



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 October 22, 2024,
at Davy Crockett Tower, 500 James Robertson Parkway in Conference Room 1A

MEMBERS PRESENT

Greg Gilbert, Chair
John Griesbeck, Vice-Chair
Pamela Church, Secretary
Sam Bennett
Andy Bonner
Brad Buchanan
Brad Floyd
Kevin Monroe
Mike Parton
Robert Vance

MEMBERS ABSENT

David Crenshaw

LEGAL COUNSEL

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

STAFF

Karen Condon, Interim Director
Duke Speed, Board Investigator
Laura Pecunes, Board staff
Reid Witcher, Assistant Commissioner

OTHERS ATTENDING

Kent Absec, Vice President, State Board Relations, NASBA
Katie Cheek, Chief Operating Officer, TSCPA
Gin Binkley, CPA
Jeff Peek, CPA

CALL TO ORDER – Chairman Greg Gilbert

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

Public Disclaimer and Roll-call

The meeting was properly noticed and the agenda posted on the Board's website on October 11, 2024. Members made their presence known through roll call and a quorum was established.

Announcements

Chairman Gilbert welcomed members of the public. Individuals who wish to make a public comment on an item listed on the posted agenda during the scheduled public comment period will need to sign in on

the provided sign-in sheet or by placing their name in the chat box online. It's requested that comments be limited to three minutes out of respect to others.

Chairman Gilbert recognized Brad Buchanan (Middle TN) and Mike Parton (East TN) for having been appointed to the Board by Governor Lee for a 3-year term. Chairman Gilbert also recognized Lee Lott, new Associate Counsel to the Board of Accountancy.

Review and Adopt Agenda

Motion and second to adopt the agenda as presented. Motion unanimously passed.

APPROVAL OF MEETING MINUTES

July 16, 2024 - Regular Meeting

Motion and second to approve the minutes as presented. Motion unanimously passed.

INTERIM DIRECTOR'S REPORT

Interim Director Karen Condon presented an overview of Board activities and licensing matters.

COMMITTEE ASSIGNMENTS

Committee assignments for 2024-2025 are as follows:

Executive

Greg Gilbert, Chairman
John Griesbeck, Vice Chair
Pam Church, Secretary
Andy Bonner, Immediate Past Chair

Law and Rules

John Griesbeck, Chair
Sam Bennett
Brad Buchanan
David Crenshaw
Mike Parton

Licensing

Pam Church, Chair
Sam Bennett
Brad Buchanan
Brad Floyd
Kevin Monroe

Enforcement

Kevin Monroe, Chair
Andy Bonner
Brad Floyd
Mike Parton
Rob Vance

Motion and second to approve the committee assignments. Motion unanimously passed.

REINSTATEMENT APPLICATIONS

Firm Permit (Appearance 2/2) – Valerie Kemp Drier

Ms. Drier has applied to reinstate her revoked firm permit and was present to address the Board and answer their questions.

Motion and second to approve the application for reinstatement. Motion unanimously passed via roll call vote.

CPA License (Evaluation 1 /2) – Richard Brown

Mr. Brown has applied to reinstate his suspended CPA license.

Motion and second to accept the application as complete for review at the next scheduled meeting.
Motion unanimously passed.

NASBA COMPETENCY-BASED EXPERIENCE PATHWAY – Kent Absec, NASBA, Vice President State Board Relations

Mr. Absec gave a presentation to the Board on NASBA's proposed competency-based experience pathway. He reminded the Board of two exposure drafts currently available for comment – one on the competency-based experience pathway and a second on proposed changes to the UAA. These exposure drafts will have a comment period through December 6, 2024, and December 30, 2024, respectively.

At the conclusion of Mr. Absec's presentation, the Board asked several questions of Mr. Absec, including the following:

- If the Pathway is implemented as proposed, Board Member Church noted the expectation that there will be a significant impact on the current education model for most accounting education programs, particularly existing Master of Accountancy programs. How is the AICPA/NASBA addressing the anticipated shift in the current accounting education model?
- Board Member Buchanan noted that many of the proposed professional competencies are "soft" competencies that take many years to fully develop. The Board requested additional context as to how the AICPA and NASBA concluded that three years of post-licensure experience is the appropriate length of time needed to be a CPA evaluator, such that the CPA evaluator has the requisite experience to assert that a CPA candidate has fully exhibited the competency requirements of the proposed Pathway.

From his experience participating in NASBA committees, Board Member Bonner provided additional context as to why three years was proposed to be an appropriate tenure for the CPA Evaluator role.

- As noted above, Board Member Buchanan noted that many of the proposed professional competencies are "soft" skills (i.e. professional skepticism, communication, ethical behavior, etc.), and the ability to exhibit proficiency in these competencies exists on a continuum. There was discussion with Mr. Absec regarding whether CPA candidates would be required to demonstrate "exposure to" or "mastery of" the proposed competencies. In addition, there was discussion regarding the expectation for how CPA evaluators would measure and conclude that a CPA candidate met the requirements of the Pathway.

From his experience participating in NASBA committees, Board Member Bonner provided additional context to NASBA's considerations around use of the term "mastery" in the proposed Pathway.

- Board Member Bonner asked if NASBA planned to maintain a tracking system to monitor licensees who are serving as competency evaluators.
- Board Member Bennett noted consideration as to whether there was substantial benefit to the proposed competency-based model, given the subjective nature of the proposed CPA Evaluator's responsibilities and the potential legal ramifications of the level of proficiency that is obtained in the one-year evaluation period, as compared to implementing a two-year general experience requirement.

Mr. Absec provided additional context in response to the Board members' questions and encouraged the Board to consider submitting a response to NASBA and the AICPA's exposure drafts. Chairman Gilbert noted that the Board has not reached a consensus on NASBA's proposed competency-based experience pathway to licensure.

TSCPA Update—Katie Cheek, TSCPA, Chief Operating Officer

Ms. Cheek acknowledged the devastating impacts to Eastern Tennessee following Hurricane Helene and the flooding that occurred. The TSCPA has a dedicated resource page on their website for anyone impacted by the hurricane.

Ms. Cheek updated the Board on the society's recent activities, including the society's response to the National Pipeline Advisory Group's recent report on pipeline issues.

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 – Pam Church, Committee Chair

Credit Extension – Molly Barclay

Candidate is requesting an extension for REG to June 30, 2025 due to extenuating circumstances.

Committee motion to approve the request. Motion unanimously passed.

Credit Extension – Javon Mead

Candidate is requesting an extension for BEC to June 30, 2025 due to extenuating circumstances.

Committee motion to approve the request. Motion unanimously passed.

CPE extensions for those affected by Hurricane Helene

In light of the destruction in the wake of Hurricane Helene, the Board is asked to consider granting a renewal CPE extension to those in the affected areas.

Committee motion to grant a six-month extension for CPE required to be completed in 2024 to CPAs working or residing in Carter, Cocke, Greene, Hamblen, Hawkins, Johnson, Unicoi, and Washington

counties in Tennessee, directing staff to develop a process to accomplish this. Motion unanimously passed.

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 | 2024038791 |
| 2 | 2024031061 |
| 3 | 2024032171 |
| 4 | 2024032311 |
| 5 | 2024031281 |
| 6 | 2024033061 |
| | 2024036271 |
| 7 | 2024045061 |
| 8 | 2024035681 |
| 9 | 2024027151 |

Committee motion to approve items 1-9 of the consent agenda as presented. Motion unanimously passed.

Proposed Discipline

This agenda details cases in which discipline has been recommended.

- | | |
|----|------------|
| 10 | 2024027131 |
| 11 | 2024028411 |
| 12 | 2024040951 |
| 13 | 2024041091 |

Committee motion to approve items 10-13 of the proposed discipline agenda as presented. Motion unanimously passed.

Executive – Chairman Gilbert, Committee Chair

State Specific Ethics Course Outline

The Board has a Memorandum of Understanding (MOU) with the TSCPA to develop the state-specific ethics course required for CPE compliance. The MOU requires the Board to provide a course outline to TSCPA each year, and the Board is asked to review the proposed 2025 outline for approval.

Travel

The Committee reviewed details of travel expenses incurred by the Board Investigator.

FY24 Closing

For the fiscal year ended June 30, 2024, the Board reported a deficit of \$13,958.

Committee motion for approval of the Executive Committee items noted above. Motion unanimously passed.

NASBA UPDATES

NASBA Board of Directors – Andy Bonner

NASBA Committee Updates, as needed

Pam Church, CPA Examination Administration Committee

Kevin Monroe, Regulatory Response Committee

John Griesbeck, Communications Committee

Greg Gilbert, Ethics Committee

PUBLIC COMMENT PERIOD

Jeff Peek, a Principal with CLA (CliftonLarsonAllen), addressed the Board with remarks about the CPA pipeline and path to licensure. No additional members of the public indicated a wish to comment.

OLD/NEW BUSINESS

Board member Brad Floyd assisted the Department leadership as part of a task force to search for a new Executive Director following Wendy Garvin's departure. The task force interviewed several candidates and selected Gin Binkley, CPA, as the candidate to recommend to the Board. Ms. Binkley was present at the meeting to meet the members of the Board.

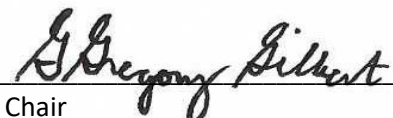
Motion and second to appoint Gin Binkley to the position of Executive Director and to delegate salary negotiations and other personnel matters to department leadership, in consultation with the Board Chair. Motion unanimously passed via roll call vote.

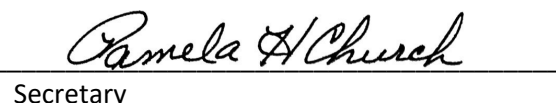
Board members shared their appreciation for Ms. Garvin's leadership and service, wishing her well in her new role at NASBA.

Chairman Gilbert has planned to meet with Kara Fitzgerald, President/CEO of TSCPA to discuss TSCPA initiatives and updates of Society activities.

ADJOURN

Meeting adjourned at 11:10 am.


Chair


Secretary