based Testing Committee, Pam Church and Wendy Garvin
- Ethics Committee, Greg Gilbert
- Regulatory Response Committee, John Griesbeck and Kevin Monroe
- Communications Committee, Judy Wetherbee

## LEGISLATIVE UPDATE – Legal Counsel

There were no legislative matters to report.

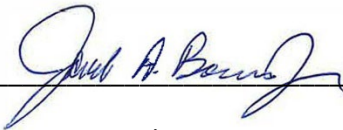
## OLD/NEW BUSINESS

### Service Recognition – Gay Moon

Gay Moon has reached the limit of her service on the Board and today's meeting will be her last. Board members presented her with a commendation of appreciation for her stellar work on the Board. Ms. Moon thanked the Director and her fellow Board members for their professionalism and drive to maintain high standards in the profession, combined with compassion and a will to help licensees succeed.

## ADJOURN

Motion to adjourn 11:57



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Chair



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Secretary