



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 July 16, 2024,
at Davy Crockett Tower, 500 James Robertson Parkway in Conference Room 1A

MEMBERS PRESENT

Andy Bonner, Chair
Greg Gilbert, Secretary
Janet Booker-Davis
Pamela Church
David Crenshaw
Brad Floyd
John Griesbeck
Kevin Monroe

MEMBERS PARTICIPATING REMOTELY

Larry Elmore, Vice-Chair
Sam Bennett

MEMBERS ABSENT

Robert Vance

LEGAL COUNSEL

Laura Martin, Chief Counsel, Regulatory Boards
Taylor Hilton, Hilton, Associate Counsel, Regulatory Boards
Chris Russell, Legal Assistant

STAFF

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

OTHERS ATTENDING REMOTELY

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

CALL TO ORDER – Chairman, J. Andy Bonner

Public Disclaimer and Roll-call

Notice of the July meeting including date, time, and location was properly noticed and the agenda posted on the Board's website on July 5, 2024. Members made their presence known through roll call and a quorum was established.

Announcements

- Chairman Bonner recognized Mr. Crenshaw and Mr. Vance for having been reappointed by Governor Lee to another three-year term on the Board.

- Members of the public wishing to make a comment on an agenda item should sign in or indicate such in the chat box online. Guests were asked to limit comments to three minutes in consideration of others.
- Board members were reminded of procedures for the proper use of the microphones.

Review and Adopt Agenda

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

APPROVAL OF MEETING MINUTES

April 30, 2024 - Regular Meeting

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

EXECUTIVE DIRECTOR'S REPORT

Director Garvin presented a report of Board activities and licensing matters.

Motion and second to approve the proposed meeting date of Tuesday October 21, 2025. Motion unanimously passed via roll call vote.

REINSTATEMENT APPLICATION (Evaluation 1/2) – FIRM PERMIT – VALERIE KEMP DRIER

The Board was asked to review the application for reinstatement of a revoked firm permit and to authorize presentation and consideration of the application at the next scheduled meeting.

Discussion:

- The applicant has stated in her petition to the Board that she issued two review reports during the time the permit was in a revoked status.
- Board members wish to question Ms. Kemp during the application review.
- The applicant has reinstated to the peer review program and is scheduled to complete a review before the end of the year.

Motion and second to accept the application for presentation at the October meeting and to require the applicant to appear before the Board in person or remotely. Motion unanimously passed via roll call vote.

BOARD COMMITTEE REPORTS

Committees meet one day prior to the Board meeting to discuss agenda items, and to decide on recommendations to make to the full Board.

Licensing – Janet Booker-Davis, Committee Chair

Association of College & University Auditors (ACUA) – Consider CPE delivered during NASBA Registry lapse

The ACUA had a temporary lapse in enrollment with the NASBA registry. The lapse impacts CPE credits awarded between July 1, 2023 and June 14, 2024. The sponsor reported that the error was due to an oversight during a change to a new third-party management firm. A few Tennessee licensees were impacted through earning credits that were issued during this lapse. The sponsor has since renewed the registration.

Motion and second to retroactively approve CPE credits earned during this lapse. Motion unanimously passed via roll call vote.

Law and Rules – John Griesbeck, Committee Chair

Chapter 0020-06 Peer Review Program – Draft Rule Change Edits

The Board had approved changes to this rule, authorizing a rule-making hearing. The Department's legal counsel has requested certain changes:

- Alphabetization of the Definitions
- References to "Tenn. Code Annotated" changed to "TCA".
- Section 7, Paragraph 3 was reworded to clarify the manner in which CPA firms must submit required documents and information. Paragraph 3 has been rewritten for clarification only, with no change to the meaning or requirements.

Committee motion to approve the proposed changes and to continue with the rule-making process. Motion unanimously passed via roll call vote.

Enforcement – Kevin Monroe, Committee Chair

Case and Complaint Report

The Board heard an overview of the status of open complaints.

Legal Report

Consent agenda

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

- 1 #2024014881
- 2 #2024023201
- 3 #2024007321
- 4 #2024027761
- 5 #2024008291
- 6 #2024014251
- 7 #2024027161
- 8 #2024021711
- 9 #2023059401
- 10 #2023059411

11 #2023059391

Committee motion for approval of the recommendations for items 1-11 in the Consent Agenda as presented. Motion unanimously passed via roll call vote.

Proposed Discipline

This agenda details cases in which discipline has been recommended.

12 #2024005241

13 #2024029881

14 #2024006201

15 #2024012341

16 #2024023931

17 #2024023221

- The Committee revised the language in the recommendation to clarify the civil penalty is assessed for failure to have an active firm permit.

18 #2024029901

19 #2024006191

- The Committee revised the language in the recommendation to clarify the civil penalty is based on Seven Hundred Fifty Dollars (\$750.00) for failure to have a Firm Permit and One Thousand Dollars (\$1,000.00) for failure to comply with Peer Review requirements.

20 #2024016501

- Due to the nature of the case and the impending law enforcement and civil case initiated by the Complainant, the Committee wished to place this matter in litigation monitoring

Committee motion for approval of recommendations for items 12-20 on the Proposed Discipline agenda as amended by the committee. Motion unanimously passed via roll call vote.

Representation

2023051161

This case had previously been placed in litigation monitoring by the Board and new information is now available.

Committee motion for approval of the recommendation to authorize a formal hearing with authority to settle via a consent order seeking voluntary surrender of the Respondent's license. Motion unanimously passed via roll call vote.

Executive – Chairman Bonner, Committee Chair

Travel

FY24 YTD Financial Results

The Board heard an overview of travel costs and financial results.

PUBLIC COMMENT PERIOD

No members of the public indicated a wish to comment.

NASBA UPDATES

NASBA Regional Meetings – Andy Bonner, Greg Gilbert, John Griesbeck, Pam Church, Janet Booker-Davis, Larry Elmore, Kevin Monroe

NASBA Board of Directors – Andy Bonner

NASBA Committee Updates, as needed

Pam Church, Computer-Based Testing Committee

Greg Gilbert, Ethics Committee

John Griesbeck, Communications Committee

Wendy Garvin, AICPA Board of Examiners

OLD/NEW BUSINESS

The Board shared their appreciation to Ms. Booker-Dais and Mr. Elmore for continuing to serve in anticipation of the appointment of their replacements.

Director Garvin announced that Rhodes College, along with generous donors, has honored Dr. Church with the creation of a scholarship in her name for the Master of Accountancy program.

Election of Officers

Chairman Bonner is stepping down from that position to allow others to serve.

Motion (Floyd) and second to nominate Greg Gilbert as Chair. No other nominations were offered. Motion unanimously passed via roll call vote.

Motion (Bonner) and second to nominate John Griesbeck as Vice-Chair. No other nominations were offered. Motion unanimously passed via roll call vote.

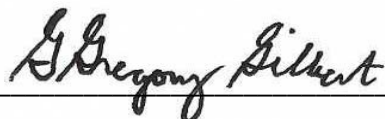
Motion (Gilbert) and second to nominate Pam Church as Secretary. No other nominations were offered. Motion unanimously passed via roll call vote.

Formation of Committees

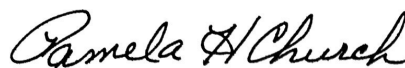
Director Garvin will work with Chairman Gilbert to develop Committee assignments before the October meetings. Members are asked to submit their preferences.

ADJOURN

The meeting was adjourned at 10:07 AM



Chair



Secretary

**Tennessee State Board of Accountancy
EXECUTIVE DIRECTOR'S REPORT
July 16, 2024**

FUTURE MEETING DATES

Tuesday Oct 22, 2024
Tuesday Feb 4, 2025
Tuesday May 6, 2025
Tuesday July 29, 2025
Tuesday Oct 21, 2025 - Proposed

NASBA MEETINGS

117th Annual Meeting – Oct 27-30, 2024, Orlando, FL
➤ Budget allows for five (5) board members to attend

CPA EXAM

Fee Change Implementation - The candidate cost per Exam section will be \$262.64 in 2025 with the various fees for AICPA, NASBA and Prometric detailed in the attached implementation letter.

International Testing – CPA candidates in the Philippines can now register and take their Exam in one of three Prometric testing centers located in Manila and Cebu City.

Elijah Watt Sells Award - On June 6 the AICPA announced the winners of the 2023 Elijah Watt Sells Award. The award is given to CPA candidates who have obtained cumulative average score above 95.50 across all four sections of the Uniform CPA Examination (Exam), passed all four sections of the Exam on their first attempt and completed testing in 2023. More than individuals sat for the Exam in 2023 with only 40 candidates meeting the criteria. Tennessee had two (2) winners.

- Nathaniel Day is a graduate of Vanderbilt University with a Bachelor of Science in Human & Organizational Development and English and a Master of Accountancy from Vanderbilt University's Owen Graduate School of Management. He is employed with Deloitte in Chicago, IL.
- Brandon Rooney is a graduate of the University of Tennessee, Knoxville, with a Bachelor of Business Administration in accounting and a Master of Accountancy from the Haslam School of Business. He is employed with EY in Nashville.

OUTREACH

The following outreach events have occurred since the May meeting.

- June 11 – TSCPA Council Meeting – Chairman Bonner and I presented an update on Board activities.

CPE AUDIT SERVICE

NASBA's CPE Audit Service is available for complimentary use to track and store CPE records, review ongoing compliance with CPE requirements, and submit CPE records and documentation in response to a CPE audit. NASBA's CPE Audit Service team is hosting three webinar events that will walk through the credit entry process specifically for Tennessee CPAs.

The webinars will take place on the following dates and times. An email was sent to licensees on July 8, with a registration [link](#).

- Mon, July 29, 4pm CDT
- Wed, July 31, 12pm CDT
- Fri, Aug 2, 8am CDT

CPE AUDIT

CPE notices were emailed on May 6 to 590 licensees selected for audit from the 2022-2023 renewal period. Letters were mailed to those who had not yet responded on May 16. The deadline for submission was June 30. Following is a summary of responses as of July 9.

Compliant	386	
Non-Compliant	6	
Compliant w/Penalty	25	
Compliant w/Carryover	20	
Home State Exemption	11	
In Process	116	
Removed	1	
No Response	25	
Total	590	
Total Compliance	442	
Total Non-Compliance	6	
Total Processed	449	
Compliance Rate	442	98.4%
Non-Compliance Rate	6	1.33%
Response Rate	565	95.8%
NASBA Tool Submissions	83	14%

PERFORMANCE METRICS

Numbers are taken from Apr, May, and June 2024 Customer Focused Government (CFG) Reports

	Apr 2024	May 2024	June 2024
Average Number of Days to License (Goal is 7 days)	9.9	7.6	13.5
Case & Complaint Performance (Goal is 90% of cases resolved within 180 days)	93%	91%	91%
Online Adoption Rate (Goal is 80% across division)	100%	98%	100%

NEW LICENSES ISSUED

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021 Total
Individual Licenses	184	137	173	195	689
Firm Permits	22	18	13	16	69

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022 Total
Individual Licenses	147	133	183	148	611
Firm Permits	15	10	20	21	66

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023 Total
Individual Licenses	127	113	122	125	487
Firm Permits	22	12	11	24	69

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024 Total
Individual Licenses	153	144			297
Firm Permits	19	7			26

New Candidates – CPA Exam	
2023	637
2022	558
2021	568
2020	610
2019	725
2018	730

LICENSING – OVERALL POPULATION

	Individual CPAs				
	Jun 2023	Sept 2023	Dec 2023	Mar 2024	June 2024
Active	11934	12047	11348	11857	12056
Closed	4206	4213	4282	4318	4335
Expired License	4077	4060	4042	4022	4281
Inactive	4352	4364	4209	4378	4413
Retired 65	1010	1010	1009	955	954
Expired Grace	0	0	926	367	0
Revoked	69	70	69	70	70
Retired	93	93	92	92	92
Disabled	34	34	34	31	31
Suspended	2	2	2	2	2
Active Military	4	4	3	4	4
Probation	2	2	2	2	2

	Firms				
	Jun 2023	Sept 2023	Dec 2023	Mar 2024	June 2024
Active	1769	1777	1508	1724	1736
Closed	2648	2653	2691	2708	2712
Expired Grace	0	0	261	46	0
Expired License	406	403	401	400	434
Revoked	28	29	29	30	30
Probation	1	1	0	0	0



National Association of State Boards of Accountancy

150 Fourth Avenue North ♦ Suite 700 ♦ Nashville, TN 37219-2417 ♦ Tel 615/880-4200 ♦ Fax 615/880/4290 ♦ Web www.nasba.org

May 29, 2024

To Executive Directors:

You should have received a letter dated March 6, 2024, from Michael Decker, Missy Pydo and Colleen Conrad regarding changes to candidate examination fees for calendar year 2025. The purpose of this letter is to describe how those candidate fees will be implemented.

The new schedule of testing fees, beginning January 1, 2025, for AUD, FAR, REG, BAR, ISC and TCP will be as follows:

AICPA	\$135.00 per section
NASBA	\$ 30.00 per section
Prometric	\$ 22.72 per test hour, plus \$ 6.76 per section security fee (or \$97.64 for per section based on standard seat time of four hours)

Based on the above, the candidate cost per section (AUD, FAR, REG, BAR, ISC, TCP) will be \$262.64 in 2025.

As has been explained in prior notification letters, because the AICPA and Prometric are paid their fees based on when a candidate tests and not when the board (or its designee) submits its Authorizations to Test (ATTs) to the National Candidate Database (NCD), a dilemma is created. NASBA has agreed to manage the financial consequences of this dilemma by allowing boards (or their designees) to pay the new fees effective with ATTs submitted on or after a specific date. In order for NASBA to do this, while minimizing its financial carrying costs, the effective date for ATTs must be moved in advance of the announced effective date of the fee changes. The above fee changes will be paid to the AICPA, NASBA and Prometric for candidates testing on or after January 1, 2025.

It would not be equitable to have only one effective date for all boards because of the differing lengths of Notices to Schedule (NTSs). Most jurisdictions have an NTS that is valid for six months. However, two jurisdictions have selected longer NTS validity periods. If a single effective date was set based on a six-month NTS, candidates in these two jurisdictions would be at an advantage. As a result, we have adopted an implementation plan that sets due dates for ATTs based on the length of each jurisdiction's NTS life.

We have selected either the 1st (if it falls on a Saturday) or the first Saturday after the 1st of the month. We have chosen to use a Saturday as the effective date because using a weekday creates a larger cutoff and reconciliation problem for the Gateway.

The end result is the following schedule of effective dates:

California and Virginia – July 6, 2024
All other boards (6-month NTS) – August 3, 2024

Any ATT submitted on or after the above dates will be subject to the new fees. Invoice jurisdictions may have to begin collecting these fees in advance of the above dates so that they will have collected the proper fees from the candidates whose ATTs they submit on or after the above dates. Coupon jurisdictions will not have the same issue although they will want to notify candidates that any coupons the candidates receive for ATTs submitted on or after the above dates will be at the increased fees.

If you have any questions about this plan, please let us know.

Sincerely,

A handwritten signature in cursive script that reads "Patricia Hartman".

Patricia Hartman
Director of Client Services