

The Board of the Texas State Board of Public Accountancy is holding a meeting by online video conference call pursuant to §551.127 of the Open Meetings Act. The public may attend the meeting in-person at the office of the Board which is located at 505 E. Huntland Drive, Suite 370, Austin, Texas 78752. The Presiding Officer of the Board will be present at the 505 E. Huntland Drive location for the entirety of the meeting. In the alternative, the public may attend the meeting virtually using the following link.

Time: Jan 16, 2025 10:00 AM Central Time (US and Canada)

<https://www.zoomgov.com/j/1602876919?pwd=MxEQhiy2KGxaTVbZTwm6lbsuAAaWSW.1>

Meeting ID: 160 287 6919  
Passcode: 838996

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Meeting ID: 160 287 6919

# Texas State Board of Public Accountancy Meeting Schedule

	January 15, 2025		January 16, 2025
COMMITTEE	Qualifications	Executive/Rules	Board
TIME	10:00 AM	1:30 PM	10:00 AM
PLACE	HYBRID	HYBRID	HYBRID
LIAISON	HILLER	HILL/TREACY/SCHWIMMER-STAGGS	TREACY

ADAMS <sup>1</sup>			✓
COATES <sup>1</sup>			✓
CRAWFORD <sup>1</sup>			✓
ESPINOZA-RILEY <sup>1</sup>		✓	✓
FOSHEE <sup>1</sup>	✓ (chair)	✓	✓
GARCIA <sup>1</sup>		✓	✓
GRANT <sup>1</sup>		✓	✓
HARTMANN <sup>2</sup>	✓		
HOLUP <sup>1</sup>			✓
MERKET <sup>1</sup>			✓
NEUHOFF <sup>1</sup>			✓
PITMAN <sup>2</sup>	✓		
SEEFELD <sup>1</sup>		✓ (executive chair)	✓ (chair)
SMITH <sup>1</sup>	✓	✓	✓
TRIPPON <sup>1</sup>			✓
VALLÉS-PANKRATZ <sup>1</sup>	✓		✓
WILLIS <sup>2</sup>	✓		
WARREN <sup>1</sup>		✓ (rules chair)	✓
ZOLTON <sup>2</sup>	✓		

<sup>1</sup> Board Member

<sup>2</sup> Advisory Member

**TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY**  
**BOARD MEETING AGENDA**  
**JANUARY 16, 2025**

<b>I.</b>	<b>CALL TO ORDER AND ROLL CALL – 10:00 A.M., JANUARY 16, 2025.....</b>	<b>I-1</b>
<b>II.</b>	<b>APPROVAL OF THE NOVEMBER 7, 2024 BOARD MEETING MINUTES.....</b>	<b>II-1</b>
<b>III.</b>	<b>PUBLIC COMMENT.....</b>	<b>III-1</b>
<b>IV.</b>	<b>CONSIDERATION OF REPORT AND RECOMMENDATIONS OF THE JOINT EXECUTIVE AND RULES COMMITTEE MEETING .....</b>	<b>IV-1</b>

A. Discussion, consideration, and possible action concerning the Board *Rules*

1. *Section 2001.039 of the Texas Government Code* requires all state agencies to revise, repeal or readopt all its rules every four years. The Board's *Chapter 501 Rules (Rules of Professional Conduct)* are presented to the committee for the committee's review and possible action.
2. Proposed revision to Board *Rule 507.4 (Confidentiality)*
3. Schedule next meeting

B. Review and possible action on the Board's financial statements

C. Discussion, consideration, possible action on the Board's Equal Employment Opportunity Report - CY - 2024

D. Report on Historically Underutilized Business (HUB) Expenditure Summary

E. Report on *Eighty-ninth Texas Legislative Session* – Proposed legislation affecting the *Public Accountancy Act* and designating agency representatives

1. Review of the proposed legislation affecting the *Public Accountancy Act*: S.B. 262, S.B. 522, S.B. 716, and H.B. 587
2. Designation of Board representatives to serve as resource witnesses and respond to questions during the 89<sup>th</sup> session of the Texas Legislature beginning January 14, 2025

F. Review of NASBA/AICPA matters

- NASBA dates of interest
  - a. 30<sup>th</sup> Annual Conference for Board of Accountancy Legal Counsel, March 25 - 27, 2025 - Clearwater Beach, FL
  - b. 43<sup>rd</sup> Annual Conference for Executive Directors & Board Staff, March 25 - 27, 2025 - Clearwater Beach, FL
  - c. Western Regional Meeting, June 17 - 19, 2025 - New Orleans, LA
  - d. 118<sup>th</sup> Annual Meeting, October 26 - 29, 2025 - Chicago, IL

	G. Review of general correspondence	
<b>V.</b>	<b>CONSIDERATION OF REPORT AND RECOMMENDATIONS FROM THE QUALIFICATIONS COMMITTEE MEETING.....</b>	<b>V-1</b>
	A. Report from the Task Force concerning the Rules of Professional Conduct Exam as required for CPA certification	
	B. Discussion, consideration, and possible action on requests from Texas Community Colleges to offer a Board-recognized internship course	
	C. Report on competency-based education offered at East Texas A&M University	
	D. Discussion, consideration, and possible action on the work experience requirements for CPA certification	
	E. Report on review of ethics courses for CPA certification	
	F. Report on a paper written by Charles Thomas, PhD, CPA and presented to NASBA on <i>A Longitudinal Analysis of Exam Performance and Seasonal Patterns of Large and Small Accounting Program in Texas</i>	
	G. Statistical report	
	H. Review of correspondence	
<b>VI.</b>	<b>REPORT ON LICENSING DEPARTMENT PROGRAMS.....</b>	<b>VI-1</b>
	• Update on the January 25, 2025 Swearing-in Ceremony	
<b>VII.</b>	<b>DISCUSSION, CONSIDERATION, AND POSSIBLE ACTION REGARDING THESE RECOMMENDATIONS FROM THE BEHAVIORAL ENFORCEMENT COMMITTEE MEETINGS.....</b>	<b>VII-1</b>
	<b><u>October 17, 2024</u></b>	
	A. Dismissals - Voluntary Compliance	
	• Investigation Nos. 24-08-06L & 24-08-07L	
	B. Other - Status Report	
	<b><u>December 05, 2024</u></b>	
	A. Dismissals - Insufficient Evidence	
	1. Investigation Nos. 24-09-01L & 24-09-02L	
	2. Investigation Nos. 24-10-03L & 24-10-04L	
	B. Other – Status Report	
<b>VIII.</b>	<b>REPORT OF THE TECHNICAL STANDARDS REVIEW COMMITTEE MEETING BY THE COMMITTEE CHAIR.....</b>	<b>VIII-1</b>
	• Other – Status Report	

<b>IX.</b>	<b>DISCUSSION, CONSIDERATION, AND POSSIBLE ACTION ON PROPOSED AGREED CONSENT ORDERS AND ADMINISTRATIVE DISCIPLINARY ACTIONS.....</b>	<b>IX-1</b>
<b>A.</b>	<b><u>Behavioral Enforcement Committee</u></b>	
	<ul style="list-style-type: none"> <li>Investigation No. 24-07-09L</li> </ul>	
	<b><u>Technical Standards Review Committee</u></b>	
	<ol style="list-style-type: none"> <li>Investigation No. 24-07-01L</li> <li>Investigation No. 23-11-08L</li> <li>Investigation Nos. 24-07-02L &amp; 24-07-03L</li> <li>Investigation Nos. 24-09-04L &amp; 24-09-05L</li> </ol>	
<b>B.</b>	<b><u>Administrative Disciplinary Actions</u></b>	
	<ol style="list-style-type: none"> <li>Investigation Nos. 24-08-10001 - 24-08-10100</li> <li>Investigation Nos. 24-09-10001 - 24-09-10072</li> <li>Investigation Nos. 24-08-10101 - 24-08-10275</li> <li>Investigation Nos. 24-09-10073 - 24-09-10256</li> <li>Investigation Nos. 24-08-10276 - 24-08-10290</li> <li>Investigation Nos. 24-09-10257 - 24-09-10285</li> </ol>	
<b>X.</b>	<b>REVIEW OF FUTURE MEETINGS/HEARING SCHEDULES.....</b>	<b>X-1</b>
<b>XI.</b>	<b>ADJOURNMENT.....</b>	<b>XI-1</b>

**Agenda Item I**  
**Call to Order and Roll Call**  
**January 16, 2025**

- I. **DISCUSSION:** The meeting will be called to order, *en banc*, by video conference or in-person at 10:00 a.m., January 16, 2025 in the Board's office, at which time the roll will be called.

**RECOMMENDATION:** None required.

**SUGGESTED MOTION:** None required.

<p style="text-align: center;"><b>Agenda Item II</b> <b>Approval of the November 7, 2024 Minutes</b> <b>January 16, 2025</b></p>
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- I. **DISCUSSION:** The enclosed minutes of the November 7, 2024 Board meeting were kept in accordance with established procedures and reflect the business conducted.

**RECOMMENDATION:** The staff recommends that the minutes of the November 7, 2024 Board meeting be approved as submitted/amended.

**SUGGESTED MOTION:** That the minutes of the November 7, 2024 Board meeting be approved as submitted/amended.

# Texas State Board of Public Accountancy

## November 7, 2024

The Texas State Board of Public Accountancy met by video conference and in-person from 10:05 a.m. until 11:19 a.m. on November 7, 2024. A notice of this meeting containing all items on the agenda, in accordance with *Section 551 of the Texas Government Code* was filed with the Office of the Secretary of State at 10:14 a.m. on October 29, 2024. (TRD #2024-006320) (**ATTACHMENT 1**)

### Board Members Present

Susan I. Adams, CPA  
Christopher "Grant" Coates  
Kimberly D. "Kim" Crawford, CPA  
Olivia Espinoza-Riley, CPA  
*Treasurer*  
Renee D. Foshee, Esq., CPA  
*Secretary*  
Ray R. Garcia, CPA  
*Executive Committee*  
*Member-at-Large*  
Jamie D. Grant  
*Executive Committee*  
*Member-at-Large*  
Sherri B. Merket  
Thomas M. Neuhoﬀ, CPA  
Debra D. Seefeld, CPA  
*Presiding Officer*  
Jeannette P. Smith, CPA  
*Assistant Presiding Officer*  
James "Jim" Trippon, CPA  
Sheila M. Vallés-Pankratz  
Susan M. Warren, CPA

### Members Absent

Jill A. Holup  
*Excused*

### Others Present

Eric Acosta  
Kenneth Besserman, Esq.  
Ginger DeLatte, CPA  
Lorna Harrison  
Connie Lamirand  
Ben Lansford, Ph D  
Sean McVey  
Raul Rodriguez  
Dr. Greg Sommers, CPA  
Larry Stephens, CPA  
Amy Troutman  
Mika Valdez

### Staff Present

Paul Arredondo  
Paulette Beiter, Esq.  
Marissa Brooks  
Nicole Duran, CPA  
Rhonda Fellner  
Ann Hallam, PMP  
J. Randel Hill, Esq.  
Donna Hiller  
John Moore, Esq.  
Brian O'Neal  
Julie Prien  
Marisa Rios  
Lorna Schwimmer-Staggs, CPA  
William Treacy

- I. Ms. Seefeld, Presiding Officer, called the meeting to order at 10:05 a.m. Mr. Treacy called roll and declared a quorum.
- II. Ms. Warren moved to approve the September 19, 2024 Board meeting minutes as presented. Ms. Vallés-Pankratz seconded the motion and it passed unanimously.
- III. After a call for public comments, there were no comments from the public.
- IV. Ms. Seefeld, Presiding Officer, reported on the November 6, 2024 (video conference and in-person) Executive Committee meeting.

### Members Present

Olivia Espinoza-Riley, CPA  
Renee D. Foshee, Esq. CPA  
Ray R. Garcia, CPA  
Jamie D. Grant  
Debra D. Seefeld, CPA  
*Presiding Officer*  
(In-person)  
Jeannette P. Smith, CPA

### Others Present

Lonnie Arredondo  
Thomas M. Neuhoﬀ, CPA

### Staff Present

Paul Arredondo  
Marissa Brooks  
Nicole Duran, CPA  
Ann Hallam, PMP  
J. Randel Hill, Esq.  
Donna Hiller  
Brian O'Neal  
Marisa Rios  
Lorna Schwimmer-Staggs, CPA  
Lori Shaw  
William Treacy

- A. Ms. Espinoza-Riley, Treasurer, presented the Board's financial statements. Ms. Vallés-Pankratz moved to approve the Board's financial statements as presented. Mr. Garcia seconded the motion and it passed unanimously.
- B. Mr. Hill presented proposed professional service contracts for members of the Peer Review Oversight Board for the term of January through the end of FY 25. The hourly fee was increased from \$200 to

\$270. Ms. Merket moved to approve the following FY 2025 professional service contracts. Ms. Crawford seconded the motion and it passed unanimously.

**FY 2025 professional service contracts:**

**Peer Assistance Oversight Board:**

1. Thomas Akin, CPA	1/1/25 – 8/31/25	\$11,600
2. John Michael Waters, CPA	1/1/25 – 8/31/25	\$11,600
3. Robert Goldstein, CPA	1/1/25 – 8/31/25	\$21,600

C. Ms. Seefeld reported on the following NASBA/AICPA matters:

1. NASBA dates of interest

- Report on NASBA's 117th Annual Meeting, October 27-30, 2024, Orlando, FL.

Ms. Smith, Ms. Foshee, Ms. Seefeld, Mr. Treacy, and Mr. Hill attended in-person. Ms. Adams attended the meeting virtually. Various opinions of the NASBA and AICPA exposure drafts related to revisions to the Uniform Accountancy Act (UAA) and competency-based experience pathway were discussed. There were also presentations on exam trends within Texas and on the future of accounting. Ms. Seefeld congratulated Ms. Smith's NASBA committee assignment.

2. Ms. Seefeld reported that Ms. Foshee, Mr. Treacy, and herself received thank you letters from NASBA for their service on various committees.

D. Ms. Seefeld reported on general correspondence coming to the Board's attention.

E. Ms. Seefeld requested that Mr. Garcia present the response letter drafted by the Ad Hoc Licensure Pathway Committee and subsequently revised and approved during the Executive Committee Meeting. After a thorough discussion, the Board moved to approve the letter to be sent out to NASBA and AICPA.

V. Mr. Garcia, Peer Review Committee Chair, reported on the October 15, 2024 (video conference and in-person) Peer Review Committee meeting.

**Members Present**

**Member Absent**

**Staff Present**

Kimberly D. Crawford, CPA  
Ray R. Garcia, CPA  
*Committee Chair*  
(In-Person)  
Robert M. McAdams, CPA  
Rene D. Peña, CPA  
Debra Seefeld, CPA  
*Ex officio*  
Jeannette P. Smith, CPA

Laura Lambert, CPA

Marissa Brooks  
Jay Franco  
Ann Hallam, PMP  
J. Randel Hill, Esq.  
Marisa Rios  
Brian O'Neal  
William Treacy

A. Mr. Garcia reported that the staff provided an overview of the publication and selection process for the Peer Review Oversight Board members.

B. Mr. Garcia reported that the committee considered the responses to the Request for Qualifications published in the Electronic State Business Daily beginning on July 31, 2024 for selection to the Peer Review Oversight Board created in Board *Rule 527.7*. Upon a first by Mr. Peña and a second by Ms. Smith, the committee approved recommending to the Board that it authorize the staff to negotiate the terms of a contract with each of the three respondents.

Mr. Peña suggested staff consider revising Board *Rule 527.7* to be more inclusive.

VI. Ms. Vallés-Pankratz, Peer Assistance Oversight Committee Chair, presented the Quarterly Report, Performance Measures, and Financial Information from the TXCPA ACAN Program.

VII. Ms. Foshee, Qualifications Committee Chair, reported on the October 16, 2024 (video conference and in-person) Qualifications Committee meeting.

**Members Present**

Renee D. Foshee, Esq, CPA  
*Committee Chair*  
Marshall Pitman, Ph.D., CPA  
Jeannette P. Smith, CPA  
Sheila Vallés-Pankratz  
Veronda Willis, Ph.D., CPA  
Kathy Zolton, CPA  
Jeannette P. Smith, CPA

**Member Absent**

Caroline Hartmann, CPA

**Staff Present**

Paulette Beiter, Esq.  
Marissa Brooks  
Rhonda Fellner  
Ann Hallam, PMP  
J. Randel Hill, Esq.  
Donna Hiller  
Kyle McGaw  
Brian O'Neal  
Marisa Rios  
Lori Shaw  
William Treacy

**Others Present**

Kent Absec  
Kenneth Besserman, Esq.  
Joseph Buchanan  
Abe Carr  
Gin Chong  
David Clark  
Marilyn Dement  
Marina Grau  
Jaime Guerrero  
Brittany Hammond  
Katie Harris  
Cassy Henderson  
Terri Herron

Jason Hyde  
Sheryl Jimerson  
Logan Kendrick  
Casey Kyllonen  
Ben Lansford  
John Masselli  
Tracie Miller  
Celinda Moore  
Shicoyia Morgan  
Philip Morris  
Tim Morrison  
Ashley Newton  
Dallin O Smith

Renee Olvera  
Bill Pasewark  
Mina Pizzini  
April Poe  
Jodi Ann Ray  
Lanita Ray  
Sarah Rodriguez  
Greg Sommers  
Larry Stephens  
Jason Tasset  
Lori Tatsch  
Patty Wyatt  
Liu Zishang

- A. Ms. Foshee provided an update on the Task Force's Report regarding the *Rules of Professional Conduct* Exam required for CPA certification. The report stated that the Task Force members reviewed all related questions, drafted new ones, and that the Board's staff and attorneys are currently reviewing their work. This report was for informational purposes only and no action was required.
- B. Ms. Foshee reported on the implementation of the Examination Fee Financial Aid (EFFA) program. Staff reported that information about the EFFA program was available on the Board's website and had been communicated through various social media platforms. Information only. No action was required.
- C. Ms. Foshee reported that the committee received written comments on the proposed CPA Competency- Based Experience Pathway from the following educators: April Poe - University of the Incarnate Word; Trevor England - Sam Houston State University; Pamela Baker - Texas Woman's University; Sunita White - Trinity University; Renee Olvera - Texas Christian University; Joe Dulin - University of Oklahoma; Lawrence Murphy Smith -Texas A&M University- Corpus Christi; Kathy Zolton - University of Texas – Dallas. There were a number of guests and educators who attended the meeting and offered oral comments. The committee thanked the participants for their comments and for attending the meeting.
- D. Ms. Foshee reported that the committee discussed the proposed CPA Competency-Based Experience Pathway and offered several comments. There was agreement in principle with the proposal for the alternate pathway, though Ms. Foshee dissented and did not agree with the proposal. The committee expressed concerns about the concept of the CPA evaluator who would sign off on the one year of competency-based work experience. Additionally, the members desired to receive further information along with the positions of other boards of accountancy to avoid any unintended consequences that might result from implementing the proposal before completing further study. They were aware that the Ad Hoc Licensing Pathway (AHLP) Committee would draft a response to the proposal for the Board's consideration at the upcoming November 7, 2024 meeting, and the Qualifications Committee's comments would be

provided to the AHLF.

- E. Ms. Foshee reported that the committee did not offer a recommendation on the proposed changes to the Uniform Accountancy Act.
  - F. Ms. Foshee reported that the committee tabled a discussion about the STEM program at Lamar University for presentation at a future meeting.
  - G. Ms. Foshee reported that the committee received information provided by the Texas Higher Education Coordinating Board about acceptable internships that could be offered at community colleges. The committee recommends that the five Texas community colleges recognized by the Board be notified that they may develop an accounting internship program similar to those offered at degree-granting institutions. The proposed internship program should be provided to the committee for consideration.
  - H. Ms. Foshee reported that the committee considered the information in the Journal of Accountancy about a U.S. Apprenticeship Program for entry level accounting and finance associates. Information only. No action was required.
  - I. Ms. Foshee reported that the committee considered and did not accept the Southern New Hampshire University course ACC 696 - Situational Ethics in Accounting to meet the Board's three-semester hour ethics course requirement. If the university decides to include the Texas Board's Rules of Professional Conduct in its curriculum, the committee may reconsider the course.
  - J. Ms. Foshee reported that the staff presented statistical information comparing Exam data for FY 23 and FY 24. Additional reports were provided that compared the applicants who were qualified to take the CPA exam under the 2003 Act in FY 23 and FY 24. The exam results of Texas candidates who tested using the new exam format were provided. Mr. Garcia inquired about the trends; Ms. Foshee and Board staff explained that the best practice is to take the exams as soon as possible once the student graduates. No action was required.
  - K. The committee considered but did not approve Emily Devane's request to accept CPA Exam credits from Alaska due to incomplete Texas education requirements. The committee did approve Dr. Larry Stephens' request to offer ACNT 1374 - Survey of Taxation at Austin Community College starting spring 2025.
- VIII. Mr. Garcia, Ad Hoc Licensure Pathways Committee Chair, reported on the October 15, 2024 (video conference and in-person) Ad Hoc Licensure Pathways committee meeting.

**Members Present**

Renee D. Foshee, Esq., CPA  
(In-Person)  
Ray G. Garcia, CPA  
*Committee Chair*  
(In-Person)  
Jamie D. Grant  
Thomas M. Neuhooff, CPA  
Debra D. Seefeld, CPA  
*Ex Officio*  
Jeannette P. Smith, CPA

**Others Present**

Kenneth Besserman, Esq.  
Kristen Bigbee, CPA  
Leslie Blix, Ph.D  
Kristen Cook, Ph.D  
Kylee Dacy, CPA  
Ronny Daigle, Ph.D., CPA  
Ginger DeLatte, CPA  
Trevor England, Ph.D., CPA  
Katie Harris, CPA  
Cassy Henderson, Ph.D.  
R. Logan Kendrick, CPA  
Tracie Miller, CPA  
Celinda Moore, CPA  
Shicoyia Morgan  
Philip Morris, Ph.D., CPA  
Rosie Morris Ph.D., CPA  
Lindsey Mudge, CPA  
Bill Pasewark, Ph.D., CPA  
Julie Persellin, Ph.D.  
Jodi Ann Ray  
Shani Robinson, Ph.D., CPA  
Sunita White, CPA

**Staff Present**

Marissa Brooks  
J. Randel Hill, Esq.  
Ann Hallam, PMP  
Donna Hiller  
Kyle McGaw  
Brian O'Neal  
Marisa Rios  
Lorna Schwimmer-Staggs, CPA  
Lori Shaw  
William Treacy

- A. Mr. Garcia reported that the committee received an update provided by Ms. Ray, President/CEO TXCPA on mobility and the pathway issues being considered in most of the states. Ms. Ray highlighted impacts on current licensees, including possible Safe Harbor language, and setting standards for new licensees.

The committee raised concerns regarding the urgency of changes, administrative burdens, the need for more information on other states' practices, as well as the need for greater clarity on pathway and mobility issues, before deciding if legislation is immediately needed.

- B. Mr. Garcia reported that the educators and practitioners had mixed reactions to the CPA Competency-Based Experience Pathway exposure draft. While some supported the alternate pathway proposal, the majority had reservations about the need for the change and the impact it would have. The educators were concerned about having to further adjust coursework, as they were already adjusting for the new CPA Exam. They stressed the need for more information and more time, emphasizing the balance between educational requirements and accessible licensure pathways.
- C. Mr. Garcia discussed the possible legislative changes to the Texas *Public Accountancy Act* and another pathway to licensure. The TSBPA staff discussed proposing a simple and concise revision to the Texas *Public Accountancy Act*.
- D. The committee reviewed and discussed two key exposure drafts: the CPA Competency-Based Experience Pathway and the Uniform Accountancy Act. Comments were solicited from those listed under the Others Present category in the minutes. Opinions varied on the alternative pathway, with some members showing qualified support and others raising concerns.

The committee members did not support the 1 + 1 option as an alternative pathway. The committee members felt that the 1 + 1 would add an administrative burden to the evaluator and the possibility of legal liability for those attesting to the competency of the candidate's experience. Members emphasized the need for more detailed information, clearer terms, and strong guardrail measures. One member expressed concern regarding the potential negative consequences of having an alternative pathway.

The committee voted in favor of an alternative pathway and stressed the need for more information and slowing down the legislative process until the results of both NASBA/AICPA Exposure Drafts are available. Ms. Foshee dissented and expressed opposition to having an alternative pathway. Mr. Grant had to leave the meeting and did not vote.

- IX. Ms. Espinoza-Riley informed the Board on the upcoming swearing-in ceremony being held January 25, 2025 at the Palmer Events Center in Austin, Texas. Invitations were sent to 607 new CPAs and 220 50-year honorees. Board members wishing to attend and participate in the ceremony were asked to notify Mr. Treacy.
- X. Ms. Smith, Behavioral Enforcement Committee chair, reported on the following Behavioral Enforcement Committee meetings:

**August 7, 2024** (video conference and in-person)

<b>Members Present</b>	<b>Member Absent</b>	<b>Staff Present</b>
Susan I. Adams, CPA Bennett Allison, CPA Patrick Durio, CPA Phillip D. Johnson, CPA Robert Ogle, CPA Jeannette P. Smith, CPA <i>Committee Chair</i>	Jill A. Holup	Paulette Beiter, Esq. J. Randel Hill, Esq.

- A. Dismissals – Voluntary Compliance

Mr. Trippon moved to dismiss the following investigations based on voluntary compliance. Mr. Garcia seconded the motion and it passed. The above listed BEC committee members did not participate in any discussion or the vote.

- Investigation No. 24-05-12L<sup>1</sup>, 24-05-13L<sup>1</sup> & 24-05-14L<sup>1</sup>

- B. Other - The committee considered several other matters during its meeting; however, no action was required.

**October 17, 2024**

**Members Present**

Susan I. Adams, CPA  
Bennett Allison, CPA  
Patrick Durio, CPA  
Jill A. Hollup  
Phillip D. Johnson, CPA  
Robert Ogle, CPA  
Jeannette P. Smith, CPA  
*Committee Chair*

**Staff Present**

Paulette Beiter, Esq.  
J. Randel Hill, Esq.

- A. Dismissals – Insufficient evidence

Mr. Trippon moved to dismiss the following investigations due to insufficient evidence of a violation of the *Act* or the *Rules*. Ms. Merket seconded the motion and it passed. The above listed BEC committee members did not participate in any discussion or the vote.

1. Investigation Nos. 24-06-01L<sup>1</sup> and 24-06-02L<sup>1</sup>
2. Investigation Nos. 24-08-08L<sup>1</sup> and 24-08-09L<sup>1</sup>
3. Investigation Nos. 24-06-04L<sup>1</sup> and 24-06-05L<sup>1</sup>
4. Investigation Nos. 24-08-10L<sup>1</sup> and 24-08-11L<sup>1</sup>
5. Investigation Nos. 24-06-10L<sup>1</sup> and 24-06-11L<sup>1</sup>

- B. Other - The committee considered several other matters during its meeting; however, no action was required.

- XI. Ms. Seefeld, the Presiding Officer, presented the Technical Standards Review Committee report for the September 25, 2024 meeting. Mr. Garcia, Technical Standards Review Committee Chair, then reported on the October 2, 2024 meeting and the October 24, 2024 Agency Referral Training.

**September 25, 2024** (video conference and in-person)

**Members Present**

Douglas Koval, CPA  
Debra Seefeld, CPA  
*Ex Officio Committee Chair*  
Sheila Vallés-Pankratz  
Juliet Williams, CPA

**Members Recused**

Kimberly Crawford, CPA  
Ray R. Garcia, CPA  
*Committee Chair*  
Dilliana Stewart, CPA  
Susan Warren, CPA

**Staff Present**

J. Randel Hill, Esq.  
John Moore, Esq.

- A. Dismissals – Insufficient evidence

Ms. Foshee moved to dismiss the following investigations due to insufficient evidence of a violation of the *Act* or the *Rules*. Mr. Grant seconded the motion and it passed. The above listed TSR committee members did not participate in any discussion or the vote.

- Investigation Nos: 22-09-02L<sup>2</sup>; 22-09-03L<sup>2</sup>; 22-09-07L<sup>2</sup>; 22-09-10L<sup>2</sup>; 22-09-11L<sup>2</sup>; 22-09-16L<sup>2</sup>; 22-09-17L<sup>2</sup>; 22-09-19L<sup>2</sup>; 22-09-22L<sup>2</sup>; 22-09-24L<sup>2</sup>; 22-09-25L<sup>2</sup>; 22-09-29L<sup>2</sup>; 22-09-31L<sup>2</sup>; 22-09-33L<sup>2</sup>; 22-09-36L<sup>2</sup>; 22-09-40L<sup>2</sup>; 22-09-42L<sup>2</sup>; 22-09-43L<sup>2</sup>; 22-09-45L<sup>2</sup>; and 22-09-51L<sup>2</sup>.

- B. Other - The committee considered other matters during its meeting; however, no action was required.

**October 2, 2024** (video conference and in-person)

**Members Present**

Kimberly Crawford, CPA

**Staff Present**

J. Randel Hill, Esq.

Ray R. Garcia, CPA  
*Committee Chair*  
Douglas Koval, CPA  
Dilliana Stewart, CPA  
Sheila Vallés-Pankratz  
Susan Warren, CPA  
Juliet Williams, CPA

John Moore, Esq.

- Other - The committee considered other matters during its meeting; however, no action was required.

**October 24, 2024** (video conference and in-person)

- Mr. Garcia reported that on October 24, 2024, the Texas State Board of Public Accountancy hosted a training session for state agencies. This session aimed to help agencies receiving reports from CPA firms to assess whether these reports were professionally and competently prepared and met professional standards. The training covered the following topics: the purpose of the Texas *Public Accountancy Act*, common problems in audits, compilations, and reviews, licensing and peer review requirements, the Board's complaint process, resources for state agencies, and included a roundtable discussion for questions.

The training featured presentations by Ray R. Garcia, CPA, TSR Chair, William Treacy, Executive Director, Jerry Hill, General Counsel, Peter DelVecchia, CPA, Consultant, and John Moore, TSR Committee Liaison and Staff Attorney. It was conducted both in-person and virtually, with 48 attendees representing 15 state agencies.

The Board has conducted similar trainings in the past, which were well received, and plans to conduct more in the future.

- XII. The Board took the following actions on agreed consent orders (ACOs), and administrative disciplinary actions.

A. **Agreed Consent Orders:**

Mr. Coates moved to approve the following ACOs as presented. Ms. Foshee seconded the motion and it passed unanimously.

**Behavior Enforcement Committee**

- |                             |   |                         |                   |
|-----------------------------|---|-------------------------|-------------------|
| • <b>Investigation No.:</b> | <b>24-07-06L<sup>1</sup></b>                | <b>Hometown:</b>        | <b>Austin, TX</b> |
| <b>Respondent:</b>          | <b>James Marcus Neves</b>                   | <b>Certificate No.:</b> | <b>057238</b>     |
| <b>Rule Violation:</b>      | <b>501.90(4)</b>                            |                         |                   |
| <b>Act Violations:</b>      | <b>901.502(6), 901.502(10), 901.502(11)</b> |                         |                   |

Respondent entered into an ACO with the Board whereby Respondent's certificate was revoked.

Respondent was convicted of first-degree felony murder.

B. **Administrative Disciplinary Actions:**

Mr. Neuhoﬀ moved to approve the following Administrative Disciplinary Actions as presented. Ms. Merket seconded the motion and it passed unanimously.

1. **Respondents: In the Matter of Disciplinary Action Against Certain Licensees for Nonpayment of Licensing and Late Fees for Three Consecutive License Periods**

The Respondents failed to pay their licensing fees for three consecutive license periods. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the certificate of each Respondent still not in compliance be revoked without prejudice. Each Respondent may regain his or her certificate by paying all license fees and late fees and by otherwise coming into compliance with the *Act*. Respondents violated *Act Section 901.502(4) (failure to pay license fees for three consecutive years)*. (ATTACHMENT 2)

No Board committee considered these actions.

Investigation Numbers

1. 24-06-10001 - 24-06-10095
2. 24-07-10001 - 24-07-10071

**2. Respondents: In the Matter of Disciplinary Action Against Certain License Holders for CPE Delinquencies**

The Respondents failed to comply with CPE reporting requirements found in Chapter 523 of the *Rules and Act Section 901.411 (Continuing Professional Education)*. The Respondents, although provided with a preliminary report and having been notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the license of each Respondent still not in compliance be suspended for a period of three years, or until he or she complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, staff recommends a \$100 penalty be imposed for each year a Respondent is not in compliance with the Board's CPE requirements. Respondents violated Board *Rules 501.94 (Mandatory CPE)* and *523.111 (Required CPE Reporting)*, and *Act Section 901.411. (ATTACHMENT 3)*

No Board committee considered these actions.

Investigation Numbers

3. 24-06-10096 - 24-06-10267
4. 24-07-10072 - 24-07-10246

**3. Respondents: In the Matter of Disciplinary Action Against Certain Certificate Holders for Failure to Complete License Notice**

The Respondents failed to complete their license renewal notices in accordance with Board *Rule 515.3 (License Renewals for Individuals and Firm Offices)*. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends the certificate of each Respondent not in compliance be revoked without prejudice until such time as the Respondent complies with the requirements of the *Rules* and the *Act*. Respondents violated *Act Section 901.502(12) (Violations of Board Rules)*. **(ATTACHMENT 4)**

No Board committee considered these actions.

Investigation Numbers

5. 24-06-10268 - 24-06-10278
6. 24-07-10247 - 24-07-10268

XIII. Ms. Seefeld reviewed the meeting schedule for the year.

XIV. Ms. Seefeld moved to adjourn, Mr. Garcia seconded the motion, the meeting adjourned 11:19 a.m.

**ATTEST:**

\_\_\_\_\_  
Debra D. Seefeld, CPA, Presiding Officer

\_\_\_\_\_  
Renee Foshee, Esq., CPA, Secretary

<sup>1</sup>Ms. Adams, Ms. Holup, and Ms. Smith recused themselves from participating in this matter.

<sup>2</sup>Ms. Crawford, Mr. Garcia, Ms. Vallés-Pankratz, and Ms. Warren recused themselves from participating in this matter.

**Agenda Item III  
Public Comment  
January 16, 2025**

- I. **DISCUSSION:** Persons wishing to offer public comment to the Board will be given an opportunity to do so at this time.

**RECOMMENDATION:** None required.

**SUGGESTED MOTION:** None required.

<p style="text-align: center;"><b>Agenda Item IV</b> <b>Report of the Joint Executive and Rules Committee</b> <b>January 15, 2025</b></p>
---

- A. Discussion, consideration, and possible action concerning Board *Rules*.
  - 1. *Section 2001.039* of the *Texas Government Code* requires all state agencies to revise, repeal or readopt all its rules every four years. The Board's *Chapter 501 Rules (Rules of Professional Conduct)* are presented to the committee for the committee's review and possible action.
  - 2. Proposed revision to Board *Rule 507.4 (Confidentiality)*.
  - 3. Schedule next meeting.
- B. Review and possible action on the Board's financial statements.
- C. Discussion, consideration, and possible action on the Board's Equal Employment Opportunity Report - CY - 2024.
- D. Report on Historically Underutilized Business (HUB) Expenditure Summary.
- E. Report on *Eighty-ninth Texas Legislative Session* – Proposed legislation affecting the *Public Accountancy Act* and designating agency representatives.
  - 1. Review of the proposed legislation affecting the *Public Accountancy Act*: S.B. 262, S.B. 522, S.B. 716, and H.B. 587.
  - 2. Designation of Board representatives to serve as resource witnesses and respond to questions during the 89<sup>th</sup> session of the Texas Legislature beginning January 14, 2025.
- F. Review of NASBA/AICPA matters:
  - NASBA dates of interest
    - a. 30<sup>th</sup> Annual Conference for Board of Accountancy Legal Counsel, March 25 – 27, 2025 - Clearwater Beach, FL.
    - b. 43<sup>rd</sup> Annual Conference for Executive Directors & Board Staff, March 25 – 27, 2025 - Clearwater Beach, FL.
    - c. Western Regional Meeting, June 17 - 19, 2025 - New Orleans, LA.
    - d. 118<sup>th</sup> Annual Meeting, October 26 - 29, 2025 - Chicago, IL.
- G. Review of general correspondence.

<p style="text-align: center;"><b>Agenda Item IV</b> <b>Report of the Joint Executive and Rules Committee</b> <b>January 15, 2025</b></p>
---

A. Discussion, consideration, and possible action concerning Board *Rules*.

1. *Section 2001.039* of the *Texas Government Code* requires all state agencies to revise, repeal or readopt all its rules every four years. The Board's *Chapter 501 Rules (Rules of Professional Conduct)* are presented to the committee for the committee's review and possible action.
2. Proposed revision to Board *Rule 507.4 (Confidentiality)*.
3. Schedule next meeting.

1. *Section 2001.039 of the Texas Government Code* requires all state agencies to revise, repeal or readopt all its rules every four years. The Board's Chapter 501 *Rules (Rules of Professional Conduct)* are presented to the committee for the committee's review and possible action.

**DISCUSSION:** This is the first set of rules being offered to the committee and the Board for consideration of "Rule Review." *Section 2001.039 of the Government Code* requires all state agencies to review their rules and revise, readopt or repeal them every four years, in order to assure all agency rules are needed and current.

**RECOMMENDATION:** The staff recommends that the Rules/Executive Committee recommend that the Board authorize the executive director to publish the proposed revisions in the *Texas Register* for public comment and readopt those rules that do not require revision or should not be repealed.

**SUGGESTED MOTION:** That the Rules/Executive Committee recommend to the Board that it authorize the executive director to publish the proposed revisions to the rules as proposed in the *Texas Register* for public comment and readopt those rules requiring no revision or repeal.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER A        GENERAL PROVISIONS  
3 RULE §501.51        Preamble and General Principles

---

- 4  
5 (a) These rules of professional conduct were promulgated under the Public  
6 Accountancy Act, which directs the Texas State Board of Public Accountancy to  
7 promulgate rules of professional conduct "in order to establish and maintain high  
8 standards of competence and integrity in the practice of public accountancy and to  
9 ensure that the conduct and competitive practices of licensees serve the purposes of  
10 the Act and the best interest of the public."
- 11 (b) The services usually and customarily performed by those in the public, industry, or  
12 government practice of accountancy involve a high degree of skill, education, trust, and  
13 experience which are professional in scope and nature. The use of professional  
14 designations carries an implication of possession of the competence associated with a  
15 profession. The public, in general, and the business community, in particular, rely on  
16 this professional competence by placing confidence in reports and other services of  
17 accountants. The public's reliance, in turn, imposes obligations on persons utilizing  
18 professional designations to their clients, employers and to the public in general. These  
19 obligations include maintaining independence in fact and in appearance, while in the  
20 client practice of public accountancy, continuously improving professional skills,  
21 observing GAAP and GAAS, when required, promoting sound and informative financial  
22 reporting, holding the affairs of clients and employers in confidence, upholding the  
23 standards of the public accountancy profession, and maintaining high standards of  
24 personal and professional conduct in all matters.
- 25 (c) The board has an underlying duty to the public to ensure that these obligations are  
26 met in order to achieve and maintain a vigorous profession capable of attracting the  
27 bright minds essential to adequately serving the public interest.
- 28 (d) These rules recognize the First Amendment rights of the general public as well as  
29 licensees and do not restrict the availability of accounting services. However, public  
30 accountancy, like other professional services, cannot be commercially exploited without  
31 the public being harmed. While information as to the availability of accounting services  
32 and qualifications of licensees is desirable, such information should not be transmitted  
33 to the public in a misleading fashion.

1 (e) The rules are intended to have application to all kinds of professional services  
2 performed in the practice of public accountancy, including services found at §501.52(22)  
3 of this chapter (relating to Definitions).  
4 (f) Finally, these rules also recognize the duty of certified public accountants to refrain  
5 from committing acts discreditable to the profession. These acts, whether or not related  
6 to the accountant's practice, impact negatively upon the public's trust in the profession.  
7 (g) In the interpretation and enforcement of these rules, the board may consider  
8 relevant interpretations, rulings, and opinions issued by the boards of other jurisdictions  
9 and appropriate committees of professional organizations, but will not be bound  
10 thereby.

1    CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2    SUBCHAPTER A        GENERAL PROVISIONS  
3    RULE §501.52        Definitions

---

4  
5    The following words and terms, when used in title 22, part 22 of the Texas  
6    Administrative Code relating to the Texas State Board of Public Accountancy, shall  
7    have the following meanings, unless the context clearly indicates otherwise. The  
8    masculine shall be construed to include the feminine or neuter and vice versa, and the  
9    singular shall be construed to include the plural and vice versa.

10    (1) "Act" means the Public Accountancy Act, Chapter 901, Occupations Code;

11    (2) "Advertisement" means a message which is transmitted to persons by, or at the  
12    direction of, a person and which has reference to the availability of the person to  
13    perform Professional Accounting Services;

14    (3) "Affiliated entity" means an entity controlling or being controlled by or under  
15    common control with another entity, directly or indirectly, through one or more  
16    intermediaries;

17    (4) "Attest Service" means:

18        (A) an audit or other engagement required by the board to be performed in  
19        accordance with the auditing standards adopted by the AICPA, PCAOB, or another  
20        national or international accountancy organization recognized by the board;

21        (B) a review or compilation required by the board to be performed in accordance with  
22        standards for accounting and review services adopted by the AICPA or another national  
23        or international accountancy organization recognized by the board;

24        (C) an engagement required by the board to be performed in accordance with  
25        standards for attestation engagements adopted by the AICPA or another national or  
26        international accountancy organization recognized by the board; or

27        (D) any other assurance service required by the board to be performed in accordance  
28        with professional standards adopted by the AICPA or another national or international  
29        accountancy organization recognized by the board;

30    (5) "Board" means the Texas State Board of Public Accountancy;

31    (6) "Charitable Organization" means an organization which has been granted tax-  
32    exempt status under the Internal Revenue Code of 1986, §501(c), as amended;

1 (7) "Client" means a party who enters into an agreement with a license holder or a  
2 license holder's employer to receive a professional accounting service or professional  
3 accounting work;

4 (8) "Client Practice of Public Accountancy" is the offer to perform or the performance  
5 by a person for a client or a potential client of professional accounting services or  
6 professional accounting work, and also includes:

7 (A) the advice or recommendations in connection with the sale or offer for sale of  
8 products (including the design and implementation of computer software), when the  
9 advice or recommendations routinely require or imply the possession of accounting or  
10 auditing skills or expert knowledge in auditing or accounting; and

11 (B) the performance of litigation support services;

12 (9) "Commission" means compensation for recommending or referring any product or  
13 service to be supplied by another party;

14 (10) "Contingent fee" means a fee for any service where no fee will be charged unless  
15 a specified finding or result is attained, or in which the amount of the fee is otherwise  
16 dependent upon the finding or result of such service. However, a person's non-  
17 Contingent fees may vary depending, for example, on the complexity of the services  
18 rendered. Fees are not contingent if they are fixed by courts or governmental entities  
19 acting in a judicial or regulatory capacity, or in tax matters if determined based on the  
20 results of judicial proceedings or the findings of governmental agencies acting in a  
21 judicial or regulatory capacity, or if there is a reasonable expectation of substantive  
22 review by a taxing authority;

23 (11) "Financial Statements" means a presentation of financial data, including  
24 accompanying notes, derived from accounting records and intended to communicate an  
25 entity's economic resources or obligations at a point in time, or the changes therein for a  
26 period of time, in accordance with generally accepted accounting principles or other  
27 comprehensive basis of accounting. Incidental financial data to support  
28 recommendations to a client or in documents for which the reporting is governed by  
29 Statements on Standards for Attestation Engagements and tax returns and supporting  
30 schedules do not constitute financial statements for the purposes of this definition;

1 (12) "Firm" means a sole proprietorship, partnership, limited liability partnership, limited  
2 liability company, corporation or other legally recognized business entity engaged in the  
3 practice of public accountancy;

4 (13) "Good standing" means compliance by a licensee with the board's licensing rules,  
5 including the mandatory continuing education requirements, Peer Review, and payment  
6 of the annual license fee, and any penalties and other costs attached thereto. In the  
7 case of board-imposed disciplinary or administrative sanctions, the person must be in  
8 compliance with all the provisions of the board order to be considered in good standing;

9 (14) "Licensee" means the holder of a license issued by the board to a person  
10 pursuant to the Act, or pursuant to provisions of a prior Act;

11 (15) "Out of state practitioner and out of state firm" means a person licensed in another  
12 jurisdiction practicing in Texas pursuant to a practice privilege as provided for in  
13 §901.461 and §901.462 of the Act (relating to Practice by Certain Out-of-State Firms  
14 and Practice by Out-of-State Practitioner with Substantially Equivalent Qualifications);

15 (16) "Peer Review," "Quality Review" or "Compliance Assurance" means the study,  
16 appraisal, or review of the professional accounting work of a public accountancy firm  
17 that performs attest services by a certificate holder who is not affiliated with the firm;

18 (17) "Person" means an individual, sole proprietorship, partnership, limited liability  
19 partnership, limited liability company, corporation or other legally recognized business  
20 entity that provides or offers to provide professional accounting services or professional  
21 accounting work as defined in paragraph (22) of this section;

22 (18) "Principal office" means the location specified by the client as the address to  
23 which a **client practice of public accounting** service ~~described in §517.1(a)(2) of this~~  
24 ~~title (relating to Practice by Certain Out of State Firms)~~ is directed and is synonymous  
25 with Home Office where it appears in the Act;

26 (19) "Practice unit" means an office of a firm required to be licensed with the board for  
27 the purpose of the client practice of public accountancy;

28 (20) "Practice privilege" means the privilege for an out-of-state person to provide  
29 certain Professional Accounting Services or Professional Accounting Work in Texas to  
30 the extent permitted under Chapter 517 of this title (relating to Practice by Certain Out of  
31 State Firms and Individuals);

(21) "Preparation engagement" means the preparation of financial statements that do not include an audit, review or a compilation report on those financial statements in accordance with Standards for Accounting and Review Services adopted by the AICPA;

(22) "Professional Accounting Services" or "professional accounting work" means services or work that requires the specialized knowledge or skills associated with certified public accountants, including but not limited to:

(A) issuing reports on financial statement(s);

(B) preparation engagements pursuant to SSARS;

(C) providing management or financial advisory or consulting services;

(D) preparing tax returns;

(E) providing advice in tax matters;

(F) providing forensic accounting services;

(G) providing internal auditing services;

(H) accounting, auditing and other assurance services;

(I) providing litigation support services; and

(J) recommending the sale of a product if the recommendation requires or implies accounting or auditing skills.

(23) "Report" means an opinion, report, or other document, prepared in connection with an attest service that states or implies assurance as to the reliability of financial statement(s); and includes or is accompanied by a statement or implication that the person issuing the opinion, report, or other document has special knowledge or competence in accounting or auditing. A statement or implication of assurance as to the reliability of a financial statement or as to the special knowledge or competence of the person issuing the opinion, report, or other document includes any form of language that is conventionally understood to constitute such a statement or implication. A statement or implication of special knowledge or competence in accounting or auditing may arise from the use by the issuer of the opinion, report, or other document of a name or title indicating that the person is an accountant or auditor; or the language of the opinion, report, or other document itself.

(24) Interpretive Comment: The practice of public accountancy is defined in §901.003 of the Act (relating to the Practice of Public Accountancy).

1 CHAPTER 501 RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER A GENERAL PROVISIONS  
3 RULE §501.53 Applicability of Rules of Professional Conduct

---

4  
5 (a) All of the rules of professional conduct shall apply to and must be observed by a  
6 certificate or registration holder **and any individual who holds a certificate of license**  
7 **as a CPA in another state and whose principal place of business is not in this**  
8 **state but offers or renders professional accounting services in this state pursuant**  
9 **to §901.462 of the Act (relating to Practice by Out-Of-State Practitioner with**  
10 **Substantially Equivalent Qualifications)** engaged in the client practice of public  
11 accountancy.

12 ~~(b) No certificate or registration holder shall issue, or otherwise be associated with,~~  
13 ~~financial statements that do not conform to the accounting principles described in~~  
14 ~~§501.61 of this chapter (relating to Accounting Principles).~~

15 ~~(b) (c)~~ **Notwithstanding subsection (a) of this section, the** ~~The~~ following rules of  
16 professional conduct shall **be required of all licensees, including licensees**  
17 **practicing pursuant to §901.462 of the Act** ~~apply to and be required to be observed~~  
18 ~~by certificate or registration holders when not employed in the client practice of public~~  
19 ~~accountancy:~~

20 **(1) §501.63(b) of this chapter (relating to Reporting Standards);**

21 **(2) (4) §501.73 of this chapter (relating to Integrity and Objectivity) when in an**  
22 **employer/employee relationship;**

23 **(3) (2) §501.74 of this chapter (relating to Competence);**

24 **(4) (3) §501.77 of this chapter (relating to Acting through Others);**

25 **(5) (4) §501.78 of this chapter (relating to Withdrawal or Resignation);**

26 **(6) (5) §501.90 of this chapter (relating to Discreditable Acts);**

27 **(7) (6) §501.91 of this chapter (relating to Reportable Events);**

28 **(8) (7) §501.92 of this chapter (relating to Frivolous Complaints);**

29 **(9) (8) §501.93 of this chapter (relating to Responses); and**

30 **(10) (9) §501.94 of this chapter (relating to Mandatory Continuing Professional**  
31 **Education).**

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER A        GENERAL PROVISIONS  
3 RULE §501.55        Definition of Acronyms

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4  
5 The following acronyms, when used in Title 22, Part 22 of the Texas Administrative  
6 Code relating to the Texas State Board of Public Accountancy, shall have the following  
7 meanings:

- 8     (1) "AICPA" means the American Institute of Certified Public Accountants;
- 9     (2) "CPA" means Certified Public Accountant;
- 10    (3) "CPE" means continuing professional education;
- 11    (4) "FASB" means the Financial Accounting Standards Board;
- 12    (5) "GAAP" means Generally Accepted Accounting Principles;
- 13    (6) "GAAS" means Generally Accepted Auditing Standards;
- 14    (7) "GAGAS" means Government Auditing Standards;
- 15    (8) "GASB" means the Governmental Accounting Standards Board;
- 16    (9) "IASB" means the International Accounting Standards Board;
- 17    (10) "IESB" means the International Ethics Standards Board;
- 18    (11) "IFRB" means International Financial Reporting Bulletins;
- 19    (12) "IFRS" means International Financial Reporting Standards;
- 20    (13) "IRS" means the Internal Revenue Service;
- 21    (14) "NASBA" means the National Association of State Boards of Accountancy;
- 22    (15) "NPRC" means the National Peer Review Committee;
- 23    (16) "PCAOB" means the Public Company Accounting Oversight Board;
- 24    (17) "SAS" means Statements on Auditing Standards;
- 25    (18) "SEC" means the United States Securities and Exchange Commission;
- 26    (19) "SOAH" means the State Office of Administrative Hearings;
- 27    (20) "SSAE" means Statements on Standards for Attestation Engagements;
- 28    (21) "SSARS" means Statements on Standards for Accounting and Review Services;
- 29    (22) "SSCS" means Statements on Standards for Consulting Services;
- 30    (23) "SSTS" means Statements on Standards for Tax Services;
- 31    (24) "TXCPA" means the Texas Society of Certified Public Accountants;
- 32    (25) "UAA" means the Uniform Accountancy Act;
- 33    (26) "UCPAE" means the Uniform Certified Public Accountant Examination;

- 1 (27) "U.S. GAO" means the United States Government Accountability Office; and
- 2 (28) "U.S. IQAB" means the United States International Qualifications Appraisal Board.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER B        PROFESSIONAL STANDARDS  
3 RULE §501.60        Auditing Standards

---

4  
5 A person shall not permit his name to be associated with financial statements in such a  
6 manner as to imply that he is acting as an auditor with respect to such financial  
7 statements, unless he has complied with GAAS. Each of the following are considered to  
8 be sources of GAAS:

9     (1) SAS issued by the AICPA;

10    (2) auditing standards included in Standards for Audit of Government Organizations,  
11 Programs, Activities and Functions issued by the U.S. GAO;

12    (3) auditing and related professional practice standards to be used by registered public  
13 accounting firms issued by the PCAOB; as well as,

14    (4) other pronouncements having similar generally recognized authority.

CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
SUBCHAPTER B        PROFESSIONAL STANDARDS  
RULE §501.61           Accounting Principles

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A person, whether or not practicing under a practice privilege as provided for in §901.462 of the Act (relating to Practice by Out-of-State Practitioner With Substantially Equivalent Qualifications), shall not issue a report asserting that financial statements are presented in conformity with GAAP if such financial statements contain any departure from such accounting principles which has a material effect on the financial statements taken as a whole, unless the person, whether or not practicing under a practice privilege as provided for in §901.462 of the Act can demonstrate that by reason of unusual circumstances the financial statement(s) would otherwise be misleading. The report must describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with GAAP would result in a misleading statement. For purposes of this section, GAAP is considered to be defined by pronouncements issued by FASB and its predecessor entities and similar pronouncements issued by other entities having similar generally recognized authority.

CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
SUBCHAPTER B        PROFESSIONAL STANDARDS  
RULE §501.62           Other Professional Standards

---

A person in the performance of consulting services, accounting and review services, any other attest service, financial advisory services, or tax services shall conform to the professional standards applicable to such services. For purposes of this section, such professional standards are considered to be interpreted by:

(1) AICPA issued standards, including but not limited to:

(A) Statements on Standards on Consulting Services (SSCS);

(B) Statements on Standards for Accounting and Review Services (SSARS);

(C) Statements on Standards for Attestation Engagements (SSAE);

(D) Statements on Standards for Tax Services (SSTS);

(E) Statements on Standards for Financial Planning Services (SSFPS);

(F) Statements on Standards for Valuation Services (SSVS); or

(G) Statements on Standards for Forensic Services (SSFS).

(2) Pronouncements by other professional entities having similar national or international authority recognized by the board including but not limited to the International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB).

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER B        PROFESSIONAL STANDARDS  
3 RULE §501.63        Reporting Standards

---

4  
5 (a) A licensee in the client practice of public accountancy must comply with SSARS or  
6 another similar standard of a national or international accountancy organization  
7 recognized by the board when transmitting a client's financial statements to the client or  
8 a third party.

9 (b) A licensee not employed in the client practice of public accountancy may prepare his  
10 employer's financial statements and may issue non-attest transmittals or information  
11 regarding non-attest transmittals without a firm license, provided those transmittals do  
12 not purport to be in compliance with SSARS or any other similar standard of a national  
13 or international accountancy organization recognized by the board.

14 **(c) A licensee performing a preparation engagement is not required to enroll in**  
15 **peer review.**

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER C        RESPONSIBILITIES TO CLIENTS  
3 RULE §501.70          Independence

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4  
5 A person in the performance of professional accounting services or professional  
6 accounting work, including those who are not members of the AICPA, shall conform in  
7 fact and in appearance to the independence standards established by the AICPA and  
8 the board, and, where applicable, the SEC, the U.S. GAO, the PCAOB and other  
9 national or international regulatory or professional standard setting bodies.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER C        RESPONSIBILITIES TO CLIENTS  
3 RULE §501.71        Receipt of Commission, Compensation or Other Benefit

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4  
5 (a) A person shall not for a commission, compensation or other benefit recommend or  
6 refer to a client any product or service or refer any product or service to be supplied to a  
7 client, or receive a commission, compensation or other benefit when the person also  
8 performs services for that client requiring independence under §501.70 of this chapter  
9 (relating to Independence).

10 (b) This prohibition applies during the period in which the person is engaged to perform  
11 any of the services requiring independence and during the period covered by any of the  
12 historical financial statements involved in such services requiring independence.

13 (c) A person who receives, expects or agrees to receive, pays, expects or agrees to  
14 pay, other compensation in exchange for services or products recommended, referred,  
15 or sold by him shall, no later than the making of such recommendation, referral, or sale,  
16 disclose to the client in writing the nature, source, and amount, or an estimate of the  
17 amount when the amount is not known, of all such other compensation.

18 (d) This section does not apply to payments received from the sale of all, or a material  
19 part, of an accounting practice, or to retirement payments.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER C        RESPONSIBILITIES TO CLIENTS  
3 RULE §501.72          Contingency Fees

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4  
5 (a) A person shall not perform for a contingent fee any professional accounting services  
6 or professional accounting work for, or receive such a fee from, a client for whom the  
7 person performs professional accounting services or professional accounting work  
8 requiring independence under §501.70 of this chapter (relating to Independence).

9 (b) A person shall not prepare an original or amended federal, state, local or other  
10 jurisdiction tax return for a contingent fee for any client during the period in which the  
11 person is engaged to perform any of the services referenced by subsection (a) of this  
12 section and the period covered by any historical or prospective financial statements  
13 involved in any of the referenced services. Fees are not contingent if they are fixed by  
14 courts or governmental entities acting in a judicial or regulatory capacity, or in tax  
15 matters if determined based on the results of judicial proceedings or the findings of  
16 governmental agencies acting in a judicial or regulatory capacity, or if there is a  
17 reasonable expectation of substantive review by a taxing authority.

18 (c) A person shall not perform an engagement as a testifying accounting expert for a  
19 contingent fee. A testifying accounting expert is one that at any time during the  
20 proceeding becomes subject to disclosure and discovery under the procedural rules of  
21 the forum where the matter for which his services were engaged is pending.

22 (d) The prohibitions outlined in subsections (a) and (b) of this section apply during any  
23 period in which the person is engaged to perform any of the services referenced by  
24 subsections (a) and (b) of this section, and the period covered by any historical or  
25 prospective financial statements involved in any of the referenced services.

26 (e) Interpretive Comment: A consulting accounting expert may become a testifying  
27 accounting expert when the client for whom he is working makes his work available to a  
28 testifying expert. A consulting accounting expert who is working on a contingent fee  
29 basis should work closely with his client to ensure that he does not inadvertently  
30 become a testifying expert through the actions of his client. An accounting expert may  
31 not accept a contingent fee for part of an engagement and a set fee for part of the same  
32 engagement. A consulting accounting expert who becomes a testifying expert may not  
33 accept a contingent fee for the part of his work done as a consultant, but must be

- 1 compensated on a set fee basis for all of the work performed on the same engagement.
- 2 A consulting accounting expert who enters into a contingent fee engagement should
- 3 reach an agreement, preferably in writing, with the client as to how he will be
- 4 compensated should he become a testifying expert prior to beginning the engagement.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER C        RESPONSIBILITIES TO CLIENTS  
3 RULE §501.73        Integrity and Objectivity

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4  
5 (a) A person in the performance of professional accounting services or professional  
6 accounting work shall maintain integrity and objectivity, shall be free of conflicts of  
7 interest and shall not knowingly misrepresent facts nor subordinate his or her judgment  
8 to others. In tax practice, however, a person may resolve doubt in favor of his client as  
9 long as any tax position taken complies with applicable standards such as those set  
10 forth in Circular 230 issued by the IRS and the AICPA's SSTs.

11 (b) A conflict of interest may occur if a person performs a professional accounting  
12 service or professional accounting work for a client or employer and the person has a  
13 relationship with another person, entity, product, or service that could, in the person's  
14 professional judgment, be viewed by the client, employer, or other appropriate parties  
15 as impairing the person's objectivity. If the person believes that the professional  
16 accounting service or professional accounting work can be performed with objectivity,  
17 and the relationship is disclosed to and consent is obtained from such client, employer,  
18 or other appropriate parties in writing, then this rule shall not operate to prohibit the  
19 performance of the professional accounting service or professional accounting work  
20 because of a conflict of interest.

21 (c) Certain professional engagements, such as audits, reviews, and other services,  
22 require independence. Independence impairments under §501.70 of this chapter  
23 (relating to Independence), its interpretations and rulings cannot be eliminated by  
24 disclosure and consent.

25 (d) A person shall not concurrently engage in the practice of public accountancy and in  
26 any other business or occupation which impairs independence or objectivity in rendering  
27 professional accounting services or professional accounting work, or which is conducted  
28 so as to augment or benefit the accounting practice unless these rules are observed in  
29 the conduct thereof.

30 (e) Interpretive comment: An email communication will satisfy the requirement for  
31 written disclosure of a conflict of interest in subsection (b) of this section.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER C        RESPONSIBILITIES TO CLIENTS  
3 RULE §501.74        Competence

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4  
5 (a) A person shall not undertake any engagement for the performance of professional  
6 accounting services or professional accounting work which he cannot reasonably  
7 expect to complete with due professional competence, including compliance, where  
8 applicable, with §501.60 of this chapter (relating to Auditing Standards), §501.61 of this  
9 chapter (relating to Accounting Principles), and §501.62 of this chapter (relating to Other  
10 Professional Standards).

11 (1) Competence to perform professional accounting services or professional  
12 accounting work involves both the technical qualifications of the person and the  
13 person's staff and the ability to supervise and evaluate the quality of the work being  
14 performed.

15 (2) If a person is unable to gain sufficient competence to perform professional  
16 accounting services or professional accounting work, the person shall suggest to the  
17 client the engagement of someone competent to perform the needed professional  
18 accounting or professional accounting work service, either independently or as an  
19 associate.

20 (b) A person shall exercise due professional care in the performance of professional  
21 services.

22 (c) A person shall adequately plan and supervise the performance of professional  
23 services.

24 (d) A person shall obtain and maintain appropriate documentation to afford a  
25 reasonable basis for conclusions and recommendations in relation to any professional  
26 services performed.

27 (e) Interpretive comment: The person may have the knowledge required to complete the  
28 professional services with competence prior to performance. In some cases, however,  
29 additional research or consultation with others may be necessary during the  
30 performance of the professional services.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER C        RESPONSIBILITIES TO CLIENTS  
3 RULE §501.75        Confidential Client Communications

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4  
5 (a) Except by permission of the client or the authorized representatives of the client, a  
6 person or any partner, member, officer, shareholder, or employee of a person shall not  
7 voluntarily disclose information communicated to him by the client relating to, and in  
8 connection with, professional accounting services or professional accounting work  
9 rendered to the client by the person. Such information shall be deemed confidential.

10 The following includes, but is not limited to, examples of authorized representatives:

11 (1) the authorized representative of a successor entity becomes the authorized  
12 representative of the predecessor entity when the predecessor entity ceases to exist  
13 and no one exists to give permission on behalf of the predecessor entity; and

14 (2) an executor/administrator of the estate of a deceased client possessing an order  
15 signed by a judge is an authorized representative of the estate.

16 (b) The provisions contained in subsection (a) of this section do not prohibit the  
17 disclosure of information required to be disclosed:

18 (1) by the professional standards for reporting on the examination of a financial  
19 statement and identified in Chapter 501, Subchapter B of this title (relating to  
20 Professional Standards);

21 (2) by applicable federal laws, federal government regulations, including requirements  
22 of the PCAOB;

23 (3) under a summons or subpoena under the provisions of the Internal Revenue Code  
24 of 1986 and its subsequent amendments, a summons under the provisions of the  
25 Securities Act of 1933 (15 U.S.C. Section 77a et seq.) and its subsequent amendments,  
26 or a summons under the provisions of the Securities Exchange Act of 1934 (15 U.S.C.  
27 Section 78a et seq.) and its subsequent amendments, the Securities Act (Article 581-1  
28 et seq., Vernon's Texas Civil Statutes), Texas Revised Civil Statutes Annotated;

29 (4) under a court order signed by a judge if the court order:

30 (A) is addressed to the license holder;

31 (B) mentions the client by name; and

32 (C) requests specific information concerning the client.

(5) by the public accounting profession in reporting on the examination of financial statements;

(6) by a congressional or grand jury subpoena;

(7) in investigations or proceedings conducted by the board;

(8) in ethical investigations conducted by a private professional organization of certified public accountants;

(9) in a peer review; or

(10) in the course of a practice review by another CPA or CPA firm for a potential acquisition in conjunction with a prospective purchase, sale, or merger of all or part of a member's practice if both firms enter into a written nondisclosure agreement with regard to all client information shared between the firms.

(c) The provisions contained in subsection (a) of this section do not prohibit the disclosure of information already made public, including information disclosed to others not having a confidential communications relationship with the client or authorized representative of the client.

(d) A person in the client practice of public accountancy shall take all reasonable measures to maintain the confidentiality of the client records and shall immediately upon becoming aware of the loss of, or loss of control over, the confidentiality of those records notify the client affected in writing of the date and time of the loss if known. Loss includes a cybersecurity breach or other incident exposing the records to a third party or parties without the client's consent or the loss of the client records or the loss of control over the client records. Persons have a responsibility to maintain a back-up system in order to be able to immediately identify and notify clients of a loss.

(e) Interpretive comment. The definition of a successor entity as referenced in subsection (a)(1) of this section does not include the purchaser of all assets of an entity.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER C        RESPONSIBILITIES TO CLIENTS  
3 RULE §501.76        Records and Work Papers

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4  
5 (a) Records.

6     (1) A person shall return original client records to a client or former client within a  
7 reasonable time (promptly, not to exceed 10 business days) after the client or former  
8 client has made a request for those records. Original client records are those records  
9 provided to the person by the client or former client in order for the person to provide  
10 professional accounting services to the client or former client. Original client records  
11 also include those documents obtained by the person on behalf of the client or former  
12 client in order for the person to provide professional accounting services to the client or  
13 former client and do not include the electronic and hard copies of internal work papers.  
14 The person shall provide these records to the client or former client, regardless of the  
15 status of the client's or former client's account and cannot charge a fee to provide such  
16 records. Such records shall be returned to the client or former client in the same format,  
17 to the extent possible, that they were provided to the person by the client or former  
18 client. The person may make copies of such records and retain those copies.

19     (2) Unless the person and the client have agreed in writing to the contrary:

20         (A) A person's work papers, to the extent that such work papers include records  
21 which would ordinarily constitute part of the client's or former client's books and records  
22 and are not otherwise available to the client or former client, shall also be furnished to  
23 the client within a reasonable time (promptly, not to exceed 20 business days) after the  
24 client has made a request for those records. The person can charge a reasonable fee  
25 for providing such work papers.

26         (B) Such work papers shall be in a format that the client or former client can  
27 reasonably expect to use for the purpose of accessing such work papers. The person is  
28 not required to convert records that are not in electronic format to electronic format or to  
29 convert electronic records into a different type of electronic format. However, if the client  
30 requests records in a specific format, and the records are available in such format within  
31 the person's custody and control, the client's request shall be honored.

32         (C) The person is not required to provide the client with proprietary formulas.

(D) The person is not required to provide the client with other formulas unless the formulas support the client's accounting or other records or the person was engaged to provide such formulas as part of a completed work product.

(3) Work papers which constitute client records include, but are not limited to:

(A) documents in lieu of books of original entry such as listings and distributions of cash receipts or cash disbursements;

(B) documents in lieu of general ledger or subsidiary ledgers, such as accounts receivable, job cost and equipment ledgers, or similar depreciation records;

(C) all adjusting and closing journal entries and supporting details when the supporting details are not fully set forth in the explanation of the journal entry; and

(D) consolidating or combining journal entries and documents and supporting detail in arriving at final figures incorporated in an end product such as financial statements or tax returns.

(b) Work papers. Work papers, regardless of format, are those documents developed by the person incident to the performance of his engagement which do not constitute records that must be returned to the client in accordance with subsection (a) of this section. Work papers developed by a person during the course of a professional engagement as a basis for, and in support of, an accounting, audit, consulting, tax, or other professional report prepared by the person for a client, shall be and remain the property of the person who developed the work papers.

(c) For a reasonable charge, a person shall furnish to his client or former client, upon request from his client made within a reasonable time after original issuance of the document in question:

(1) a copy of the client's tax return; or

(2) a copy of any report or other document previously issued by the person to or for such client or former client provided that furnishing such reports to or for a client or former client would not cause the person to be in violation of the portions of §501.60 of this chapter (relating to Auditing Standards) concerning subsequent events.

(d) This rule imposes no obligation on the person who provides services to a business entity to provide documents to anyone involved with the entity except the authorized representative of the entity.

- 1 (e) Documentation or work documents required by professional standards for attest  
2 services shall be maintained in paper or electronic format by a person for a period of not  
3 less than five years from the date of any report issued in connection with the attest  
4 service, unless otherwise required by another regulatory body. Failure to maintain such  
5 documentation or work papers constitutes a violation of this section and may be  
6 deemed an admission that they do not comply with professional standards.
- 7 (f) Interpretive Comment: It is recommended that a person obtain a receipt or other  
8 written documentation of the delivery of records to a client.
- 9 (g) Interpretive Comment: For the purposes of this rule, client records include:
- 10 (1) backup or working files of commercially available software along with any  
11 passwords needed to access such files; or
- 12 (2) client files from commercially available tax return preparation software including  
13 any passwords needed to access such files.

CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
SUBCHAPTER C        RESPONSIBILITIES TO CLIENTS  
RULE §501.77           Acting through Others

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(a) A person shall not permit others including non-CPA owners and employees, to carry out on his behalf, either with or without compensation, acts, which, if carried out by the person, would place him in violation of these rules of professional conduct.

(b) The board shall consider that the conduct of any non-CPA owner or employee in connection with the business of a licensed firm as the conduct of that licensed firm for the purposes of the rules of professional conduct.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER C        RESPONSIBILITIES TO CLIENTS  
3 RULE §501.78          Withdrawal or Resignation

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4  
5 (a) If a person cannot complete an engagement to provide professional accounting  
6 services and professional accounting work or employment assignment in a manner that  
7 complies with the requirements of this chapter, the person shall withdraw from the  
8 engagement or resign from the employment assignment.

9 (b) If a person withdraws from an engagement or resigns from an employment  
10 assignment pursuant to this section, the person shall inform the client or employer of the  
11 withdrawal or resignation.

12 (c) Interpretive Comment: Any withdrawal or resignation shall be in writing. A person  
13 shall comply with the requirements of §501.75 of this chapter (relating to Confidential  
14 Client Communications) and §501.90(17) of this chapter (relating to Discreditable Acts)  
15 regarding confidential information of clients and employers during and after a withdrawal  
16 or resignation executed pursuant to this section. For purposes of this section, an  
17 engagement commences once an engagement letter is signed by the client, time is  
18 charged to the engagement, or compensation is received by a person in connection with  
19 an engagement or employment assignment.

20 (d) Interpretive comment: An email communication will satisfy the requirement for  
21 written disclosure of a withdrawal or resignation in subsection (c) of this section.

1 CHAPTER 501 RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER C RESPONSIBILITIES TO CLIENTS  
3 RULE §501.79 Transfer or Return of Files Resulting from the Sale, Transfer,  
4 Discontinuation or Acquisition of Practice

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5  
6 (a) A licensee or licensee's firm that sells or transfers all or part of the licensee's  
7 practice to another person, firm, or entity, and is employed by the firm or retains  
8 ownership in the firm, is required to notify the clients of the change in ownership within  
9 30 days of the sale or transfer.

10 (b) A licensee or licensee's firm that sells or transfers all or part of the licensee's  
11 practice to another person, firm, or entity and will no longer be employed by or retain  
12 any ownership in the practice is required to:

13 (1) submit a written request to each client subject to the sale or transfer, requesting the  
14 client's consent to transfer its files to the successor firm. The licensee should not  
15 transfer any client files to the successor firm until the client's consent is obtained. The  
16 licensee is required to retain evidence of consent for at least five years from the date of  
17 sale or transfer of the firm;

18 (2) arrange to return any client records, not transferred to the new firm, unless the  
19 licensee and client agree to some other arrangement; and

20 (3) retain in a confidential manner, client files where the licensee is unable to contact  
21 the client, for at least five years from the sale or transfer. When practicing before the  
22 IRS or other taxing authorities or regulatory bodies, licensees should ensure compliance  
23 with the most restrictive retention requirements.

24 (c) A licensee who discontinues his or her practice but does not sell or transfer the  
25 practice to a successor firm, is required within 30 days of the discontinuation of the  
26 practice to:

27 (1) Notify each client in writing of the discontinuation of the practice. The licensee must  
28 retain evidence of notification made to clients for at least five years. The licensee is not  
29 required to provide notification to former clients of the firm.

30 (2) Return any client records that the licensee is required to provide to the client,  
31 unless the licensee and client agree to some other arrangement.

32 (3) Retain in a confidential manner, client files where the licensee is unable to contact  
33 the client, for at least five years from the discontinuation of the practice. When practicing

1 before the IRS or other taxing authorities or regulatory bodies, licensees should ensure  
2 compliance with any retention requirements that are more restrictive.  
3 (d) A licensee who acquires all or part of a practice from another person, firm, or entity  
4 (predecessor firm) should be satisfied that all clients of the predecessor firm subject to  
5 the acquisition have consented to the licensee's continuation of professional services  
6 and retention of any client files or records the successor firm retains.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER D        RESPONSIBILITIES TO THE PUBLIC  
3 RULE §501.80          Practice of Public Accountancy

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4  
5 (a) A person may not engage in the practice of public accountancy unless he holds a  
6 valid license or qualifies under a practice privilege. A person may not use the title or  
7 designation "certified public accountant," the abbreviation "CPA," or any other title,  
8 designation, word, letter, abbreviation, sign, card, or device tending to indicate that the  
9 person is a CPA unless he holds a valid license issued by the board or qualifies under a  
10 practice privilege. A license is not valid for any date or for any period prior to the date it  
11 is issued by the board and it automatically expires and is no longer valid after the end of  
12 the period for which it is issued.

13 (b) Any licensee of this board in good standing as a CPA or public accountant may use  
14 such designation whether or not the licensee is in the client, industry, or government  
15 practice of public accountancy. However, a licensee who is not in the client practice of  
16 public accountancy may not in any manner, through use of the CPA designation or  
17 otherwise, claim or imply independence from his employer or that the licensee is in the  
18 client practice of public accountancy.

19 (c) Interpretive Comment: This section incorporates the definitions of the practice of  
20 public accountancy and professional services and accounting work found in §501.52(8)  
21 and (22) of this chapter (relating to Definitions) as well as §901.003 of the Act (relating  
22 to Practice of Public Accountancy).

23 (d) Interpretive Comment: This section incorporates §§901.451 - 901.453 of the Act  
24 (relating to the Use of Title or Abbreviation for "Certified Public Accountant;" Use of Title  
25 or Abbreviation for "Public Accountant;" and Use of Other Titles or Abbreviations).

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER D        RESPONSIBILITIES TO THE PUBLIC  
3 RULE §501.81         Firm Licensing

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4  
5 (a) A firm, may not provide or offer to provide attest services or use the title "CPA,"  
6 "CPAs," "CPA Firm," "Certified Public Accountants," "Certified Public Accounting Firm,"  
7 or "Auditing Firm" or any variation of those titles unless the firm holds a firm license  
8 issued by the board or qualifies under a practice privilege. A firm license is not valid for  
9 any date or for any period prior to the date it is issued by the board and it automatically  
10 expires and is no longer valid after the end of the period for which it is issued. A firm  
11 license does not expire when the application for license renewal is received by the  
12 board prior to its expiration date. An expiration date for a firm license may be extended  
13 by the board, in its sole discretion, upon a demonstration of extenuating circumstances  
14 that prevented the firm from timely applying for or renewing a firm license.

15 (b) A firm is required to hold a license issued by the board if the firm establishes or  
16 maintains an office in this state.

17 (c) Each advertisement or written promotional statement that refers to a CPA's  
18 designation and his or her association with an unlicensed entity in the client practice of  
19 public accountancy must include the disclaimer: "This firm is not a CPA firm **and these**  
20 **services are not regulated by the TSBPA.**" The disclaimer must be included in  
21 conspicuous proximity to the name of the unlicensed entity and be printed in **a size at**  
22 **least equal to, and a** type not less bold than that contained in the body of the  
23 advertisement or written statement. If the advertisement is in audio format only, the  
24 disclaimer shall be clearly declared at the conclusion of each such presentation.

25 (d) The requirements of subsection (c) of this section do not apply with regard to a  
26 person performing services:

27 (1) as a licensed attorney at law of this state while in the practice of law or as an  
28 employee of a licensed attorney when acting within the scope of the attorney's practice  
29 of law;

30 (2) as an employee, officer, or director of a federally-insured depository institution,  
31 when lawfully acting within the scope of the legally permitted activities of the institution's  
32 trust department; or

33 (3) pursuant to a practice privilege.

1 (e) On the determination by the board that a person has practiced without a license or  
2 through an unlicensed firm in violation of subsection (c) of this section, the person's  
3 certificate shall be subject to revocation and may not be reinstated for at least 12  
4 months from the date of the revocation.

5 (f) Interpretive Comment: A person who is employed by an unlicensed firm that offers  
6 services that fall within the definitions of the client practice of public accountancy as  
7 defined in §501.52(8) and (22) of this chapter (relating to Definitions) and §901.003 of  
8 the Act (relating to Practice of Public Accountancy) must comply with the disclaimer  
9 requirement found in subsection (c) of this section.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER D        RESPONSIBILITIES TO THE PUBLIC  
3 RULE §501.82          Advertising

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4  
5 (a) A person shall not use or participate in the use of:

6     (1) any communication having reference to the person's professional services that  
7     contains a false, fraudulent, misleading or deceptive statement or claim;

8     (2) any communication that refers to the person's professional services that is  
9     accomplished or accompanied by coercion, duress, compulsion, intimidation, threats,  
10    overreaching, or vexatious or harassing conduct; nor

11    (3) a name that is misleading as to the identity of the individual practicing under such  
12    name.

13 (b) Definitions:

14     (1) A "false, fraudulent, misleading or deceptive statement or claim" includes, but is not  
15     limited to, a statement or claim which:

16        (A) contain a misrepresentation of fact;

17        (B) is likely to mislead or deceive because it fails to make full disclosure of relevant  
18     facts;

19        (C) is intended or likely to create false or unjustified expectations of favorable results;

20        (D) implies educational or professional attainments or licensing recognition not  
21     supported in fact;

22        (E) represents that professional accounting services can or will be completely  
23     performed for a stated fee when this is not the case, or makes representations with  
24     respect to fees for professional accounting services that do not disclose all variables  
25     that may reasonably be expected to affect the fees that will in fact be charged;

26        (F) contains other representations or implications that in reasonable probability will  
27     cause a reasonably prudent person to misunderstand or be deceived;

28        (G) implies the ability to improperly influence any court, tribunal, regulatory agency or  
29     similar body or official due to some special relations;

30        (H) consists of self-laudatory statements that are not based on verifiable facts;

31        (I) makes untrue comparisons with other accountants; or

32        (J) contains testimonials or endorsements that are not based upon verifiable facts.

1 (2) Broadcast--Any transmission over the airwaves or over a cable, wireline, Internet,  
2 cellular, e-mail system or any other electronic means.

3 (3) Coercion--Compelling by force or threat of force so that one is constrained to do  
4 what his free will would otherwise refuse.

5 (4) Compulsion--Driving or urging by force or by physical or mental constraint to  
6 perform or forbear from performing an act.

7 (5) Direct personal communication--Either a face-to-face meeting or a conversation by  
8 telephone.

9 (6) Duress--Any conduct which overpowers the will of another.

10 (7) Harassing--Any word, gesture, or action which tends to alarm and verbally abuse  
11 another person.

12 (8) Intimidation--Willfully to take, or attempt to take, by putting in fear of bodily harm.

13 (9) Overreaching--Tricking, outwitting, or cheating anyone into doing an act which he  
14 would not otherwise do.

15 (10) Threats--Any menace of such a nature and extent as to unsettle the mind of  
16 anyone on whom it operates, and to take away from his acts that free and voluntary  
17 action which alone constitutes consent.

18 (11) Vexatious--Irritating or annoying.

19 (c) It is a violation of these rules for a person to persist in contacting a prospective client  
20 when the prospective client has made known to the person, or the person should have  
21 known the prospective client's desire not to be contacted by the person.

22 (d) In the case of an electronic or direct mail communication, the person shall retain a  
23 copy of the actual communication along with a list or other description of parties to  
24 whom the communication was distributed. Such copy shall be retained by the person for  
25 a period of at least 36 months from the date of its last distribution.

26 (e) Subsection (d) of this section does not apply to anyone when:

27 (1) the communication is made to anyone who is at that time a client of the person;

28 (2) the communication is invited by anyone to whom it was made; or

29 (3) the communication is made to anyone seeking to secure the performance of  
30 professional accounting services.

31 (f) In the case of broadcasting, the broadcast shall be recorded and the person shall  
32 retain a recording of the actual transmission for at least 36 months.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER D        RESPONSIBILITIES TO THE PUBLIC  
3 RULE §501.83        Firm Names

---

4  
5 (a) General rules applicable to all firms:

6     (1) A firm name may not contain words, abbreviations or other language that are  
7     misleading to the public, or that may cause confusion to the public as to the legal form  
8     or ownership of the firm.

9     (2) A firm licensed by the board may not conduct business, perform or offer to perform  
10    services for or provide products to a client under a name other than the name in which  
11    the firm is licensed.

12    (3) A word, abbreviation or other language is presumed to be misleading if it:

13        (A) is a trade name or assumed name that does not comply with paragraph (4)(A) or  
14        (B) of this subsection;

15        (B) states or implies the quality of services offered, special expertise, expectation as  
16        to outcomes or favorable results, or geographic area of service;

17        (C) includes the name of a non-owner of the firm;

18        (D) includes the name of a non-CPA, except as provided in paragraph (4)(B) of this  
19        subsection;

20        (E) states or implies educational or professional attainment not supported in fact;

21        (F) states or implies licensing recognition for the firm or any of its owners not  
22        supported in fact;

23        (G) includes a designation such as "and company," "associates," "and associates,"  
24        "group" or abbreviations thereof or similar designations implying that the firm has more  
25        than one employed licensee unless there are at least two employed licensees involved  
26        in the practice. Independent contractors are not considered employees under this  
27        subsection; or

28        (H) includes the designation "company" when it is a one licensee sole proprietorship.

29    (4) A word, abbreviation or other language is presumed not misleading if it:

30        (A) is the licensee's full name, the licensee's surname, or full or last initials of one or  
31        more current or former CPA owners of the firm, its predecessor firm or successor firm;

32        (B) is the name, surname, or initials of one or more current or former foreign  
33        practitioner owners of the firm, its predecessor firm or successor firm who are or would

1 have been eligible to practice public accountancy in this state pursuant to §901.355 of  
2 the Act (relating to Registration for Certain Foreign Applicants);

3 (C) indicates the legal organization of the firm; or

4 (D) states or implies a limitation on the type of service offered by the firm, such as  
5 "tax," "audit" or "investment advisory services," provided the firm in fact principally limits  
6 its practice to the type of service indicated in the name.

7 (5) The board may place conditions on the licensing of a firm in order to ensure  
8 compliance with the provisions of this section.

9 (b) Additional Requirements Based on Legal Form or Ownership.

10 (1) The names of a corporation, professional corporation, limited liability partnership,  
11 professional limited liability company or other similar legal forms of ownership must  
12 contain the form of ownership or an abbreviation thereof, such as "Inc.," "P.C.," "L.L.P."  
13 or "P.L.L.C."; except that a limited liability partnership organized before September 1,  
14 1993 is not required to utilize the words "limited liability partnership" or any abbreviation  
15 thereof.

16 (2) Sole Proprietorships:

17 (A) The name of a firm that is a sole proprietor must contain the surname of the sole  
18 proprietor as it appears on the individual license issued to the sole proprietor by the  
19 board.

20 (B) A partner surviving the death of all other partners may continue to practice under  
21 the partnership name for up to two years after becoming a sole proprietor,  
22 notwithstanding subsection (d) of this section.

23 (c) The name of any current or former owner may not be used in a firm name during any  
24 period when such owner is prohibited from practicing public accountancy and prohibited  
25 from using the title "certified public accountant," "public accountant" or any abbreviation  
26 thereof, unless specifically permitted by the board.

27 (d) A firm licensed by the board is required to report to the board any change in the  
28 legal organization of the firm and amend the firm name to comply with this section  
29 regarding firm names for the new organization within thirty days of the effective date of  
30 such change.

31 (e) This section regarding firm names does not affect firms licensed by the board prior  
32 to the effective date of this section, but does apply to any change in legal organization

1 or name that occurs after the effective date of this section. Nothing in this subsection  
2 prohibits the board from placing conditions on the licensing of a firm pursuant to  
3 subsection (a)(5) of this section at the time of renewal of the firm license.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER D        RESPONSIBILITIES TO THE PUBLIC  
3 RULE §501.84          Form of Practice

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4  
5 A person may practice public accountancy only in a sole proprietorship, partnership,  
6 limited liability partnership, limited liability company, corporation or other legally  
7 recognized business entity that provides professional accounting services or  
8 professional accounting work, organized under the laws of the State of Texas or an  
9 equivalent law of another jurisdiction, or as an employee of one of these entities.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER D        RESPONSIBILITIES TO THE PUBLIC  
3 RULE §501.85          Complaint Notice

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4  
5 When a person receives a complaint that an alleged violation of the Act or Rules of  
6 Professional Conduct has occurred, a person shall provide to the complainant a  
7 statement that: Complaints concerning Certified Public Accountants may be addressed  
8 in writing to the Texas State Board of Public Accountancy at the board's address as it  
9 appears on its website at [www.tsbpa.texas.gov](http://www.tsbpa.texas.gov) or [enforcement@tsbpa.texas.gov](mailto:enforcement@tsbpa.texas.gov).

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER E        RESPONSIBILITIES TO THE BOARD/PROFESSION  
3 RULE §501.90        Discreditable Acts

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4  
5 **A discreditable act evidences a lack of integrity and reflects adversely on that**  
6 **person's fitness to engage in the practice of public accountancy.** ~~A person shall~~  
7 ~~not commit any act that reflects adversely on that person's fitness to engage in the~~  
8 ~~practice of public accountancy.~~ **The** ~~A discreditable act includes but is not limited to and~~  
9 ~~the~~ board may discipline a person for the following **discreditable acts**:

10     (1) fraud or deceit in obtaining a certificate as a CPA or in obtaining registration under  
11     the Act or in obtaining a license to practice public accounting;

12     (2) dishonesty, fraud or gross negligence in the practice of public accountancy;

13     (3) violation of any of the provisions of Subchapter J or §901.458 of the Act (relating to  
14     Loss of Independence) applicable to a person certified or registered by the board;

15     (4) final conviction of a felony or imposition of deferred adjudication or community  
16     supervision in connection with a criminal prosecution of a felony under the laws of any  
17     state or the United States;

18     (5) final conviction of any crime or imposition of deferred adjudication or community  
19     supervision in connection with a criminal prosecution, an element of which is dishonesty  
20     or fraud under the laws of any state or the United States, a criminal prosecution for a  
21     crime of moral turpitude, a criminal prosecution involving alcohol abuse or controlled  
22     substances, or a criminal prosecution for a crime involving physical harm or the threat of  
23     physical harm;

24     (6) a revocation, cancellation, placement on probation, limitation on the scope of  
25     practice, or suspension by another state, or a refusal of renewal by another state, of the  
26     authority issued by that state to the person, or to the person's partner, member, or  
27     shareholder, to engage in the practice of public accountancy for a reason other than the  
28     failure to pay the appropriate authorization fee;

29     (7) suspension or revocation of or any consent decree concerning the right to practice  
30     before any state or federal regulatory or licensing body for a cause which in the opinion  
31     of the board warrants its action;

32     (8) a final finding of conduct by state or federal courts of competent jurisdiction,  
33     agencies, boards, local governments or commissions for violations of state or federal

laws or rules or findings of unethical conduct by licensees that engage in activities regulated by entities including but not limited to: the Public Company Accounting Oversight Board, Internal Revenue Service, U.S. Securities and Exchange Commission, U.S. Department of Labor, U.S. General Accounting Office, U.S. Housing and Urban Development, Texas State Auditor, Texas Comptroller of Public Accounts, Texas Securities Board, Texas Department of Insurance, and the Texas Secretary of State;

(9) knowingly participating in the preparation of a false or misleading financial statement or tax return;

(10) fiscal dishonesty or breach of fiduciary responsibility of any type;

(11) failure to comply with a final order of any state or federal court;

(12) repeated failure to respond to a client's inquiry within a reasonable time without good cause;

(13) intentionally misrepresenting facts or making a misleading or deceitful statement to a client, the board, board staff or any person acting on behalf of the board;

(14) giving intentional false sworn testimony or perjury in court or in connection with discovery in a court proceeding or in any communication to the board or any other federal or state regulatory or licensing body;

(15) threats of bodily harm or retribution to a client;

(16) public allegations of a lack of mental capacity of a client which cannot be supported in fact;

(17) voluntarily disclosing information communicated to the person by an employer, past or present, or through the person's employment in connection with accounting services rendered to the employer, except:

(A) by permission of the employer;

(B) pursuant to the Government Code, Chapter 554 (commonly referred to as the "Whistle Blowers Act");

(C) pursuant to:

(i) a court order signed by a judge;

(ii) a summons under the provisions of:

(I) the Internal Revenue Code of 1986 and its subsequent amendments;

(II) the Securities Act of 1933 (15 U.S.C. §77a et seq.) and its subsequent amendments; or

1 (III) the Securities Exchange Act of 1934 (15 U.S.C. §78a et seq.) and its  
2 subsequent amendments;

3 (iii) a congressional or grand jury subpoena; or

4 (iv) applicable federal laws, federal government regulations, including requirements  
5 of the PCAOB;

6 (D) in an investigation or proceeding by the board;

7 (E) in an ethical investigation conducted by a professional organization of CPAs;

8 (F) in the course of a peer review under §901.159 of the Act (relating to Peer  
9 Review); or

10 (G) any information that is required to be disclosed by the professional standards for  
11 reporting on the examination of a financial statement.

12 (18) breaching the terms of an agreed consent order entered by the board or violating  
13 any Board Order.

14 (19) Interpretive Comment: The board has found in §519.7 of this title (relating to  
15 Criminal Offenses that May Subject a Licensee or Certificate Holder to Discipline or  
16 Disqualify a Person from Receiving a License) and §525.1 of this title (relating to  
17 Applications for the UCPAE, Issuance of the CPA Certificate, or Initial License) that any  
18 crime of moral turpitude directly relates to the practice of public accountancy. A crime of  
19 moral turpitude is defined in this chapter as a crime involving grave infringement of the  
20 moral sentiment of the community. The board has found in §519.7 of this title that any  
21 crime involving alcohol abuse or controlled substances directly relates to the practice of  
22 public accountancy.

23 (20) Interpretive comment: A conviction or final finding of unethical conduct by a  
24 competent authority, for the purpose of paragraph (8) of this subsection, includes any  
25 right to practice before the authority or findings that limit the scope of the permit or  
26 license conveyed by the authority. Conviction relates to the finding in a criminal  
27 proceeding and final finding relates to a determination in a non-criminal proceeding.  
28 Unethical conduct or activities are determined by the governmental entity making the  
29 determination of a conviction or final finding.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER E        RESPONSIBILITIES TO THE BOARD/PROFESSION  
3 RULE §501.91        Reportable Events

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4  
5 (a) A licensee or certificate holder shall report in writing to the board the occurrence of  
6 any of the following events within 30 days of the date the licensee or certificate holder  
7 has knowledge of these events:

8     (1) the filing of criminal charges or the conviction or imposition of deferred adjudication  
9 of the licensee or certificate holder of:

10        (A) a felony;

11        (B) a crime of moral turpitude as listed in §519.7(a)(2) of this title (relating to Criminal  
12 Offenses that May Subject a Licensee or Certificate Holder to Discipline or Disqualify a  
13 Person from Receiving a License);

14        (C) a crime of which fraud or dishonesty is an element as listed in §519.7(a)(1) of this  
15 title;

16        (D) a crime that involves alcohol abuse or controlled substances as listed in  
17 §519.7(a)(3) of this title;

18        (E) a crime of physical injury or threats of physical injury to a person as listed in  
19 §519.7(a)(4) of this title; or

20        (F) a crime related to the qualifications, functions, or duties of a public accountant or  
21 CPA, or to acts or activities in the course and scope of the practice of public  
22 accountancy or as a fiduciary;

23     (2) the cancellation, revocation, or suspension or a voluntary consent decree of the  
24 right to practice as a CPA or a public accountant by any governmental body or agency  
25 or state, foreign country, or other jurisdiction for a reason other than the failure to pay  
26 the appropriate authorization fee;

27     (3) an un-appealable adverse finding in any state or federal court, an agreed  
28 settlement in a civil action against the licensee or certificate holder, or an agreed  
29 consent order or settlement with a regulatory authority or licensing body concerning  
30 professional accounting services or professional accounting work;

31     (4) a negotiated settlement evidencing deficient accounting services; or

1 (5) the revocation, suspension, or voluntary consent decree or any limitation on a  
2 professional license from any state or federal regulatory agency such as an insurance  
3 license or a securities license, resulting from an un-appealable adverse finding.

4 (b) The report required by subsections (a) and (c) of this section shall be signed by the  
5 licensee or certificate holder and shall set forth the facts which constitute the reportable  
6 event. If the reportable event involves the action of an administrative agency or court,  
7 then the report shall set forth the title of the matter, court or agency name, docket  
8 number, and dates of occurrence of the reportable event.

9 (c) Regardless of whether a civil suit or administrative adjudicatory action has been  
10 filed, a licensee shall notify the board within 30 days of any written settlement  
11 agreement in which a licensee has been released from any or all claims or liabilities  
12 grounded, in whole or in part, upon an allegation of:

13 (1) professional negligence, gross negligence, dishonesty, fraud, misrepresentation,  
14 incompetence; or

15 (2) a violation of any consent order or settlement with a regulatory or licensing body  
16 concerning professional accounting services or professional accounting work.

17 (d) A licensee is not required to report to the board any of the events set forth in  
18 subsections (a)(3), (a)(4) and (c) of this section when no Texas licensee is involved in  
19 the event or no harm has been caused to a person or entity located in Texas. The firm  
20 may contact the board to determine what may constitute involvement or harm to a  
21 person or entity located in Texas.

22 (e) Nothing in this section imposes a duty upon any licensee or certificate holder to  
23 report to the board the occurrence of any of the events set forth in subsections (a) and  
24 (c) of this section either by or against any other licensee or certificate holder.

25 (f) As used in this section, a conviction includes the initial plea, verdict, or finding of  
26 guilt, plea of no contest, or pronouncement of sentence by a trial court, even though that  
27 conviction may not be final or sentence may not be actually imposed until all appeals  
28 are exhausted.

29 (g) Confidentiality provisions in the terms of any settlement of the reportable events  
30 described in subsections (a) and (c) of this section shall not limit the licensee's or  
31 certificate holder's obligation to report such event and to cooperate fully with the board  
32 in any investigation. All information gathered or received by the board regarding a

1 disciplinary action is confidential and not subject to disclosure under Chapter 552 of the  
2 Government Code (relating to Public Information) prior to public hearing.  
3 (h) Interpretive Comment: A crime of moral turpitude is defined in this chapter as a  
4 crime involving grave infringement of the moral sentiment of the community and further  
5 defined in §501.90(19) of this chapter (relating to Discreditable Acts) and §519.7 of this  
6 title.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER E        RESPONSIBILITIES TO THE BOARD/PROFESSION  
3 RULE §501.92        Frivolous Complaints

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4  
5 A person who, in writing to the board, accuses another person of violating the rules of  
6 the board shall assist the board in any investigation and/or prosecution resulting from  
7 the written accusation. Failure to do so, such as not appearing to testify at a hearing or  
8 to produce requested documents necessary to the investigation or prosecution, without  
9 good cause, is a violation of this rule. A person who makes a complaint against another  
10 person that is groundless and brought in bad faith, for the purpose of harassment, or for  
11 any other improper purpose shall be in violation of this rule.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER E        RESPONSIBILITIES TO THE BOARD/PROFESSION  
3 RULE §501.93        Responses

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4  
5 (a) A person shall substantively respond in writing, within 30 days or less as specified  
6 by the board, to any communication from the board requesting a response. It is not a  
7 substantive response for a person to simply reply that they do not intend to respond or  
8 provide the records or documents requested. The time to respond shall commence on  
9 the date **that** the **earliest** communication was mailed **or emailed** to the last **known**  
10 **mailing or email address of the person, according to the board's records** **address**  
11 **furnished to the board by the person.**

12 (b) When requested, and at no expense to the board, the written response shall include:

13 (1) copies of the person's documentation, reports and/or work papers related to issues  
14 in a complaint investigation; and

15 (2) copies of documents and reports or access to documents and reports related to the  
16 issues in a complaint investigation of the person's professional accounting work or  
17 ethical issues conducted by state and federal regulatory bodies and professional  
18 organizations, that the board may determine is related to the board's investigation.

19 (c) Failure to timely respond substantively to written communications, or failure to  
20 furnish requested documentation and/or work papers, constitutes conduct indicating  
21 lack of fitness to serve the public as a professional accountant.

22 (d) Each applicant and each person required to be registered with the board under the  
23 Act shall notify the board, either in writing or through the board's website, of any and all  
24 changes in **either** such person's mailing address, **email address**, or telephone number  
25 and the effective date thereof within 30 days before or after such effective date.

26 (e) Interpretive Comment. This section should be read in conjunction with §519.6 of this  
27 title (relating to Subpoenas).

28 (f) Interpretive Comment. In this section, the term board includes board staff.

1 CHAPTER 501            RULES OF PROFESSIONAL CONDUCT  
2 SUBCHAPTER E        RESPONSIBILITIES TO THE BOARD/PROFESSION  
3 RULE §501.94        Mandatory Continuing Professional Education

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4  
5 Each certificate or registration holder shall comply with the mandatory CPE reporting  
6 and the mandatory CPE attendance requirements of Chapter 523 of this title (relating to  
7 Continuing Professional Education). Once an individual's license has been suspended  
8 for three consecutive years by the board for failing to complete the 120 hours of CPE  
9 required by §523.112 of this title (relating to Required CPE Participation), the  
10 individual's certificate shall be subject to revocation and may not be reinstated for at  
11 least 12 months from the date of the revocation.

2. Discussion, consideration, and possible action concerning the Board *Rule 507.4 (Confidentiality)*.

**DISCUSSION:** *Section 901.160* of the *Public Accountancy Act* requires the Board to maintain the confidentiality of all complaint investigation files until the complaint goes to public hearing or upon the Board receiving written authorization from the licensee to release the information.

The proposed revision is intended to make it clear that regardless of the disposition of the complaint, the file must remain confidential.

**RECOMMENDATION:** The staff recommends that the Rules Committee recommend that the Board authorize the executive director to publish the proposed revision to this rule in the *Texas Register* for public comment.

**SUGGESTED MOTION:** Move that the committee recommend that the Board authorize the executive director to publish the proposed rule revision in the *Texas Register* for public comment.

1 CHAPTER 507 EMPLOYEES OF THE BOARD  
2 RULE §507.4 Confidentiality

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3  
4 (a) Members of the board, advisory committee members, the executive director,  
5 members of board staff, independent contractors and consultants retained by the board  
6 shall not disclose any confidential information which comes to their attention, except as  
7 may be required by law.

8 (b) **Regardless of whether the board takes disciplinary action or not, all complaint**  
9 **investigations, including** ~~All complaints,~~ investigation files, investigation reports, and  
10 other investigative information in the possession of, received or gathered by the board is  
11 confidential, **prior to public hearing or board action,** and any employee, agent, or  
12 member of the board may not disclose the information contained in these files except to  
13 another governmental, regulatory or law enforcement agency engaged in an  
14 enforcement action and as provided for in §901.160 of the Act (relating to Availability  
15 and Confidentiality of Certain Board Files) or upon receiving written authorization from  
16 the license applicant or current or former license holder who is the subject of the  
17 investigation.

3. Schedule next meeting.

<p style="text-align: center;"><b>Agenda Item IV</b> <b>Report of the Joint Executive and Rules Committee</b> <b>January 15, 2025</b></p>
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B. Review and possible action on the Board's financial statements.

**DISCUSSION:** Ms. Espinoza-Riley, Treasurer, will present the Board's financial statements.

**RECOMMENDATION:** The staff recommends that the Board's financial statements be approved as presented.

**SUGGESTED MOTION:** That the Board's financial statements be approved as presented.

# TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

## Financial Overview

For the 3 Months Ended November 30, 2024

Annual Budget							
	Actual	Annual Budget	Variance	Percent Remaining	Target	Variance	
Revenues - YTD	\$ 2,342,744	\$ 9,167,457	\$ 6,824,713	74.44%	75.00%	0.56%	
Expenditures - YTD	\$ (1,730,229) *	\$ (8,054,483) D	\$ 6,324,254	78.52%	75.00%	3.52%	
Net - YTD	612,514	1,112,974	\$ (500,459)	44.97%	75.00%	30.03%	
Transfers In (Out)**	(172,247)	\$ (703,344)	\$ (531,097)	75.51%	75.00%	-0.51%	
Transfer to EFFA Fund	(360,000)	\$ (360,000) D	\$ -	0.00%	75.00%	75.00%	
Total Transfers In (Out)	(532,247)	(1,063,344)					
Net Increase/(Reduction) in Fund Balance	\$ 80,268	\$ 49,630	\$ 30,638	-61.7%	75.00%	-136.73%	
<b>Revenues:</b> See <i>Revenue Budget Summary</i> for additional information ● Revenue collected over budget by 0.56% → Sponsor and other collections are over budget; firm licenses are under budget - see Revenue Budget Report  <b>Expenditures:</b> See <i>Expenditure Budget Summary</i> for additional information ● Expenditures under budget by 3.52% → See <i>Expenditure Budget Summary</i> for discussion of budget items.							

Revenues and Expenditures and Changes in Fund Balance					
	Current Year	Prior Year	Difference	% Difference	
Beginning Fund Balance 9/01/2024	\$ 8,689,665	\$ 6,962,397 C			
Revenues	2,342,744	2,108,325	234,419	11.1%	
Expenditures	(1,745,460) A	(1,671,137)	74,323	4.4%	
Other Financing Sources (Uses) B	(532,303)	(176,056)	356,247	202.3%	
Ending Fund Balance 11/30/24	<u>\$ 8,754,645</u>	<u>\$ 7,223,529</u>			
net increase/(reduction) in FB	\$ 64,980	\$ 261,132			
Budgeted Ending Fund Balance	\$ 8,741,846	\$ 5,915,635			
A EXH II expenditures include FY 24 expenditures of \$16,084.80. Budget expenditures include encumbrances of \$853.85. B Transfers in (out)/other financing sources (uses) include the quarterly SDSI payments and net interest owed to the operating fund from the professional fee fund. EXH II Other Financing Sources (Uses) include \$180 in refunds that will be transferred at the end of the year, net of \$123.51 in hotel tax return transferred from USAS to Safekeeping C Represents restated beginning fund balance as of 9/1/2023. D \$360,000 transferred to EFFA fund was included as an expenditure in the budget but is a transfer out.					

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY  
Performance Measures  
For the 3 Months Ended November 30, 2024

Performance Measures:

	Sept. 24-Nov. 24	Dec. 24-Feb. 25	Mar. 25-May 25	June 25-Aug. 25				
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD	Target	%	FY 24
<b>Exam Related Measures:</b>								
Individuals examined	2,441				2,441	5,667	43%	6,084
Sections taken	2,863				2,863	13,240	22%	13,476
Average sections taken per individual	1.17				1.17	2.34	50%	2.21
<b>Licensing Related Measures:</b>								
Number of individuals licensed	78,106				not cumulative	78,901	99%	78,297
Number of business facilities licensed (firms) <sup>a</sup>	8,233				not cumulative	8,156	101%	8,354
<b>Peer Review Related Measures:</b>								
Number of accounting firms subject to peer review	1,725				not cumulative	1,700	101%	1,746
Number of Peer Reviews Conducted	117				117	566	21%	565
Percentage of accounting firms reviewed	6.8%				6.8%	33%	21%	32.4%
Percentage of accounting firms receiving favorable review	82.1%				82.1%	83.0%	99%	83.0%
Number of peer reviews examined by the Peer Review Oversight Board	117				117	566	21%	565
<b>Sponsor Review Program Related Measures:</b>								
Number of CPE Sponsors Reviewed	59				59	138	43%	151
Number of CPE Sponsors Subject to Review	381				not cumulative	405	0%	398
<b>Enforcement Related Measures:</b>								
<b>Administrative:</b>								
Open violations, beginning	1,397				1,397			1,384
Violations opened	819				819			3,137
Violations closed	(1,057)				(1,057)			(3,114)
Previous quarter adjustment	(1)				(1)			(10)
Open violations, ending	1,158				1,158			1,397
Average time for complaint resolution (days)	143.1				143.1	131.6	109%	142.2
<b>Disciplinary:</b>								
Open violations, beginning	504				504			406
Violations opened	150				150			600
Violations closed	(124)				(124)			(494)
Previous quarter adjustment	4				4			(8)
Open violations, ending	534				534			504
Average time for complaint resolution (days)	205.5				205.5	190.9	108%	119.4

<sup>a</sup> This measure is the number of Registered Accounting Firms not Practice Units. The number of Practice Units is used for estimating revenue because Firms may have more than one Practice Unit.

<sup>b</sup> Case numbers are estimates based on best available data, subject to additional review of violation coding. Rule changes over time may affect coding.

<sup>c</sup> Cases opened and closed categories include adjustments for reclassification of cases and report timing. Due to the timing of some case reporting, year-to-date numbers may not match quarterly totals.

Texas State Board of Public Accountancy  
Revenue Budget Report  
From September 1, 2024 - November 30, 2024

Account Title	Current Month's Revenue	YTD Revenue	Total Budget	Variance	% Budget Remaining	Versus Target
						75.00% F (U)
<b>CPA License</b>	<b>\$ 579,740.25</b>	<b>\$ 1,759,990.50</b>	<b>\$ 6,927,715.03</b>	<b>5,167,724.53</b>	<b>74.6%</b>	0.4%
<b>CPE Sponsor Review</b>	<b>25,600.00</b>	<b>75,100.00</b>	<b>231,140.87</b>	<b>156,040.87</b>	<b>67.5%</b>	7.5%
<b>Firm Office License</b>	<b>48,387.30</b>	<b>168,709.96</b>	<b>861,741.56</b>	<b>693,031.60</b>	<b>80.4%</b>	-5.4%
<b>Late Payment Fees</b>	<b>42,740.50</b>	<b>115,043.50</b>	<b>421,920.93</b>	<b>306,877.43</b>	<b>72.7%</b>	2.3%
Application of Intent - Evaluation Fee	7,920.00	18,960.00	62,385.36	43,425.36	69.6%	5.4%
Transfer of Credit IN	400.00	1,400.00	3,247.16	1,847.16	56.9%	18.1%
Exam Eligibility Fee - AUD	5,820.00	12,585.00	59,928.64	47,343.64	79.0%	-4.0%
Exam Eligibility Fee - FAR	6,975.00	17,325.00	72,150.00	54,825.00	76.0%	-1.0%
Exam Eligibility Fee - REG	5,505.00	11,925.00	52,498.43	40,573.43	77.3%	-2.3%
Exam Eligibility Fee - BEC	0.00	0.00	0.00	0.00	N/A	N/A
Exam Eligibility Fee - BAR	360.00	1,890.00	16,963.83	15,073.83	88.9%	-13.9%
Exam Eligibility Fee - ISC	465.00	2,760.00	14,691.89	11,931.89	81.2%	-6.2%
Exam Eligibility Fee - TCP	825.00	3,555.00	17,418.22	13,863.22	79.6%	-4.6%
<b>Exam Fees</b>	<b>28,270.00</b>	<b>70,400.00</b>	<b>299,283.53</b>	<b>228,883.53</b>	<b>76.5%</b>	-1.5%
Certificate Fee	9,600.00	22,100.00	72,427.07	50,327.07	69.5%	5.5%
Reciprocal Registration	5,000.00	14,700.00	64,586.85	49,886.85	77.2%	-2.2%
Temporary Practice	0.00	0.00	0.00	0.00	N/A	N/A
Direct Administrative Costs - Enforcement	2,297.33	9,138.27	31,842.29	22,704.02	71.3%	3.7%
Voided Warrants	0.00	0.00	0.00	0.00	N/A	N/A
Transfer of Credit - OUT	600.00	2,320.00	8,449.80	6,129.80	72.5%	2.5%
Interest Income	28,797.99	92,638.95	200,000.00	107,361.05	53.7%	21.3%
Interest on Judgments	0.00	0.00	0.00	0.00	N/A	N/A
Sales of Lists/Miscellaneous Copies/NSF Fees/Other	30.00	140.98	858.00	717.02	83.6%	-8.6%
Lettering of Replacement CPA Certificate	300.00	750.00	1,750.00	1,000.00	57.1%	17.9%
AICPA Regrades	0.00	0.00	0.00	0.00	N/A	N/A
Reimbursements - 3rd Party (Reimbursements from TBAE IAC)	3,802.22	11,711.66	45,740.92	34,029.26	N/A	N/A
<b>Other Collections</b>	<b>50,427.54</b>	<b>153,499.86</b>	<b>425,654.93</b>	<b>272,155.07</b>	<b>63.9%</b>	11.1%
<b>Total Revenue</b>	<b>\$ 775,165.59</b>	<b>\$ 2,342,743.82</b>	<b>\$ 9,167,456.85</b>	<b>\$ 6,824,713.03</b>	<b>74.4%</b>	0.56%

Texas State Board of Public Accountancy  
Expenditure Budget Report  
From September 1, 2024 - November 30, 2024

Account Title		Current Month's Expenditures	YTD Expenditures	YTD Encumbrances	Total Budget	Budget Remaining	% Budget Remaining	% Variance vs. Target	\$ Variance vs. Target
								75.0%	
								F (U)	
F0410	Debt Service - Interest	2,549.93	7,658.63	0.00	28,754.58	21,095.95	73.37%	-1.63%	(469.99)
L1001	Sal & Wages - Comp. Per Diem	500.00	500.00	0.00	12,780.18	12,280.18	96.09%	21.09%	2,695.05
S&W	Salaries & Wages	295,545.62	874,309.10	0.00	4,014,563.90	3,140,254.80	78.22%	3.22%	129,331.88
M9000	Payroll Related Costs (IC)	92,631.62	276,531.81	0.00	1,151,577.33	875,045.52	75.99%	0.99%	11,362.52
N2004	Prof Fees - Court Reporters	0.00	0.00	0.00	1,816.13	1,816.13	100.00%	25.00%	454.03
N2005	Prof Fees-Legal Svcs-OAG & OLC	3,208.01	3,208.01	0.00	271,687.50	268,479.49	98.82%	23.82%	64,713.86
N2007	Prof Fees - Fin/Acctg. Svcs.	0.00	0.00	0.00	35,754.51	35,754.51	100.00%	25.00%	8,938.63
N2008	Prof Fees - Expert Witnesses	0.00	0.00	0.00	272,459.52	272,459.52	100.00%	25.00%	68,114.88
N2009	Prof Fees - PROB	3,150.00	7,896.00	0.00	56,190.15	48,294.15	85.95%	10.95%	6,151.54
N2010	Prof Fees - SOAH	0.00	15,626.52	0.00	15,626.52	-	0.00%	A1 -75.00%	(11,719.89)
N2011	Prof Fees - Computer	6,489.72	10,159.26	0.00	392,752.08	382,592.82	97.41%	22.41%	88,028.76
N2019	Prof Fees - Other	0.00	2,725.00	0.00	4,812.39	2,087.39	43.38%	-31.62%	(1,521.90)
N2022	PF - SRP - Review	3,875.00	11,625.00	0.00	25,000.00	13,375.00	53.50%	B -21.50%	(5,375.00)
P2001	Travel-In State-Board Mbrs.	829.61	1,322.21	0.00	19,197.13	17,874.92	93.11%	18.11%	3,477.07
P2002	Travel-In State-Employees	0.00	601.39	0.00	4,649.34	4,047.95	87.07%	12.07%	560.95
P2003	Travel-In State-Adv Comm Mbrs	0.00	0.00	0.00	1,618.15	1,618.15	100.00%	25.00%	404.54
P2021	Travel-Out-of-State-Bd. Mbrs.	0.00	0.00	0.00	6,812.75	6,812.75	100.00%	25.00%	1,703.19
P2022	Travel-Out-of-State-Employees	2,307.84	2,777.57	0.00	11,101.90	8,324.33	74.98%	-0.02%	(2.09)
Q2001	Material & Supplies	35,571.45	66,396.87	33.85	389,140.11	322,709.39	82.93%	7.93%	30,854.31
Q2005	Matls/Supp - Office Meter Post	0.00	13,407.22	0.00	65,295.31	51,888.09	79.47%	4.47%	2,916.61
Q2006	Matls/Supp - Bulk Rate Postage	0.00	0.00	0.00	1,035.00	1,035.00	100.00%	25.00%	258.75
Q2009	Matls/Suppl - Other Postage	0.00	0.00	0.00	315.16	315.16	100.00%	25.00%	78.79
R2001	Communication & Utilities	13,907.28	21,601.74	0.00	72,541.64	50,939.90	70.22%	-4.78%	(3,466.33)
S2001	Repairs & Maint-Annual Conts.	2,321.04	64,572.44	0.00	99,479.77	34,907.33	35.09%	C -39.91%	(39,702.50)
S2005	Repairs & Maintenance - Other	8.00	4,955.76	0.00	10,139.53	5,183.77	51.12%	-23.88%	(2,420.88)
T2001	Rentals & Leases-Furn/Eqpt	2,093.63	6,280.89	0.00	32,337.25	26,056.36	80.58%	5.58%	1,803.42
T2004	Rentals & Leases-Furn/Eqpt SIC	0.00	0.00	0.00	10,737.35	10,737.35	100.00%	25.00%	2,684.34
T2013	Rental & Leases-Other Space	1,015.36	3,218.24	0.00	13,424.57	10,206.33	76.03%	1.03%	137.90
T2015	Rental & Leases - SIC	2,474.00	7,426.00	0.00	14,547.72	7,121.72	48.95%	-26.05%	(3,789.07)
T2019	Debt Service Principal - RTU Lease	28,439.19	85,308.73	0.00	344,045.98	258,737.25	75.20%	0.20%	702.77
U2001	Printing & Reproduction	99.45	99.45	820.00	16,915.32	15,995.87	94.56%	19.56%	3,309.38
U2002	Printing of Board Report	2,539.36	2,539.36	0.00	8,777.82	6,238.46	71.07%	-3.93%	(344.91)
W2001	OOE - Membership Fees	100.00	6,325.00	0.00	11,054.83	4,729.83	42.79%	-32.21%	(3,561.29)
W2003	OOE - Registration Fees	535.00	950.00	0.00	15,749.91	14,799.91	93.97%	18.97%	2,987.48
W2005	OOE - Temporary Support Svcs	0.00	0.00	0.00	100,000.00	100,000.00	100.00%	25.00%	25,000.00
W2007	OOE - Freight/Delivery Svc.	72.09	182.23	0.00	2,748.27	2,566.04	93.37%	18.37%	504.84
W2009	OOE - Convention Center Labor	0.00	0.00	0.00	4,347.00	4,347.00	100.00%	25.00%	1,086.75
W2013	OOE - Employee Awards	65.00	65.00	0.00	1,285.04	1,220.04	94.94%	19.94%	256.26
W2014	OOE - Witness Fees & Invest Cost	0.00	0.00	0.00	2,356.42	2,356.42	100.00%	25.00%	589.11
W2020	OOE - Other Fees & Charges	3,694.59	11,193.76	0.00	63,100.70	51,906.94	82.26%	7.26%	4,581.42
W2021	OOE - TX Online Processing Fees	36,750.92	54,152.93	0.00	199,916.34	145,763.41	72.91%	-2.09%	(4,173.85)
W2027	OOE - Statewide Cost Alloc. (IC)	2,087.85	6,263.55	0.00	25,054.25	18,790.70	75.00%	0.00%	0.01
W2028	OOE - SORM Assessments	0.00	4,818.12	0.00	9,288.46	4,470.34	48.13%	-26.87%	(2,496.01)
W2029	PUB - Public Assistance Pymts	0.00	155,500.00	0.00	155,500.00	0.00	0.00%	A2 -75.00%	(116,625.00)
X5005	Capital Outlay-Computer	0.00	0.00	0.00	58,195.46	58,195.46	100.00%	25.00%	14,548.87
Report Total		\$ 511,872.44	\$ 1,729,375.59	\$ 853.85	\$ 8,054,483.27	6,324,253.83	78.52%	3.52%	

**TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY**  
**Budget Variance Explanations**  
**For the 3 Months Ended November 30, 2024**

Ref.	Budget Item	Budget	Actual	Difference	Explanation	
	Operating Budget	\$ 8,054,483	\$ 1,730,229	\$ 6,324,253.83	78.52%	budget remaining versus 75% target level
A1	Prof Fees - SOAH	\$ 15,627	\$ 15,626.52	\$ -	0.00%	The public assistance and SOAH expenditure categories are one-time payments processed at the beginning of the year.
A2	PUB - Public Assistance Pymts	\$ 155,500	\$ 155,500.00	\$ -	0.00%	
B	PF - SRP - Review	\$ 25,000	\$ 11,625.00	\$ 13,375.00	53.50%	Variance due to a majority of outsourced reviews occurring at the beginning of the fiscal year. Expenditures for the remainder of the year are expected to align with the annual budget.
C	Repairs & Maint-Annual Conts.	\$ 99,480	\$ 64,572.44	\$ 34,907.33	35.09%	Variance due to annual maintenance contracts paid early in the year.

**Texas State Board of Public Accountancy**  
**Exhibit A-1 - Balance Sheet - All General and Consolidated Funds**  
November 30, 2024

	Scholarship Fund		EFFA Fund		Operating Fund	Total
	(1000)	(0858)	(0858)	(1009)		
	U/F (1002)	U/F (7106, 6106)	U/F (7206, 6206)	U/F (1009, 2858)		(EXH I)
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents:						
Cash on Hand	\$ 1,319.34	\$ 240.00	\$ -	\$ 25,394.40	\$	26,953.74
Cash in Bank - Treasury Safekeeping Trust	\$ -	-	-	-		-
Cash in State Treasury	\$ 497,585.40	53,194.41	10,000.00	1,275,109.75		1,835,889.56
Repurchase Agreement - Treasury Safekeeping Trust	\$ 162,009.87	776,226.20	352,082.99	7,709,797.31		9,000,116.37
Accounts Receivable		-	-	1,243.51		1,243.51
Due From Other Funds	\$ -	-	-	64,616.58		64,616.58
Due From Other Agencies	\$ -	2,000.00	-	-		2,000.00
Prepaid Item	\$ -	-	-	31,552.12		31,552.12
Consumable Inventories		-	-	-		-
Total Current Assets	<u>660,914.61</u>	<u>831,660.61</u>	<u>362,082.99</u>	<u>9,107,713.67</u>		<u>10,962,371.88</u>
Non-Current Assets:						
Non-Current Prepaid Items				15,252.77		15,252.77
Non-Current Refundable Deposits				37,009.76		37,009.76
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,262.53</u>		<u>52,262.53</u>
Total Assets	<u>\$ 660,914.61</u>	<u>\$ 831,660.61</u>	<u>\$ 362,082.99</u>	<u>\$ 9,159,976.20</u>		<u>\$ 11,014,634.41</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Current Liabilities:						
Payables From:						
Accounts Payable	\$ -	\$ 111,467.00	\$ -	\$ 37,807.48	\$	149,274.48
Payroll Payable		-	-	367,502.94		367,502.94
Refunds Payable		-	-	20.42		20.42
Due To Other Funds	\$ 64,616.58	-	-	-		64,616.58
Funds Held for Others	\$ 596,298.03	-	-	-		596,298.03
Total Current Liabilities	<u>660,914.61</u>	<u>111,467.00</u>	<u>-</u>	<u>405,330.84</u>		<u>1,177,712.45</u>
Non-Current Liabilities:						
Interfund Payables						-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Total Liabilities	<u>660,914.61</u>	<u>111,467.00</u>	<u>-</u>	<u>405,330.84</u>		<u>1,177,712.45</u>
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>						
Fund Balances (Deficits):						
Nonspendable				953,613.98		953,613.98
Committed:						-
Board Policy Reserve				3,156,964.75		3,156,964.75
Board Policy Contingency Fund				3,750,000.00		3,750,000.00
Other		720,193.61	362,082.99	894,066.63		1,976,343.23
Total Fund Balances	<u>-</u>	<u>720,193.61</u>	<u>362,082.99</u>	<u>8,754,645.36</u>		<u>9,836,921.96</u>
Total Liabilities and Fund Balances	<u>\$ 660,914.61</u>	<u>\$ 831,660.61</u>	<u>\$ 362,082.99</u>	<u>\$ 9,159,976.20</u>		<u>\$ 11,014,634.41</u>

# UNAUDITED

**Texas State Board of Public Accountancy**  
**Exhibit A-2 - Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances – All General and Consolidated Funds**  
For the 3 Months Ended November 30, 2024

	General Revenue				Memorandum Only					
	(0858)	(0858)	(1009)	Total	(0858) U/F (6106,7106)	(0858) U/F (6206,7206)	(1009) U/F (1009,2858)	Total FY 24	Difference	
	U/F (7106, 6106)	U/F (7206, 6206)	U/F (1009, 2858)	(EXH II)	FY 24	FY 24	FY 24			
REVENUES										
Federal Grant Pass-through Revenue (GR)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Licenses, Fees & Permits :										
Licenses, Fees	\$ 170,728.94	\$ -	2,155,733.96	\$ 2,326,462.90	170,200.94	-	1,901,182.26	2,071,383.20	255,079.70	A
Exam Fees	-	-	70,400.00	70,400.00			102,445.00	102,445.00	(32,045.00)	B
Other License, Fees & Permits	-	-	2,370.00	2,370.00			2,520.00	2,520.00	(150.00)	
Sales of Goods and Services	-	-	-	-			-	-	-	
Interest and Investment Income	9,838.45	2,082.99	92,638.95	104,560.39	14,352.70	-	82,009.42	96,362.12	8,198.27	C
Other	5,116.69	-	21,600.91	26,717.60	12,905.20	-	20,168.62	33,073.82	(6,356.22)	D
Total Revenues	185,684.08	2,082.99	2,342,743.82	2,530,510.89	197,458.84	-	2,108,325.30	2,305,784.14	224,726.75	
EXPENDITURES										
Salaries and Wages	-	-	874,809.10	874,809.10			831,265.35	831,265.35	43,543.75	E
Payroll Related Costs	-	-	275,709.61	275,709.61			266,228.96	266,228.96	9,480.65	
Professional Fees and Services	-	-	62,907.84	62,907.84			86,787.52	86,787.52	(23,879.68)	F
Travel	-	-	4,138.69	4,138.69			8,766.67	8,766.67	(4,627.98)	
Materials and Supplies	-	-	80,477.69	80,477.69			32,551.41	32,551.41	47,926.28	G
Communication and Utilities	-	-	21,867.02	21,867.02			16,994.95	16,994.95	4,872.07	
Repairs and Maintenance	-	-	69,528.20	69,528.20			78,862.25	78,862.25	(9,334.05)	H
Rentals & Leases	-	-	17,363.30	17,363.30			12,848.90	12,848.90	4,514.40	
Printing and Reproduction	-	-	2,638.81	2,638.81			7,294.67	7,294.67	(4,655.86)	
Claims and Judgments	-	-	-	-			-	-	-	
Other Expenditures	-	-	87,552.77	87,552.77			105,028.30	105,028.30	(17,475.53)	I
State Pass Through Expenditures	310,150.80	-	-	310,150.80	243,448.02	-	-	243,448.02	66,702.78	
Intergovernmental Payments	150,985.00	-	-	150,985.00	100,941.00	-	-	100,941.00	50,044.00	
Public Assistance Payments	-	-	155,500.00	155,500.00			134,253.00	134,253.00	21,247.00	J
Debt Service:				-						
Principal			85,308.73	85,308.73			81,540.09	81,540.09	3,768.64	
Interest			7,658.63	7,658.63			8,715.27	8,715.27	(1,056.64)	
Capital Outlay	-	-	-	-			-	-	-	
Total Expenditures/Expenses	461,135.80	-	1,745,460.39	2,206,596.19	344,389.02	-	1,671,137.34	2,015,526.36	191,069.83	
Excess (Deficiency) of Revenues										
Over Expenditures	(275,451.72)	2,082.99	597,283.43	323,914.70	(146,930.18)	-	437,187.96	290,257.78	33,656.92	
OTHER FINANCING SOURCES (USES)										
Sale of Capital Assets			-	-			-	-	-	
Net Change in Reserve for Inventories			-	-			-	-	-	
Transfers In (Note 1.F.)	404,278.21	370,000.00	2,729,677.33	3,503,955.54	405,070.27	-	2,440,810.53	2,845,880.80	658,074.74	
Transfers Out (Note 1.F.)	(404,278.21)	(10,000.00)	(3,261,980.57)	(3,676,258.78)	(405,080.27)	-	(2,616,866.53)	(3,021,946.80)	(654,311.98)	
Gain (Loss) on Sale of Capital Assets	-	-	-	-			0.00	-	-	
Total Other Financing Sources and Uses	-	360,000.00	(532,303.24)	(172,303.24)	(10.00)	-	(176,056.00)	(176,066.00)	3,762.76	
SPECIAL ITEMS										
										-
EXTRAORDINARY ITEMS										
				-						-
Net Change in Fund Balances	(275,451.72)	362,082.99	64,980.19	151,611.46	(146,940.18)	-	261,131.96	114,191.78	37,419.68	
FUND FINANCIAL STATEMENT-FUND BALANCES										
Fund Balances--Beginning	995,645.33	-	8,689,665.17	9,685,310.50	1,211,214.24	-	6,888,289.20	8,099,503.44	1,585,807.06	
Restatements	-	-	-	-	-	-	74,108.09	74,108.09	(74,108.09)	
Fund Balances, 9/1/2024 as Restated	995,645.33	-	8,689,665.17	9,685,310.50	1,211,214.24	-	6,962,397.29	8,173,611.53	1,511,698.97	
Fund Balances-- November 30, 2024	\$ 720,193.61	\$ 362,082.99	\$ 8,754,645.36	\$ 9,836,921.96	\$ 1,064,274.06	\$ -	\$ 7,223,529.25	\$ 8,287,803.31	\$ 1,549,118.65	

A License Fees are higher due to the individual licensee fee increase from \$87 to \$102.

B Exam fee revenues are lower due to a decrease in AOI fees and exam eligibility fees received

C Interest Income is higher due to a higher balance in the safekeeping trust fund.

D Other Revenues are lower due to a significant decrease in scholarship reimbursements.

E Salaries and wages are higher due to a 5% state increase.

F Professional Fees and Services are lower due to a decrease in expert witness fees and computer programming services.

G Materials and Supplies are higher due to an increase in non-capitalized computer software.

H Repairs and Maintenance are lower due to a 100% reduction of leasehold improvements from the prior year.

I Other Expenditures are lower due to a decrease in temporary support services and exam testing accommodations.

J Public Assistance Payments are higher due to a grant increase to TXCPA Peer Assistance Foundation.

**Texas State Board of Public Accountancy**  
**Accounting Student Scholarship Payments FY 25**  
**State Universities**

For the 3 Months Ended November 30, 2024

	FY 2025
<b>BEGINNING FUND BALANCE - September 1, 2024</b>	<b>\$ 995,645.33</b>
<b>Total Scholarship Fund Revenue</b>	<b>\$ 185,684.08</b>
<b>State Pass Through Expenditures (EXH A-2)</b>	
State University Payments:	
Lamar University	\$ 5,000.00
Texas A&M University	\$ 77,162.80
Texas State University	\$ 19,500.00
Texas Tech University	\$ 45,000.00
Texas Woman's University	\$ 12,000.00
University of Houston	\$ 10,621.00
University of Houston - Clear Lake	\$ 14,000.00
University of Houston - Downtown	\$ 14,000.00
University of Texas at Austin	\$ 76,367.00
University of Texas at Dallas	\$ 32,000.00
University of Texas at Tyler	\$ 4,500.00
Total State University Payments	<b>\$ 310,150.80</b>
State University Refunds:	
Total State University Refunds	-
<b>State Pass Through Expenditures (EXH A-2)</b>	<b>\$ 310,150.80</b>
<b>Intergovernmental Payments (EXH A-2)</b>	
Junior College/ Private University Payments:	
Austin Community College	\$ 3,600.00
Baylor University	\$ 49,800.00
Dallas Baptist University	\$ 16,000.00
Houston Community College System	\$ 2,000.00
Letourneau University	\$ 10,000.00
Southern Methodist University	\$ 12,000.00
St. Edward's University	\$ 5,000.00
Texas Christian University	\$ 54,000.00
Total Junior College/ Private University Payments:	<b>\$ 152,400.00</b>
Junior College/ Private Univ. Refunds:	
Dallas College	\$ (1,415.00)
Total Junior College/ Private University Refunds:	<b>\$ (1,415.00)</b>
<b>Intergovernmental Payments (EXH. A-2)</b>	<b>150,985.00</b>
<b>Other Financing Sources/Uses</b>	
Transfers In	<b>404,278.21</b>
Transfers Out	<b>(404,278.21)</b>
<b>Total Other Financing Sources/Uses (EXH. A-2)</b>	<b>\$ -</b>
<b>ENDING FUND BALANCE - November 30, 2024</b>	<b>\$ 720,193.61</b>

UNAUDITED

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

SCHEDULE B

STATEMENT OF PENALTIES ASSESSED \ CONTRIBUTIONS

For the 3 Months Ended November 30, 2024

			ADMIN PENALTY	RTN CK FEES OVERPMT/INT	
		DAC	37700	19950/31100	TOTAL
	STATUS	19160			
BEGINNING BALANCE - September 1, 2024		\$6,474.80	\$22,431.45	\$69.57	\$28,975.82
ADD: Penalties Assessed \ Contributions:					
Mokuolu, Victor	Oct-24	811.57	15,000.00		15,811.57
Lyons, Allen	Oct-24	969.63			969.63
Marcum LLP	Oct-24	5,059.74	450,000.00		455,059.74
Westerman, James Robert	Nov-24	599.71	2,500.00		3,099.71
Simmons, Ricky	Nov-24	951.69	1,000.00		1,951.69
Crane, Curtis Wayne	Nov-24	745.93			745.93
Blank, Peyton Garrett	Nov-24		2,000.00		2,000.00
Wyatt, Kaitlin Foster	Nov-24		2,000.00		2,000.00
Fan, Michael James	Nov-24		2,000.00		2,000.00
Stone, Catherine Elizabeth	Nov-24		2,000.00		2,000.00
Rogers, Travis Kyle	Nov-24		2,000.00		2,000.00
Henley, Matthew Jordan	Nov-24		2,000.00		2,000.00
Asplund, Jeremy Ross	Nov-24		2,000.00		2,000.00
Wilson, Michelle Nicole	Nov-24		2,000.00		2,000.00
Parma, Taylor Morgan	Nov-24		2,000.00		2,000.00
Alaniz, Laura Michelle	Nov-24		2,000.00		2,000.00
Beddow, Michael Drew	Nov-24		2,000.00		2,000.00
Lai, Yuan	Nov-24		2,000.00		2,000.00
Cutaia, Joseph Anthony	Nov-24		2,000.00		2,000.00
Pickell, John Patrick	Nov-24		2,000.00		2,000.00
TOTAL PENALTIES ASSESSED \ CONTRIBUTIONS		9,138.27	496,500.00	0.00	505,638.27

LESS: Payments Received:

Houston, Charles	Sep-24	PIF	(144.02)	(0.98)	(145.00)
Donovan, Thomas Paul	Sep-24	PIF	(5,000.00)		(5,000.00)
Kelly, Mark Charles	Sep-24	PP	(1,000.00)		(1,000.00)
Nesmith, Shawn David	Sep-24	PP	(513.00)		(513.00)
Haynes, Jerry Charles	Sep-24	PP	(619.34)		(619.34)
Kelly, Mark Charles	Oct-24	PP	(1,000.00)		(1,000.00)
Haynes, Jerry Charles	Oct-24	PP	(619.34)		(619.34)
Mokuolu, Victor	Oct-24	PIF	(811.57)	(15,000.00)	(15,811.57)
Nesmith, Shawn David	Oct-24	PP		(513.00)	(513.00)
Lyons, Allen	Oct-24	PIF	(969.63)		(969.63)
Marcum LLP	Oct-24	PP	(5,059.74)	(444,940.26)	(450,000.00)
Marcum LLP	Oct-24	PIF		(5,059.74)	(5,059.74)
Westerman, James Robert	Nov-24	PIF	(599.71)	(2,500.00)	(3,099.71)
Williams, Ericka Jeanean	Nov-24	PP		(1,505.64)	(1,505.64)
Coe, Marcus Perry	Nov-24	PP		(750.00)	(750.00)
Kelly, Mark Charles	Nov-24	PP		(1,000.00)	(1,000.00)
Nesmith, Shawn David	Nov-24	PP		(513.00)	(513.00)
Williams, Ericka Jeanean	Nov-24	PIF		(1,500.00)	(1,500.00)
Simmons, Ricky	Nov-24	PIF	(951.69)	(1,000.00)	(1,951.69)
Crane, Curtis Wayne	Nov-24	PIF	(745.93)		(745.93)
Blank, Peyton Garrett	Nov-24	PIF		(2,000.00)	(2,000.00)
Wyatt, Kaitlin Foster	Nov-24	PIF		(2,000.00)	(2,000.00)
Fan, Michael James	Nov-24	PIF		(2,000.00)	(2,000.00)
Stone, Catherine Elizabeth	Nov-24	PIF		(2,000.00)	(2,000.00)
Rogers, Travis Kyle	Nov-24	PIF		(2,000.00)	(2,000.00)
Henley, Matthew Jordan	Nov-24	PIF		(2,000.00)	(2,000.00)
Asplund, Jeremy Ross	Nov-24	PIF		(2,000.00)	(2,000.00)
Wilson, Michelle Nicole	Nov-24	PIF		(2,000.00)	(2,000.00)
Parma, Taylor Morgan	Nov-24	PIF		(2,000.00)	(2,000.00)
Alaniz, Laura Michelle	Nov-24	PIF		(2,000.00)	(2,000.00)
Beddow, Michael Drew	Nov-24	PIF		(2,000.00)	(2,000.00)
Lai, Yuan	Nov-24	PIF		(2,000.00)	(2,000.00)

UNAUDITED

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

SCHEDULE B

STATEMENT OF PENALTIES ASSESSED \ CONTRIBUTIONS

For the 3 Months Ended November 30, 2024

				ADMIN PENALTY	RTN CK FEES OVERPMT/INT	
				19160	37700	19950/31100
				STATUS	TOTAL	
Payments Received (cont'd):						
Cutaia, Joseph Anthony	Nov-24	PIF		(2,000.00)		(2,000.00)
Pickell, John Patrick	Nov-24	PIF		(2,000.00)		(2,000.00)
Haynes, Jerry Charles	Nov-24	PP		(619.34)		(619.34)
TOTAL PAYMENTS RECEIVED				(9,138.27)	(511,796.68)	(0.98)
Adjustments:						
Houston, Charles					0.98	0.98
TOTAL ADJUSTMENTS				0.00	0.00	0.98
Referred to OAG Enforcement for Collection:						
TOTAL REFERRED TO ENFORCEMENT				0.00	0.00	0.00
ENDING BALANCE - November 30, 2024				\$6,474.80	\$7,134.77	\$69.57
						\$13,679.14

Note: PIF = Paid in Full , PP = Partial Payment, and REF=Refund

1Note: Full reinstatement for payment after referral to the OAG

**TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY**  
**Professional Fee and Legal Contracts**

		FY 2025			
Contract Number	Contractor	Contract Term	Budget	Contract Amount	FY 25 Hourly Rate
TSR CONSULTANTS			\$ 272,460		
25-005	Peter Delvecchia, CPA	09/01/24-08/31/25		\$25,000	\$240/\$180/\$100
25-006	William Patrick Cantrell, CPA, JD	09/01/24-08/31/25		\$10,000	\$350/\$225/\$65
	Unallocated Budget		237,460		
	Total			\$35,000	
PEER REVIEW CONSULTANTS			\$ 56,190		
25-001	John Michael Waters, CPA	09/01/24-12/31/24**		\$26,400	\$200
25-002	Robert Goldstein, CPA	09/01/24-12/31/24**		\$26,400	\$200
25-003	Thomas Akin, CPA	09/01/24-12/31/24**		\$26,400	\$200
25-001A	John Michael Waters, CPA	01/01/25-08/31/25**		\$14,000	\$270
25-002A	Robert Goldstein, CPA	01/01/25-08/31/25**		\$24,000	\$270
25-003A	Thomas Akin, CPA	01/01/25-08/31/25**		\$14,000	\$270
	Unallocated Budget		(75,010)		
	Total			131,200	
OFFICE OF THE ATTORNEY GENERAL			\$ 15,000		
C-02075	Office of the Attorney General	09/01/24-08/31/25		\$15,000	
	Unallocated Budget		-		
	Total			\$15,000	
STATE OFFICE OF ADMIN HEARINGS			\$ 15,627		
360-24-457	SOAH	09/01/23-08/31/25		\$15,627	*
	Unallocated Budget		0		
	Total			\$15,627	
OAG Contracts: INDEPENDENT CONSULTANT CONTRACTS (SOAH Litigation)			\$ 256,688		
	Unallocated Budget		256,688		
	Total			\$0	
INTERNAL AUDIT			\$ 35,755		
	To be determined				
	Unallocated Budget		35,755		
	Total			\$0	
Total Budget			\$ 651,720		
Total Contracts				\$196,827	
Total Unallocated Budget			\$ 454,893		

\*SOAH Contract is for \$31,253.04 for 2 years.

\*\*The PROB contracts approved by the Board were originally for 9-1-24 through 12-31-24. At the November Board meeting the Board approved 3 additional contracts for the period 1-1-25 through 8-31-25. The Comptroller's Procurement and Contract Management Guide requires state agencies to re-procure at least every four years for contracts exceeding \$25,000. Four years elapsed for these 3 proposed contracts on December 31, 2024, which accounts for the need for 3 new RFQs and 3 PROB contracts for the remainder of FY 25. The maximum contract amount for each contract will not exceed \$26,400 for the 12 months ending 8-31-25.

<p style="text-align: center;"><b>Agenda Item IV</b> <b>Report of the Joint Executive and Rules Committee</b> <b>January 15, 2025</b></p>
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C. Review and approval of the Board's Equal Employment Opportunity Report - CY - 2024.

**DISCUSSION:** Ms. Seefeld, Presiding Officer, will present the Board's Equal Employment Opportunity Report - CY 2024 for approval.

**RECOMMENDATION:** The staff recommends that the Board approve the Board's Equal Employment Opportunity Report - CY 2024 as presented.

**SUGGESTED MOTION:** That the Board approve the Board's Equal Employment Opportunity Report - CY 2024 as presented.

**TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY**  
**Annual Affirmative Action/EEO Report**  
**December 31, 2024**

- A. Annual Affirmative Action/EEO Program Progress Report  
The agency filled 5 positions from January 1, 2024 to December 31, 2024

**Officials/Administration** No vacancies in this category.

**Professional** 5 positions filled as follows (IR. (1), Qual (1), Acct. (2), Lic (1)):

Caucasian American	<u>2</u> Male	<u>1</u> Female
Hispanic American	<u>1</u> Male	<u>    </u> Female
Asian	<u>    </u> Male	<u>1</u> Female
African American	<u>    </u> Male	<u>    </u> Female

**Para-Professional** No vacancies in this category.

**Technical** No positions in this category.

**Administrative Support** No positions in this category.

- B. Annual Workforce Analysis – As of December 31, 2024 (State Civilian Workforce (SCW) Percentages from the Texas Commission on Human Rights indicated). See attached analysis.

	African American		Hispanic		Female	
	Agency	SCW	Agency	SCW	Agency	SCW
Officials/Administration	0%	8.6%	0%	25.2%	50.0%	40.2%
Professional	0%	10.6%	42.9%	23.0%	71.4%	53.0%
Administrative Support	0%	15.2%	0%	38.3%	0%	74.1%
Total Agency	0.0%		33.3%		66.7%	

- C. Annual Personnel Transaction Report - January 1, 2024 through December 31, 2024 (Resignations/Transfers to Other Agencies)

<b>Official/Administration</b>	<u>1</u> Male	<u>    </u> Female
<b>Professional</b>	<u>    </u> Male	<u>    </u> Female
<b>Para-Professional</b>	<u>    </u> Male	<u>    </u> Female
<b>Technical</b>	<u>    </u> Male	<u>    </u> Female
<b>Administrative Support</b>	<u>    </u> Male	<u>    </u> Female

- D. Annual Appeal and Grievance Status Report

The Board has no employee grievances pending. The Board has no civil action currently pending before either federal or state courts.

Officials/Administration – Includes Attorney IV, General Counsel IV, Director 1, Director II, Director IV, and Executive Director.

Professional – Includes Accountant III, Accountant IV, Accountant VI, Manager V, Staff Services Officer III, Program Specialist I, Program Specialist II, Program Specialist III, Program Specialist IV, Information Specialist IV, System Analyst VI, System Analyst VII, Systems Administrator V, Legal Assistant III, Legal Assistant IV, Program Supervisor II, Program Supervisor III, Program Supervisor V, and Program Supervisor VI.

<p style="text-align: center;"><b>Agenda Item IV</b> <b>Report of the Joint Executive and Rules Committee</b> <b>January 15, 2025</b></p>
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D. Report on Historically Underutilized Business (HUB) Expenditure Summary.

**DISCUSSION:** Mr. Treacy and Ms. Schwimmer-Staggs will report on the Board's Historically Underutilized Business (HUB) Expenditure Summary.

**RECOMMENDATION:** None by staff.

**SUGGESTED MOTION:** None by staff.

# TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

## Percentage of HUB Expenditures Summary

	TSBPA		State-wide	Variance	
1998	16.62%	a	13.20%	3.42%	<i>favorable</i>
1999	16.37%	a	12.56%	3.81%	<i>favorable</i>
2000	18.75%	a	13.20%	5.55%	<i>favorable</i>
2001	28.53%	a	12.00%	16.53%	<i>favorable</i>
2002	31.63%	a	11.10%	20.53%	<i>favorable</i>
2003	31.59%	a	12.50%	19.09%	<i>favorable</i>
2004	22.37%	a	13.90%	8.47%	<i>favorable</i>
2005	18.84%		13.70%	5.14%	<i>favorable</i>
2006	22.42%		12.90%	9.52%	<i>favorable</i>
2007	21.36%		13.60%	7.76%	<i>favorable</i>
2008	13.54%	b	13.20%	0.34%	<i>favorable</i>
2009	21.40%		14.10%	7.30%	<i>favorable</i>
2010	12.52%	c	15.80%	-3.28%	<i>unfavorable</i>
2011	8.94%	d	14.46%	-5.52%	<i>unfavorable</i>
2012	7.77%	e	13.87%	-6.10%	<i>unfavorable</i>
2013	10.25%	f	13.42%	-3.17%	<i>unfavorable</i>
2014	14.45%		12.58%	1.87%	<i>favorable</i>
2015	14.53%	g	11.97%	2.56%	<i>favorable</i>
2016	35.58%		11.30%	24.28%	<i>favorable</i>
2017	50.32%		11.97%	38.35%	<i>favorable</i>
2018	37.85%		13.08%	24.77%	<i>favorable</i>
2019	34.21%		12.77%	21.44%	<i>favorable</i>
2020	19.44%		11.74%	7.70%	<i>favorable</i>
2021	21.52%		10.48%	11.04%	<i>favorable</i>
2022	35.35%		11.83%	23.52%	<i>favorable</i>
2023	40.69%		12.80%	27.89%	<i>favorable</i>
2024	49.39%		11.49%	37.90%	<i>favorable</i>

a TSBPA HUB expenditures as adjusted for Uniform CPA Examination Grading expenditures.

b FY 2008 TSBPA amount as adjusted for single information technology purchase.

c Lower HUB expenditures in FY 2010 due to reduced budget for internal audit services, elimination of microfilming due to implementation of digital imaging, use of state print shop for printing services

d Lower HUB expenditures in FY 2011. Other Services category would increase if a qualified HUB vendor would register for HUB status. Total HUB expenditures would be 44.35%.

e Lower HUB expenditures in FY 2012. Other Services category would increase if a qualified HUB vendor would register for HUB status. Total HUB expenditures would be 29.54%.

f Lower HUB expenditures in FY 2013. Other Services category would increase if three eligible/qualified HUB vendors would register for HUB status. Total HUB expenditures would be 25.47%.

g FY 2015 TSBPA amount as adjusted for outside legal counsel expenditures.

HUBSUMV3 12-23-24

<p style="text-align: center;"><b>Agenda Item IV</b> <b>Report of the Joint Executive and Rules Committee</b> <b>January 15, 2025</b></p>
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E. Report on *Eighty-ninth Texas Legislative Session* – Proposed legislation affecting the *Public Accountancy Act* and designating agency representatives.

1. Review of the proposed legislation affecting the *Public Accountancy Act*: S.B. 262, S.B. 522, S.B. 716, and H.B. 587.
2. Designation of Board representatives to serve as resource witnesses and respond to questions during the 89<sup>th</sup> session of the Texas Legislature beginning January 14, 2025.

<p style="text-align: center;"><b>Agenda Item IV</b> <b>Report of the Joint Executive and Rules Committee</b> <b>January 15, 2025</b></p>
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1. Review of the proposed legislation affecting the *Public Accountancy Act*: S.B. 262, S.B. 522, S.B. 716, and H.B. 587.

**DISCUSSION:** Ms. Seefeld, Presiding Officer, will report to the Board on proposed revisions to the *Texas Public Accountancy Act*.

**RECOMMENDATION:** None by staff.

**SUGGESTED MOTION:** None by staff.

By: Perry

S.B. No. 262

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to eligibility requirements to practice public  
3 accountancy.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 901.252, Occupations Code, is amended to  
6 read as follows:

7 Sec. 901.252. ELIGIBILITY REQUIREMENTS. To be eligible to  
8 receive a certificate, a person must:

9 (1) satisfy the requirements of Section 901.253;

10 (2) complete:

11 (A) at least 150 semester hours or quarter-hour  
12 equivalents in board-recognized courses, including an accounting  
13 concentration or equivalent courses that meet the education  
14 requirements established under Section 901.254, as determined by  
15 board rule; or

16 (B) a baccalaureate degree with an accounting  
17 concentration or equivalent courses that meet the education  
18 requirements established under Section 901.254, as determined by  
19 board rule;

20 (3) pass the uniform CPA examination;

21 (4) meet the work experience requirements established  
22 under Section 901.256; and

23 (5) pass an examination on the rules of professional  
24 conduct as determined by board rule.

1           SECTION 2. Section 901.256, Occupations Code, is amended by  
2 adding Subsection (a-1) to read as follows:

3           (a-1) To be eligible to receive a certificate with a  
4 baccalaureate degree under Section 901.252(2)(B), a person must  
5 complete two years of experience as determined by board rule.

6           SECTION 3. Section 901.258(a), Occupations Code, is amended  
7 to read as follows:

8           (a) The board may accept the completion of the uniform CPA  
9 examination given by the licensing authority of another state if:

10                   (1) the examination was prepared and graded by the  
11 American Institute of Certified Public Accountants or, if doing so  
12 would result in a greater degree of reciprocity with the  
13 examination results of other states, the National Association of  
14 State Boards of Accountancy; and

15                   (2) the applicant met the requirements in effect in  
16 this state, as determined by board rule, at the time the credit was  
17 earned.

18           SECTION 4. Section 901.312(a), Occupations Code, is amended  
19 to read as follows:

20           (a) The board may accept the partial completion of the  
21 uniform CPA examination given by the licensing authority of another  
22 state if:

23                   (1) the examination was prepared and graded by the  
24 American Institute of Certified Public Accountants or, if doing so  
25 would result in a greater degree of reciprocity with the  
26 examination results of other states, the National Association of  
27 State Boards of Accountancy;

1                   (2) the credit is active in the other state; and

2                   (3) at the time the credit was earned, the applicant  
3 met the requirements in effect in the other state and the other  
4 state's standards are equal to or higher than the standards  
5 prescribed by this chapter or a rule adopted under this chapter.

6           SECTION 5. As soon as practicable after the effective date  
7 of this Act, the Texas State Board of Public Accountancy shall adopt  
8 rules as necessary to implement the changes in law made by this Act  
9 to Chapter 901, Occupations Code.

10           SECTION 6. This Act takes effect September 1, 2025.

By: Perry

S.B. No. 522

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the practice of accounting in this state by certain  
3 certified public accountants licensed in other states.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 901.462, Occupations Code, is amended by  
6 amending Subsection (a) and adding Subsections (a-1), (e), and (f)  
7 to read as follows:

8 (a) An individual who holds a certificate or license as a  
9 certified public accountant issued by another state and whose  
10 principal place of business is not in this state may exercise all  
11 the privileges of certificate and license holders of this state  
12 without obtaining a certificate or license under this chapter if:

13 (1) the ~~[National Association of State Boards of~~  
14 ~~Accountancy's National Qualification Appraisal Service has~~  
15 ~~verified that the other state has education, examination, and~~  
16 ~~experience requirements for certification or licensure that are~~  
17 ~~comparable to or exceed the requirements for licensure as a~~  
18 ~~certified public accountant of The American Institute of Certified~~  
19 ~~Public Accountants/National Association of State Boards of~~  
20 ~~Accountancy Uniform Accountancy Act and the]~~ board determines that  
21 the licensure requirements in the other state ~~[of that Act]~~ are  
22 comparable to or exceed the licensure requirements of this chapter;  
23 or

24 (2) the individual:

1                   (A) is certified or licensed in the other state  
2 and is in good standing in the other state;

3                   (B) has passed the uniform CPA examination;

4                   (C) has completed:

5                         (i) a baccalaureate degree with at least  
6 150 semester hours with a concentration in accounting or equivalent  
7 courses;

8                         (ii) a graduate degree with a concentration  
9 in accounting or equivalent courses; or

10                        (iii) a baccalaureate degree with a  
11 concentration in accounting or equivalent courses; and

12                   (D) at the time the individual's certificate or  
13 license was issued, had:

14                         (i) not less than one year of work  
15 experience if licensed under an educational pathway comparable to  
16 Paragraph (C)(i) or (ii); or

17                         (ii) not less than two years of work  
18 experience if licensed under an educational pathway comparable to  
19 Paragraph (C)(iii).

20           (a-1) In making a determination under Subsection (a)(1),  
21 the board may use the resources provided by the National  
22 Association of State Boards of Accountancy's National  
23 Qualification Appraisal Service, if the appraisal service has  
24 reviewed the education, examination, and experience requirements  
25 for certification or licensure in the other state and compared them  
26 to the requirements for licensure as a certified public accountant  
27 in this state.

1       (e) Notwithstanding any other provision of law, the board  
2 may prohibit an individual not licensed in this state from  
3 exercising the privileges of certificate and license holders of  
4 this state if the board determines that the individual has not met  
5 the requirements provided under Subsection (a)(2).

6       (f) An individual who is certified or licensed in another  
7 state as of January 1, 2025, maintains and exercises all the  
8 privileges of certificate and license holders of this state without  
9 obtaining a certificate or license of this state and shall be  
10 subject to the provisions ~~[obtains from the National Association of~~  
11 ~~State Boards of Accountancy's National Qualification Appraisal~~  
12 ~~Service verification that the individual's education, examination,~~  
13 ~~and experience qualifications are comparable to or exceed the~~  
14 ~~requirements for licensure as a certified public accountant of The~~  
15 ~~American Institute of Certified Public Accountants/National~~  
16 ~~Association of State Boards of Accountancy Uniform Accountancy Act~~  
17 ~~and the board determines that the licensure requirements of that~~  
18 ~~Act are comparable to or exceed the licensure requirements]~~ of this  
19 chapter.

20       SECTION 2. This Act takes effect September 1, 2025.

By: Sparks

S.B. No. 716

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the issuance of an occupational license to certain  
3 out-of-state applicants.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Title 2, Occupations Code, is amended by adding  
6 Chapter 61 to read as follows:

7 CHAPTER 61. LICENSING OF CERTAIN OUT-OF-STATE APPLICANTS

8 Sec. 61.001. DEFINITION. In this chapter, "license" means  
9 a license, certificate, registration, permit, or other form of  
10 authorization required by law or rule that must be obtained by an  
11 individual to engage in a particular business or occupation.

12 Sec. 61.002. APPLICABILITY; EXCEPTION. (a) This chapter  
13 applies only to the issuance of a license by any of the following  
14 licensing authorities:

15 (1) Executive Council of Physical Therapy and  
16 Occupational Therapy Examiners;

17 (2) Department of Public Safety of the State of Texas;

18 (3) Department of State Health Services;

19 (4) Health and Human Services Commission;

20 (5) State Board for Educator Certification;

21 (6) State Board of Dental Examiners;

22 (7) State Board of Veterinary Medical Examiners;

23 (8) Supreme Court of Texas;

24 (9) Texas Appraiser Licensing and Certification

1 Board;

2 (10) Texas Behavioral Health Executive Council;

3 (11) Texas Board of Architectural Examiners;

4 (12) Texas Board of Chiropractic Examiners;

5 (13) Texas Board of Nursing;

6 (14) Texas Board of Professional Engineers and Land

7 Surveyors;

8 (15) Texas Department of Insurance;

9 (16) Texas Department of Licensing and Regulation;

10 (17) Texas Medical Board;

11 (18) Texas Optometry Board;

12 (19) Texas State Board of Acupuncture Examiners;

13 (20) Texas State Board of Pharmacy;

14 (21) Texas State Board of Plumbing Examiners; and

15 (22) Texas State Board of Public Accountancy.

16 (b) This chapter does not apply to a license or other  
17 authorization required for the establishment or operation of a  
18 facility.

19 Sec. 61.003. ISSUANCE OF LICENSE TO CERTAIN OUT-OF-STATE  
20 APPLICANTS. (a) Notwithstanding any other law, a licensing  
21 authority described by Section 61.002(a) shall issue a license to  
22 an applicant who pays any required fees and:

23 (1) holds a current license in good standing in  
24 another state with a similar scope of practice, as determined by the  
25 licensing authority;

26 (2) has held the license for at least one year;

27 (3) was required to pass an examination or meet other

1 experience, education, or training requirements to obtain the  
2 license;

3 (4) does not have a disqualifying criminal history as  
4 determined by the licensing authority;

5 (5) has not been subject to the revocation or  
6 surrender of the license in any state due to unprofessional conduct  
7 or while under investigation for unprofessional conduct in the  
8 performance of work under the license;

9 (6) is not currently subject to ongoing discipline by  
10 a regulatory agency in connection with the applicant's license,  
11 including a probated suspension, limitation on scope of practice,  
12 or program of additional monitoring; and

13 (7) is not currently the subject of a complaint or  
14 investigation in the other state for an act that constitutes  
15 unprofessional conduct or an offense.

16 (b) For purposes of Subsection (a)(1), if the applicant  
17 holds a license of similar scope in more than one state, each  
18 license must be in good standing in each state.

19 (c) Before a license may be issued under Subsection (a), the  
20 licensing authority must request and receive from the other state  
21 confirmation that the applicant meets the requirements described by  
22 Subsection (a)(3).

23 (d) An applicant for a license under this section may be  
24 required to pass a jurisprudence examination specific to the  
25 relevant laws of this state applicable to the activities for which  
26 the license is sought if a similar examination is required to obtain  
27 the license for all other applicants.

1       (e) Each licensing authority described by Section 61.002(a)  
2       shall adopt rules to implement this section.

3       SECTION 2. (a) Each licensing authority to which Section  
4       61.003, Occupations Code, as added by this Act, applies shall adopt  
5       rules required by that section not later than January 1, 2026.

6       (b) Chapter 61, Occupations Code, as added by this Act,  
7       applies only to an application for a license submitted to a  
8       licensing authority to which that chapter applies on or after  
9       January 1, 2026.

10       SECTION 3. This Act takes effect September 1, 2025.

By: Harrison

H.B. No. 587

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a requirement that certain rules proposed by state  
3 agencies in the executive branch of state government be approved by  
4 certain elected state officials.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 2001.024, Government Code, is amended by  
7 adding Subsection (e) to read as follows:

8 (e) This subsection applies only to a rule proposed by a  
9 state agency in the executive branch of state government. In  
10 addition to any other requirement under this section, the notice of  
11 a proposed rule to which this subsection applies must include a  
12 certification that the rule has been reviewed and approved by the  
13 governor or, if the state agency providing notice of the proposed  
14 rule is governed by one or more elected state officers, an elected  
15 state officer of that agency. The certification must be signed by  
16 the governor or an elected state officer of the agency, as  
17 applicable.

18 SECTION 2. Section 2001.034, Government Code, is amended by  
19 adding Subsection (e) to read as follows:

20 (e) This subsection applies only to an emergency rule  
21 proposed under this section by a state agency in the executive  
22 branch of state government. Not later than the 10th day after the  
23 date a state agency adopts an emergency rule to which this  
24 subsection applies, the agency must submit the rule for approval by

1 the governor or, if the agency submitting the rule for approval is  
2 governed by one or more elected state officers, an elected state  
3 officer of that agency. Notwithstanding Subsection (c) of this  
4 section, if the governor or an elected state officer of the agency,  
5 as applicable, does not approve the emergency rule, the emergency  
6 rule may not be renewed by the agency and a rule that is  
7 substantially the same as the disapproved emergency rule may not be  
8 adopted by the agency under Sections [2001.023](#) and [2001.029](#).

9         SECTION 3. The changes in law made by this Act apply only to  
10 a state agency rule proposed on or after the effective date of this  
11 Act. A rule proposed before that date is governed by the law in  
12 effect on the date the rule was proposed, and the former law is  
13 continued in effect for that purpose.

14         SECTION 4. This Act takes effect September 1, 2025.

<p style="text-align: center;"><b>Agenda Item IV</b> <b>Report of the Joint Executive and Rules Committee</b> <b>January 15, 2025</b></p>
---

2. Designation of Board representatives to serve as resource witnesses and respond to questions during the 89<sup>th</sup> session of the Texas Legislature beginning January 14, 2025.

**DISCUSSION:** During this upcoming legislative session this agency may expect legislators to direct questions to this agency regarding the effect that proposed legislation may have on this agency's regulatory program. This agency needs to have individuals, with expertise, that can immediately respond to questions and possibly serve as resource witnesses. This could include informal discussions with individual legislators or their staff or testifying during legislative committee meetings. It is important that the agency have a point of contact for these inquiries.

**RECOMMENDATION:** Authorize the Presiding Officer, Executive Director and General Counsel to respond to legislative questions and possibly serve as resource witnesses.

**SUGGESTED MOTION:** Move to authorize Debra Seefeld, William Treacy and J. Randel Hill to represent the Board in responding to legislative questions and possibly serve as resource witnesses during the 89<sup>th</sup> Session of the Texas Legislature beginning January 14, 2025.

<p style="text-align: center;"><b>Agenda Item IV</b> <b>Report of the Joint Executive and Rules Committee</b> <b>January 15, 2025</b></p>
---

F. Review of NASBA/AICPA matters:

**DISCUSSION:** Ms. Seefeld, Presiding Officer, will present the following NASBA/AICPA matters:

- NASBA dates of interest
  - a. 30<sup>th</sup> Annual Conference for Board of Accountancy Legal Counsel, March 25 – 27, 2025 - Clearwater Beach, FL.
  - b. 43<sup>rd</sup> Annual Conference for Executive Directors & Board Staff, March 25 – 27, 2025 - Clearwater Beach, FL.
  - c. Western Regional Meeting, June 17 - 19, 2025 - New Orleans, LA.
  - d. 118<sup>th</sup> Annual Meeting, October 26 - 29, 2025 - Chicago, IL.

**RECOMMENDATION:** None by staff.

**SUGGESTED MOTION:** None by staff.

<p style="text-align: center;"><b>Agenda Item IV</b> <b>Report of the Joint Executive and Rules Committee</b> <b>January 15, 2025</b></p>
---

G. Review of general correspondence.

**DISCUSSION:** Ms. Seefeld, Presiding Officer, will review general correspondence coming to the Board's attention.

**RECOMMENDATION:** None by staff.

**SUGGESTED MOTION:** None by staff.



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](http://www.nasba.org)

October 10, 2024

Susan I. Adams, CPA  
12221 Merit Dr., Ste 1800  
Dallas, TX 75251

Dear Susan:

Thank you for your willingness to serve NASBA by being a member of the 2024-25 Bylaws Committee. We are looking forward to a progressive and productive committee year. The committee's charge is to:

*Review and consider best practices from various sources and recommend amendments to the Board of Directors for approval and subsequent vote by Member Boards.*

Your primary committee liaison is Brie Allen. Your committee chair, for the upcoming year, will be appointed at the annual meeting, October 27–30, 2024. You will be notified regarding your committee chair once assigned. Should you have any questions, please contact Brie, by email at [ballen@nasba.org](mailto:ballen@nasba.org) or by telephone at (615) 312-3777.

The committee selection and structure process has resulted in the consideration of certain factors related to the period of service (three years with the exception for special expertise and experience); definition of diversity (expanded to include states, regions, and firm size); structure and size (generally reduced to contribute to efficiency) and certain changes in members. We are also focused on a new leadership development program.

As Chair-Elect and President and CEO of NASBA, we are looking forward to working with you throughout this next committee year. We, as always, appreciate you spending your valuable time as a NASBA committee member.

Sincerely,

A handwritten signature in black ink that reads "Daniel J. Dustin".

Daniel J. Dustin, CPA  
President & CEO

A handwritten signature in black ink that reads "Maria E. Caldwell".

Maria E. Caldwell, CPA  
Chair-Elect

---

**From:** Tyson Slesnick <[twles@gmail.com](mailto:twles@gmail.com)>  
**Sent:** Thursday, November 14, 2024 2:28 PM  
**To:** TSBPA Licensing  
**Subject:** Martha Kuhl Kudos

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi Texas CPA Board -

I wanted to take a quick moment to commend Martha for her outstanding support in helping me navigate my CPA licensing and requirements.

Martha consistently provided exceptional client service, going above and beyond to ensure that my questions were not only answered but fully resolved. She displayed attentive listening, empathy, and a proactive approach, swiftly addressing any issues that arose. Thanks to her dedication and expertise, Texas CPAs are truly in good hands with Martha looking out for them.

Thank you,  
Tyson

--  
Tyson Slesnick  
[twles@gmail.com](mailto:twles@gmail.com)  
512.350.9811

---

**From:** Jennifer Matsuura <[Jennifer.Matsuura@hcv.t.com](mailto:Jennifer.Matsuura@hcv.t.com)>  
**Sent:** Monday, November 25, 2024 2:20 PM  
**To:** Rhonda Fellner <[RFellner@tsbpa.texas.gov](mailto:RFellner@tsbpa.texas.gov)>  
**Subject:** Re: CPE SPONSOR RENEWAL APPROVAL - 010712

Rhonda,

You are amazing! Thank you for quick turnaround! It's just unheard of in other states.

Happy Thanksgiving to you!

Take care,  
Jennifer

---

**From:** Rhonda Fellner <[RFellner@tsbpa.texas.gov](mailto:RFellner@tsbpa.texas.gov)>  
**Sent:** Monday, November 25, 2024 11:20 AM  
**To:** Jennifer Matsuura <[Jennifer.Matsuura@hcv.t.com](mailto:Jennifer.Matsuura@hcv.t.com)>  
**Subject:** [EXTERNAL] CPE SPONSOR RENEWAL APPROVAL - 010712

Jennifer,  
Attached is your 2025 CPE sponsor renewal approval.

**Rhonda Fellner**  
Sponsor Review Program Supervisor  
[rfellner@tsbpa.texas.gov](mailto:rfellner@tsbpa.texas.gov)

**Agenda Item V.**  
**Qualifications Committee Agenda**  
**January 15, 2025**

- A. Report from the Task Force concerning the Rules of Professional Conduct Exam as required for CPA certification.
- B. Discussion, consideration and possible action on requests from Texas Community Colleges to offer a Board-recognized internship course.
- C. Report on competency-based education offered at East Texas A&M University.
- D. Discussion, consideration and possible action on the work experience requirements for CPA certification.
- E. Report on review of ethics courses for CPA certification.
- F. Report on a paper written by Charles Thomas, PhD, CPA and presented to NASBA on *A Longitudinal Analysis of Exam Performance and Seasonal Patterns of Large and Small Accounting Programs in Texas*.
- G. Statistical report.
- H. Review of correspondence.

**Agenda Item V.**

**Qualifications Committee Agenda**

**January 15, 2025**

- A.** Discussion, consideration and possible action on the Board's Rules of Professional Conduct Exam as required for certification.

**DISCUSSION:** The Qualifications Committee Task Force charged with studying the Board's Rules of Professional Conduct Exam has concluded its work. Chair Marshall Pitman may provide an update on their work. Due to the security of the Rules of Professional Conduct Exam, only a high-level report may be offered.

**RECOMMENDATION:** Information only. No action is required.

**SUGGESTED MOTION:** Information only. No action is required.

**Agenda Item V.**

**Qualifications Committee Agenda**

**January 15, 2025**

- B.** Discussion, consideration and possible action on requests from Texas Community Colleges to offer a Board-recognized internship course.

**DISCUSSION:** Staff will present information received from Texas Community Colleges about internship courses for the committee's consideration.

**RECOMMENDATION:** Action item.

**SUGGESTED MOTION:** Action item.

**Agenda Item V.**

**Qualifications Committee Agenda**

**January 15, 2025**

**C.** Report on competency-based education offered at East Texas A&M University.

**DISCUSSION:** Caroline Hartmann, PhD, CPA may provide information on the competency-based education that is offered at East Texas A&M University. Dr. Hartmann is a faculty member at the university.

It should be mentioned that on November 7, 2024, the name of the educational institution was changed from Texas A&M University – Commerce to East Texas A&M University.

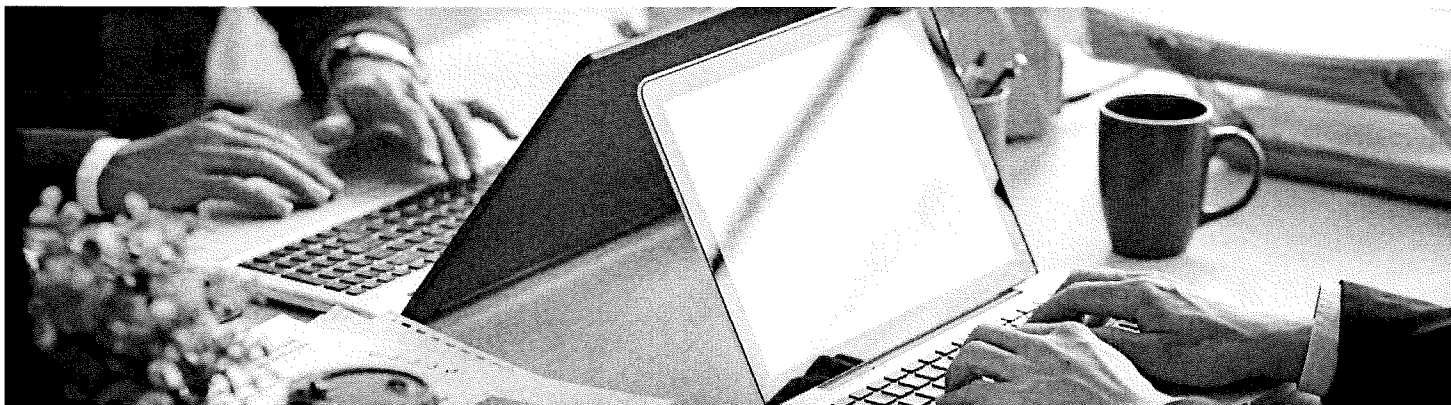
**RECOMMENDATION:** Information only. No action is required.

**SUGGESTED MOTION:** Information only. No action is required.

# Competency-Based Education

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# COMPETENCY BASED PROGRAMS AT EAST TEXAS A&M

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**Alternative Teacher Certification Competency-Based**



**Criminal Justice (BS) Law Enforcement Leadership Emphasis, Competency-Based \*\*Ideal for students with law enforcement training\*\***



**General Studies (BGS) Competency-Based**



**Health Services Administration (BAAS) Competency-Based**



**Human Resource Development (BAAS) Competency-Based**



**Nursing (RN-to-BSN) Competency-Based**



**Organizational Leadership (BAAS) Competency-Based**



**Pride Pathway (Bachelor's preparing for Educator Certification) Competency-Based**



**Public Administration, City Planning (BAAS) Competency-Based**



**Safety and Health (BAAS) Competency-Based**

# COMPETENCY BASED EDUCATION COURSES

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## **CBE 111 - Critical Thinking**

Hours: 3

Critical thinking is a necessary skill for anyone to be able to problem solve including making clear decisions and conclusions. This course dissects the components of arguments and helps students interpret them based on their own perspectives. The students are introduced to the processes of logical reasoning to interpret arguments and learn how to evaluate the quality of reasoning behind arguments, interpretations, and/or beliefs.

## **CBE 126 - Computer Information Systems**

Hours: 3

In this course, students examine how an information system (IS) can manage a business' processes and organization, as well as the factors that can influence a business selection of their IS. Students also study how databases are used in business to collect data, the different methodologies used to develop an IS, its functional systems, and the fundamentals of communication and networking within a system and among multiple systems. Students also evaluate the Internet's impact on the use of IS in organizations. Finally, students study the variety of roles and responsibilities within an IS department and the role of management, as well as ethical considerations and how an organization must protect itself against system threats.

## **CBE 130 - Introduction to Organizations**

Hours: 3

The course is an introduction to how organizations work in all of its forms (collegial, bureaucratic, political, and organized anarchical/cybernetical), with implications for leadership and followership approaches and practices. Sources of power will also be discussed.

## **CBE 201 - Supervision**

Hours: 3

This course introduces you to the world of work and the functions of a supervisor. Emphasis is placed on analyzing supervisory roles and the skills and competencies needed to be successful in today's ever-changing work environment.

## **CBE 225 - Record Keeping for Leaders**

Hours: 3

This competency course explores the foundational knowledge of record-keeping, including recording transactions, understanding financial statements and long-term liabilities, cash flow and financial statement analysis, and other budgeting tools that impact decision-making. Students learn how to make better business decisions based on information derived from analyzing transactions, financial statements, cost, and financial ratios.

**CBE 338 - Talent Ldrshp in HR**

Hours: 3

This course looks at the different roles that the human resource department plays in a company and the skills needed to accomplish the day-to-day activities of HR personnel. Emphasis is placed on the role of HR management in the strategic management process of a company. Processes used by HR departments to recruit talent, train, and conduct performance appraisals are covered. Workplace discrimination, labor laws, and global trends are also examined.

**CBE 339 - Legal Issues in Organizations**

Hours: 3

This competency course will explore legal issues in organizations including torts, crimes, intellectual property, contracts, negotiable instruments, agency, employment, as well as the law with respect to ethics and social responsibility, government regulation, personal property, real property, and international trade.

**CBE 342 - Leading Innovation**

Hours: 3

This course helps students develop the critical thinking skills needed for a role as an organizational leader, whether starting and operating a small business or not-for-profit organization or working for an existing corporation or company. In other words, the hallmark of a successful manager and leader is treating the company for which an individual works as if it were your own. As such, this course develops the basic skills individuals need to evaluate opportunities that can be applied across myriad managerial and leadership positions, anticipate challenges, assess the best course of action, monitor its progress, make adjustments, develop competitive advantages, seize and respond to opportunities, adapt to market changes, and the like.

**CBE 346 - Numbers for Leaders**

Hours: 3

This course covers key components of financial leadership by exposing students to the financial skills needed for professional and personal success. Emphasis is on analyzing and interpreting data to write, decide and lead competently in both personal and professional arenas.

**CBE 347 - Research Methods**

Hours: 3

The course is an introduction to two main categories of research methodology-- quantitative and qualitative research-- and their related components, including sample or case selection procedures, data gathering techniques, data analytical procedures. Some references are made to mixed methods, also.

**CBE 350 - Proposal Writing and Grants Administration**

Hours: 3

Basic steps in researching funding ideas, including how to use the Internet as a fundamental tool and the detailed steps required for preparing funding applications. Focus on the skills and tools needed to monitor funds once grants have been awarded.

**CBE 356 - Personal Branding and Identity**

Hours: 3

This course will guide students through the process to research and create a personal brand and identity using social and career networking platforms. Students will explore best practices to create and sustain their personal brand that is aligned to their career goals after graduation.

#### **CBE 422 - Project Management for Leaders**

Hours: 3

Students will explore a leader's responsibility for conceiving, designing, implementing, and managing the organization's overall objectives, culture, and environment as part of the project management process. Within this context, the course primarily focuses on understanding project management, aligning project management with the organization, project management oversight, projects as capital investments, globalization, and resources optimization.

#### **CBE 431 - Developing Globally Competent Leaders**

Hours: 3

This course dissects the components of global competence and helps students to interpret them in relation to the critical role of leadership. Students are introduced to a wide variety of resources that have been shown to improve levels of global competence. Upon completion of the course, students are expected to better interpret and understand their own strengths and development areas that may benefit from further study and attention

#### **CBE 477 - Writing with Artificial Intelligence (AI)**

Hours: 3

Students will learn how artificial intelligence (AI) technologies can be used to enhance and inspire various forms of writing. Students will gain practical experience in using AI as a collaborative tool for writing and research while exploring the ethical and creative implications of AI in the writing process.

**Agenda Item V.**

**Qualifications Committee Agenda**

**January 15, 2025**

- D.** Discussion, consideration and possible action on the work experience requirements for CPA certification.

**DISCUSSION:** Staff collected forms used by boards of accountancy to document the work experience of applicants for CPA certification.

The Texas Board Rules that establish the criteria for work experience are provided along with the work experience form that is currently being used.

The committee is asked to review this material and provide guidance on any amendments that may be needed to the work experience Rules and the form.

**RECOMMENDATION:** Information only. No action is required.

**SUGGESTED MOTION:** Information only. No action is required.

### **511.121 – Application for Approval of Experience**

(a) The board, through an applicant's submission of qualifying supervised work experience, shall insure that the applicant applying for the CPA certificate has demonstrated high standards of professional competence, integrity, independence, and learning.

(b) Acceptable work experience defined in §511.123 of this chapter (relating to Reporting Work Experience) shall be gained in at least one of the following areas:

(1) attest services as defined in §501.52(4) of this title (relating to Definitions);

(2) professional accounting services or professional accounting work as defined in §501.52(22) of this title.

(c) The board, on a case-by-case basis, may approve other areas of work experience which are recognized as non-routine accounting work.

(d) An applicant for certification as a CPA shall submit an application for approval of work experience. The application shall be made on a form prescribed by the board and submitted after completion of the UCPAE.

(e) Acceptable work experience shall be commensurate with the provision of §901.256 of the Act (relating to Work Experience Requirements).

(f) No advance rulings on the acceptance of work experience will be given.

### **511.122 – Acceptable Work Experience**

(a) Work experience shall be gained under the supervision of CPAs who are currently licensed and in good standing with this board or with another state board of accountancy as defined in §511.124 of this chapter (relating to Acceptable Supervision), and who is experienced in the non-routine accounting area assigned to the applicant.

(b) Non-routine accounting involves attest services as defined in §501.52(4) of this title (relating to Definitions), or professional accounting services or professional accounting work as defined in §501.52(22) of this title, and the use of independent judgment, applying professional accounting knowledge and skills to select, correct, organize, interpret, and present real-world data as accounting entries, reports, statements, and analyses extending over a diverse range of tax, accounting, assurance, and control situations.

(c) Acceptable work experience shall be gained in the following categories or in any combination of these:

(1) Client practice of public accountancy. All client practice of public accountancy experience shall be of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters and the applicant is supervised, evaluated and reviewed by a CPA who is currently licensed and in good standing in a properly licensed CPA firm that is in good standing with the firm's licensing board.

(2) Unlicensed business entity. Work experience gained in an unlicensed business entity shall be of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters and the applicant is supervised, evaluated and reviewed by a CPA who is currently licensed and in good standing. Unlicensed business entity experience may include, but is not limited to:

(A) providing management or financial advisory or consulting services;

(B) preparing tax returns;

(C) providing advice in tax matters;

(D) providing forensic accounting services;

- (E) providing internal auditing services; and
- (F) business valuation services.

(3) Industry practice. All work experience gained in industry shall be internal to the organization and of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters and may include: providing management or financial advisory internal services; preparing tax returns; providing advice in tax matters; providing forensic accounting services; and providing internal auditing services.

(A) Examples of industries may include, but are not limited to:

- (i) commercial business enterprise;
- (ii) non-profit/charitable organization;
- (iii) financial institution; and
- (iv) health care entity.

(B) Acceptable industry work experience positions may include, but are not limited to:

- (i) internal auditor;
- (ii) staff, senior, fund or tax accountant;
- (iii) accounting, financial or accounting systems analyst; and
- (iv) controller.

(4) Government practice. All work experience gained in government shall be of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters and which meets the criteria in subparagraphs (A) - (E) of this paragraph. The board will review on a case-by-case basis experience which does not clearly meet the criteria identified in subparagraphs (A) - (E) of this paragraph. Acceptable government work experience includes, but is not limited to:

(A) employment in state government as an accountant or auditor at Salary Classification B14 or above, or a comparable rating;

(B) employment in federal government as an accountant, auditor or IRS revenue agent;

(C) employment as a special agent accountant with the Federal Bureau of Investigation or equivalent position at a governmental entity;

(D) military service, as an accountant or auditor as a Second Lieutenant or above; and

(E) employment with other governmental entities as an accountant or auditor.

(5) Law firm practice. All work experience gained in a law firm shall be of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters comparable to the experience ordinarily found in a CPA firm, shall be under the supervision of a CPA or an attorney, and shall be in one or more of the following areas:

(A) tax-planning, compliance and litigation; and

(B) estate planning.

(6) Education.

(A) Internal work experience gained at an educational institution shall be of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters and may include: providing management or financial advisory internal services; preparing tax returns; providing advice in tax matters; providing forensic accounting services; and providing internal auditing services without an opinion.

(B) Work experience gained as an instructor at an educational institution may qualify if evidence is presented showing independent thought and judgment was used on non-routine accounting matters. Only the teaching of upper division courses on a full-time basis may be considered. All experience shall be supervised by the department chair or a faculty member who is a CPA.

(7) Internship. The board will consider, on a case-by-case basis, experience acquired through an approved accounting internship program, provided that the experience was non-routine accounting as defined by subsection (b) of this section.

(8) Other. Work experience gained in other positions may be approved by the board as experience comparable to that gained in the practice of public accountancy under the supervision of a CPA upon certification by the person or persons supervising the applicant that the experience was of a non-routine accounting nature which continually required independent thought and judgment on important accounting matters.

(9) Self-employment may not be used to satisfy the work experience requirement unless approved by the board.

### **Rule 511.123 – Reporting Work Experience**

(a) The board requires a minimum of one year of work experience as described in §511.122 of this chapter (relating to Acceptable Work Experience) which shall be obtained in one of the following ways:

(1) full-time employment consisting of 40 or more hours per week completed in no less than 12 months; or

(2) part-time employment consisting of a minimum of 20 hours per week until 2000 hours of accounting work experience have been completed. Part-time work experience must be completed in no more than 24 months from the date the work begins.

(b) All work experience presented to the board for consideration shall be accompanied by the following items:

(1) a statement from the supervising CPA describing the non-routine work performed by the applicant and a description of the important accounting matters requiring the applicant's independent thought and judgment;

(2) a statement from the supervising CPA describing the type of experience that the CPA possesses which qualifies the CPA to supervise the applicant; and

(3) an affidavit from the supervising CPA stating that he has supervised the applicant's work; and offers his opinion that the applicant is qualified to perform all the accounting related work assigned to the applicant in accordance with the professional standards required by the board as defined in §501.62 of this title (relating to Other Professional Standards).

### **511.124 – Acceptable Supervision**

(a) Acceptable supervision must be performed by a CPA experienced in the non-routine accounting area assigned to an applicant and who holds an active license or permit in this state or another state and has not been exempted from the board's CPE during the period of supervision. If the applicant's work experience and CPA supervision is gained through the client practice of public accountancy, as defined in §511.122 of this chapter (relating to Acceptable Work Experience), the CPA and the CPA firm must be properly licensed and in good standing with the licensing board where the applicant performs the work experience.

(1) Supervision is provided whenever the person being supervised reports to, is instructed by, is reviewed by, and is evaluated directly by the supervisor. The supervisor in this capacity may be in an intermediate level of supervision above the applicant.

(2) Where there is no CPA, acceptable supervision may be gained if the following conditions are met:

(A) a properly licensed CPA firm that is in good standing with the firm's licensing board is engaged to provide supervision, review, and evaluation of work experience; and

(B) the supervision, review, and evaluation of work is performed on a routine and recurring basis to permit the CPA firm to provide documentation of work experience;

(C) the CPA firm does not perform attest services for which independence is required for the applicant or the applicant's employer; and

(D) the CPA assigned to provide the supervision is employed by the CPA firm and is currently licensed and in good standing with the firm's licensing board and experienced to provide such supervision in the non-routine accounting area assigned to the applicant.

(3) Telecommunications equipment and computers may be used to facilitate supervision. The board requires detailed documentation if such devices are used to facilitate supervision.

(b) It is the responsibility of an applicant to document that supervision was adequate and effective in any situations inconsistent with the above examples.

## **Agenda Item V.**

### **Qualifications Committee Agenda**

**January 15, 2025**

#### **E. Report on review of ethics courses for CPA certification.**

**DISCUSSION:** In 2003, the Board amended its Rule to require CPA Exam applicants to take a Board-approved three-semester hour ethics course. The requirements are contained in Board Rule 511.164 – *Definition of 150 Semester Hours to Qualify for Issuance of a Certificate*, and provided below.

*(3) a three-semester hour board-approved standalone course in accounting or business ethics. The course must be taken at a recognized educational institution and should provide students with a framework of ethical reasoning, professional values, and attitudes for exercising professional skepticism and other behavior in the best interest of the public and profession. The ethics course shall:*

*(A) include the ethics rules of the AICPA, the SEC, and the board;*

*(B) provide a foundation for ethical reasoning, including the core values of integrity, objectivity, and independence; and*

*(C) be taught by an instructor who has not been disciplined by the board for a violation of the board's rules of professional conduct, unless that violation has been waived by the board;...*

Since 2003, staff has maintained a list of ethics courses that meet the requirements. Additions and deletions have been made to the list to keep it current. In November 2024, correspondence was sent to the faculty members who teach the ethics course requesting the current syllabus, class schedule and ethics matrix along with the resume or CV of the faculty members. The syllabus, class schedule and ethics matrix were reviewed to determine if the required topics outlined in the Rule were being covered. Based on the responses received, some previously approved courses no longer meet the Texas requirements and have been removed. The list is posted on the Board's website as a resource to Texas applicants.

**RECOMMENDATION:** Information only. No action is required.

**SUGGESTED MOTION:** Information only. No action is required.



TEXAS STATE BOARD  
of PUBLIC ACCOUNTANCY

William Treacy, Executive Director

[www.tsbpa.texas.gov](http://www.tsbpa.texas.gov)

505 E. Huntland Drive, Suite 380  
Austin, Texas 78752-3757

P: (512) 305-7800

F: (512) 305-7854  
(512) 305-7875

November 8, 2024

**TO: College and University Faculty who teach the Board-Approved Ethics Course**

Greetings,

The Qualifications Committee of the Texas State Board of Public Accountancy has requested a review of the ethics courses that are offered at the colleges and universities. Please email copies of the following documents to Mr. Christian Jones at [cjones@tsbpa.texas.gov](mailto:cjones@tsbpa.texas.gov) by **November 30, 2024**:

- Course syllabus
- Course schedule
- Ethics matrix - [edu23.pdf](#)
- Resume or CV for each instructor who teaches the course

During the review we will confirm that the ethics course contains the following required components. An excerpt from Board *Rule 511.164* is provided and supports the necessity for these components. Students taking a Board-approved ethics course may be assured that it meets this education requirement for the CPA certificate.

1. Ethical reasoning - 15%
2. Integrity - 15%
3. Objectivity - 15%
4. Independence (as it pertains to accounting) - 15%
5. Other core values - 15%
6. AICPA, SEC, and the Texas Board of Accountancy ethics rules - 15%
7. Ethical theory - 10%

***Rule 511.164 - Definition of 150 Semester Hours to Qualify for Issuance of a Certificate***

*(3) a three-semester hour board-approved standalone course in accounting or business ethics. The course must be taken at a recognized educational institution and should provide students with a framework of ethical reasoning, professional values, and attitudes for exercising professional skepticism and other behavior in the best interest of the public and profession. The ethics course shall:*

Administration/  
Accounting  
(512) 305-7800  
[accounting@tsbpa.texas.gov](mailto:accounting@tsbpa.texas.gov)

CPE  
(512) 305-7844  
[licensing@tsbpa.texas.gov](mailto:licensing@tsbpa.texas.gov)

Enforcement  
(512) 305-7866  
[enforcement@tsbpa.texas.gov](mailto:enforcement@tsbpa.texas.gov)

Exam/  
Qualifications  
(512) 305-7851  
[exam@tsbpa.texas.gov](mailto:exam@tsbpa.texas.gov)

Licensing  
(512) 305-7853  
[licensing@tsbpa.texas.gov](mailto:licensing@tsbpa.texas.gov)

Sponsor Review  
(512) 305-7832  
[specprog@tsbpa.texas.gov](mailto:specprog@tsbpa.texas.gov)

*(A) include the ethics rules of the AICPA, the SEC, and the board;*

*(B) provide a foundation for ethical reasoning, including the core values of integrity, objectivity, and independence; and*

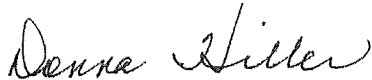
*(C) be taught by an instructor who has not been disciplined by the board for a violation of the board's rules of professional conduct, unless that violation has been waived by the board.*

**When the required information is received, the following review will be conducted:**

- Does the course syllabus reflect that all required components and the percentages, are taught in the course?
- Does the course include the Texas Board of Accountancy ethics rules?
- Is the course instructor a CPA and if so, has the instructor been disciplined by the Board for a violation of the *Rules of Professional Conduct*?

Once the review is completed, the college or university will be informed if the ethics course meets the Board's requirements. If additional information is needed, staff will contact the faculty member assigned to teach the ethics course. Should you have questions about this review, please feel free to contact me at (512) 305-7818.

Best regards,  
Texas State Board of Public Accountancy



Donna Hiller  
Director of Qualifications

**Texas State Board of Public Accountancy  
Ethics Matrix**

Institution:		Initial Review	
Instructor:		Subsequent Review	
Course Number:		Recommendation	
Date:			

Board Requirements - Syllabus	Provided	Omitted
Instructor - Office Hours - Method of Contact		
Required Text		
Course Objectives		
Method of Grading		
Independent/Small Group Research		
Exams		
Class Participation		
Scholastic Honesty Policy		
Detailed Daily Class Schedule		

Topical Coverage	Range of Topical Coverage	Approximate % of Topical Coverage (see notes)	Method of Delivery (see notes)
Coverage of Ethical Reasoning	min 15%		
Coverage of Integrity	min 15%		
Coverage of Objectivity	min 15%		
Coverage of Independence	min 15%		
Coverage of Other Core Values	min 15%		
Incorporation of AICPA, SEC, and TSBPA ethics rules	min 15%		
Coverage of ethical theory	min 10%		
<b>Total</b>		<b>100%</b>	

**Notes**

% of Course - 0%; 1%-5%; 6%-10%; 11%-15%; 16%-20%; 21%-40%; 41%-60%; 61%-80%; 80%-100%

Method of Delivery - (C) Case Studies; (D) Class Discussion; (G) Guest Speaker; (I) Independent/Small Group Research; (L) Lecture; (R) Reading

Incorporated in Topical Coverage	Yes	No
Accounting Case Studies		
Accounting Moral Dilemmas		
Business and General Case Studies		
Business and General Moral Dilemmas		

**Board Approved Ethics Courses**  
**Meeting Education Requirements for the**  
**Uniform CPA Examination**

**December 17, 2024**

**Board Rule 511.164(a)(3) – Definition of 150 Semester Hours to Qualify for Issuance of a Certificate** requires the completion of a three-semester hour Board-approved standalone course in accounting or business ethics to be eligible for the Texas CPA Certificate . The ethics course is not required to take the CPA Examination. The Board established specific criteria for an ethics course to be accepted. For additional information on the requirements, refer to [Texas Administrative Code \(state.tx.us\)](http://Texas Administrative Code (state.tx.us)) and the Board’s website at [www.tsbpa.texas.gov](http://www.tsbpa.texas.gov) at [TSBPA - Ethic Course Requirements \(texas.gov\)](#) The following courses listed are recognized by the Board as meeting this requirement.

**NOTE:** Only courses that contain the ethics rules of the AICPA, the SEC and the Texas State Board of Public Accountancy may be considered to meet the ethics course requirements. Ethics courses that include the rules of other boards of accountancy shall not replace the requirement for coverage of the Texas State Board of Public Accountancy Rules of Professional Conduct. (Chapter 501). Courses that are not shown on the listing below may be considered after information documenting the requirements is provided and approved.

UNIVERSITY	COURSE TITLE	INSTRUCTOR
Abilene Christian University	MACC 622/640.01 – Ethics and the Accounting Profession	Clint Buck, DBA, CPA
Angelo State University	ACCT 6332 – Ethics in Accounting	Rusty Calk, CPA
Auburn University	ACCT 5810/6810 – Corporate Governance & Accounting Ethics	Greg Jenkins
Austin Community College	ACNT 1335/1370 – Accounting Ethics	Larry Stephens, CPA
Baylor University	ACC 4350 & 5335 – Business & Professional Ethics for Accountants	Michael Rodriguez
Brigham Young University	MSB 571 – Ethics for Accounting	Jim Harmon
Clemson University	ACCT 8540 – Ethical, Professional & Societal Responsibilities	Suzy Pearce, CPA
Dallas Baptist University	MANA 4342/6320 – Business Ethics – mini-terms available	Bob Reader Jaime Grandstaff, CPA Rick Martinez Justin Gandy Grace Paterson, CPA Woody Woodruff, CPA
	ACCT 6320 – Accounting Business Ethics	Ross O'Brien
East Texas Baptist University	ACCT 5304 – Accounting Ethics BUAD 3367 – Business & Accounting Ethics	Sarah Palmer

UNIVERSITY	COURSE TITLE	INSTRUCTOR
Harding University	Bus 4350 – Christian Business Ethics	Jim Shelton, PhD Sarah McGaha Karen Corker
Houston Baptist University	BUSA 3320 – Business Ethics PHIL 3320 – Business Ethics	Jeremy Neill, PhD
Houston Community College	ACNT 1335 – Accounting Ethics	Marina Grau, PhD, CPA Glenn McQueary, II, CPA Donald Bond, CPA Hong Phan, CPA Amanda Silberman, CPA
Lamar University	BULW 5340 – Business Ethics ACCT 3350 – Professional Ethics	Tim McCoy, PhD, CPA Don Warren
LeTourneau University	ACCT 4423 – Accounting Ethics	Beverly Rowe, PhD, CPA
Louisiana State University	ACCT 7401 – Ethics for Professional Accountants	Thomas Phillips, PhD
Louisiana State University - Alexandria	ACCT 4150 – Accounting Ethics	Kent Lachney, PhD
Lubbock Christian University	ACC 3320 – Business Ethics	Josh Saurwein
McMurry University	BUSI 4385 – Business Ethics ACCT 5345 – Ethical & Legal Environment of Accounting	Frank Badua, PhD Sheila Warren, CPA
Miami University	ACC 480/580 Accounting & Business Ethics	Jon Pyzoha, PhD, CPA
Midwestern State University	BUAD 3323 – Business Ethics	Susan Anders, PhD, CPA
Mississippi State	ACC 8153 – Ethics in Accounting	Casey Camors, PhD, CPA
Mountain View College	ACNT 1335 – Accounting Ethics	Craig Black, CPA, CPA
New Mexico State University	ACCT 459/559 – Ethics in Accounting	Robert Ewing, PhD
Oklahoma State University	ACCT 4553/5840 – Ethics for Public Accounting	Rachel Cox Elizabeth Tori
Our Lady of the Lake University	ACCT 4320/8325 – Professional Ethics	Kathryn Winney, CPA Michelle Avila, CPA
Rice University	MACC 501 – Accounting Ethics and Professionalism	Lee Ann Butler, JD V. Richard Viebig, CPA
St. Edward's University	ACCT 3320 – Accounting Ethics ACCT 6312 – Accounting Ethics	Fred Tedesco, CPA Katherine Lopez, PhD, CPA
St. Mary's University	BA 4333/5333 – Business and Professional Ethics	Suzanne Oliva, JD, CPA
San Antonio College	ACNT 1335 – Accounting & Business Ethics	Pamela Ansboury, CPA
Sam Houston State University	ACCT 5379 – Professional Ethics and Responsibilities ACCT 4379 – Professional Accounting Ethics and Responsibilities	Trevor England, JD, CPA, PhD Dan Puhl, CPA
Southern Methodist University	ACCT 3391 – Ethics for Accountants ACCT 6391 – Ethics in Accounting	Scott Hensley, Ed.D
Southwestern Oklahoma State	ACCTG 3823 – Ethics in Accounting	Sarah King, CPA
Stephen F. Austin State University	ACC4365/5365 – Accounting Ethics	Marie Kelly, CPA
Tarleton State University	ACC 4323 – Ethics for Accountants ACC 5323 – Ethics for Accountants	Charles Thomas, CPA Jiwoo Seo, PhD
Texas A&M International University	ACC 5344 – Seminar in Ethics for Accountants	Jui-Chin Chang
Texas A&M University – Central Texas	ACC 4323/5340 – Ethics for Accountants	Robert Tennant, PhD Anthony Fulmore, PhD
Texas A&M University – College Station	ACC 450 and ACC 650 – Accounting Ethics	Brent Garza Michael Head, CPA
Texas A&M University – Commerce	ACC 430/530 – Business Ethics for Accountants	Caroline Hartmann, CPA
Texas A&M University – Corpus Christi	ACCT4345/5345 – Ethics for Accountants and Business Executives BLAW 4345/5345 – Ethics for Accountants and Business Executives (effective Fall 2023)	Hsiao-Tang (Tom) Hsu
Texas A&M University – Kingsville	ACC 4305 – Accounting Ethics ACC 5308 – Accounting Ethics	Kendra Huff, CPA, PhD Marina Grau, CPA, PhD
Texas A&M University – San Antonio	AC 5308 – Accounting Ethics	Dennis Elam, PhD

UNIVERSITY	COURSE TITLE	INSTRUCTOR
Texas A&M University – Texarkana	GBUS 450 – Ethics in Business ACCT 430 – Ethics in Business	Salena Jefferies, CPA Fred Norton Paul Goodchild
Texas Christian University	ACCT 50450 – Moral Reasoning & ACCT 50460 – Ethics for Accounting Professionals <b>Both Courses Must be Taken</b>	Marc Neri, PhD
Texas Lutheran University	ACCT 571 – Accounting Ethics	Sally Cook, JD, CPA Anthony Mitchell, EdD, CPA Melanie Thompson, CPA
Texas State University – San Marcos	ACC 5389 – Corporate Governance and Ethics	Kasey Martin, CPA Ann Watkins, PhD Carolyn Conn, CPA, PhD Billy Brewster Linda Campbell
Texas Tech University	ACCT 5332 – Business Ethics	Jason Rinaldo, PhD
Texas Wesleyan University	ACC 4336/5336 – Ethics & Professionalism in Accounting	Kimberly Webb, PhD, CPA
Texas Women's University	BUS 5563 – Accounting Ethics	Pamela Smith Baker, PhD, CPA
Trinity University	BUSN 5349 – Seminar in Law, Ethics, & Professional Responsibilities	Linda B. Specht, JD, CPA
Tulane University	ACCN 7100 – Ethics in Accounting & Finance	Laura White, JD
University of Arizona	ACCT 515 – Ethics for Professional Accountants	Ann McGrath
University of California – San Diego	MGTP 416 – Ethics in Accounting & Business	Wade Lindenberger, PhD
University of Dallas	ACCT 6390 – Business Ethics for Accountants	Enoch Asare, DBA, CPA Jennifer Bannister, PhD Rodney Jarrell, CPA
University of Georgia	ACCT 7660 – Special Topics in Accounting: Professional Ethics	Timothy Keadle, CPA
University of Houston – Clear Lake	ACCT 4346 – Business Ethics for Accountants	Susan Sorenson, CPA, PhD
University of Houston – Downtown	ACC 4306 – Ethical Accounting Practices	Don Holmes, CPA
	BA 3308 – Business Ethics	David Maldonado, JD
	ACC 6320 – Ethics and Legal Issues in Accounting	Don Holmes, CPA
University of Houston – Main Campus	GENB 5304/7304 – Business Ethics for Accountants	Michael Newman, CPA, PhD
	BUSI 4305 – Business Ethics for Accountants	Robert Brant, CPA
University of Houston – Victoria	ACC 6374 – Seminar in Accounting Ethics	Yingxu Kuang, DBA
University of Kansas	ACCT 727 Accounting & Professional Ethics	Lana Scroggins, PhD
University of Mary Hardin- Baylor	BACC 4350/6350 – Ethics for Accountants	Tiffany De Luze, DBA Jerome Lockett, DBA
University of Missouri	ACCT 8401 – Topics in Accounting – Ethics	Elise Bartley
University of Nebraska – Lincoln	ACCT 407 – Ethics and Accountants	Kathryn Maresh
	ACCT 807 – Professional Responsibilities	Kathryn Maresh
University of North Texas – Dallas	ACCT 3380 – Ethics for Accountants	Pat Wynn, CPA Pam Thompson, CPA
University of North Texas - Denton	ACCT 5200 – Business Ethics	Allison McLeod, PhD, CPA Scott Stoval, PhD
University of Notre Dame	MSA 70175 – Ethics in Accounting ACCT 40750 – Accounting Ethics	Brian Levey, JD
University of Oklahoma – Norman	ACC 5403 – Accounting Ethics	Beth Stetson, PhD
University of Oregon	ACTG 410/510 – Professional Ethics for Accountants	Mary Savage, JD, CPA
University St. Thomas	ACC 6399 – Professional Ethics & Social Responsibility	Marina Grau, PhD, CPA
University of Southern California – Los Angeles	ACCT430/ 530 – Ethics for Professional Accountants	James Leonetti
University of Texas – Arlington	ACCT 4380/5380 – Ethics for Accountants	Cherie Henderson, PhD
University of Texas - Austin	BGS 381N – Social & Ethical Responsibilities of Accounting	Dean Bredeson, PhD
University of Texas – Dallas	ACCT 6335 – Ethics for Professional Accountants	Tiffany Bortz, CPA

UNIVERSITY	COURSE TITLE	INSTRUCTOR
University of Texas – El Paso	ACC 3329/5329 – Ethics in Accounting	Sarah Robertson, CPA
University of Texas – Permian Basin	ACC 6313 – Professional Ethics	Roy Wayne Counts, PhD, CPA
	MGMT 3370 – Business Ethics	Michele Harman, EdD
University of Texas – Rio Grande Valley	ACCT 6380 – Professional Ethics	John Darcy, PhD
University of Texas – San Antonio	ACC 5163 – Ethics and Accountant's Professional Responsibility	Stacy Conrad, CPA Patrick Lee
University of Texas – Tyler	BLAW 4340 – Business and Professional Ethics BLAW 5340 – Business and Professional Ethics (available in Spring 2024 and thereafter)	Tammy W. Cowart, JD Kathy Kapka, CPA
University of the Incarnate Word	ACCT 4318/6318 – Ethics for Accounting & Business	April Poe, CPA Trish Driskell, CPA
University of Tulsa	ACC 4083/6083 – Professional Issues in Accounting	Elaine Jolly, CPA
University of Virginia	GCOM 738 – Ethics in Business, Accounting & Auditing	Roger D. Martin, PhD, CPA
Wake Forest University	ACC 390 – Ethical and Professional Responsibilities of Accountants ACC 393 – Professional and Ethical Responsibilities of Accountants – Case Practicum <b>Both courses must be taken</b>	Ann Brooks Jim Willis, PhD
	ACC 690 – Ethical and Professional Responsibilities of Accountants ACC 693 – Professional and Ethical Responsibilities of Accountants – Case Practicum <b>Both courses must be taken</b>	Andrew Collins, PhD Jim Willis, PhD
Wayland Baptist University	ACCT 4334/5304 – Business Ethics for Accountants	George Valentine, CPA
West Texas A&M University	ACCT 6321 – Ethical Solutions in Professional Accounting	William Biggs, JD David Clark, CPA Abraham Carr, PhD

END

**Agenda Item V.**

**Qualifications Committee Agenda**

**January 15, 2025**

- F. Report on a paper written by Charles Thomas, PhD, CPA and presented to NASBA on *A Longitudinal Analysis of Exam Performance and Seasonal Patterns of Large and Small Accounting Programs in Texas*.

**DISCUSSION:** Charles Thomas, PhD, CPA at Tarleton State University presented a paper to NASBA entitled, *A Longitudinal Analysis of Exam Performance and Seasonal Patterns of Large and Small Accounting Programs in Texas*. Copy provided. The committee may find the information helpful as it considers CPA Exam performance of Texas applicants.



LongitudinalAnalysis-  
s-ExamPerformance-

**RECOMMENDATION:** Information only. No action is required.

**SUGGESTED MOTION:** Information only. No action is required.

**Agenda Item V.**

**Qualifications Committee Agenda**

**January 15, 2025**

**G. Statistical report.**

**DISCUSSION:** The following statistical data is provided for review.

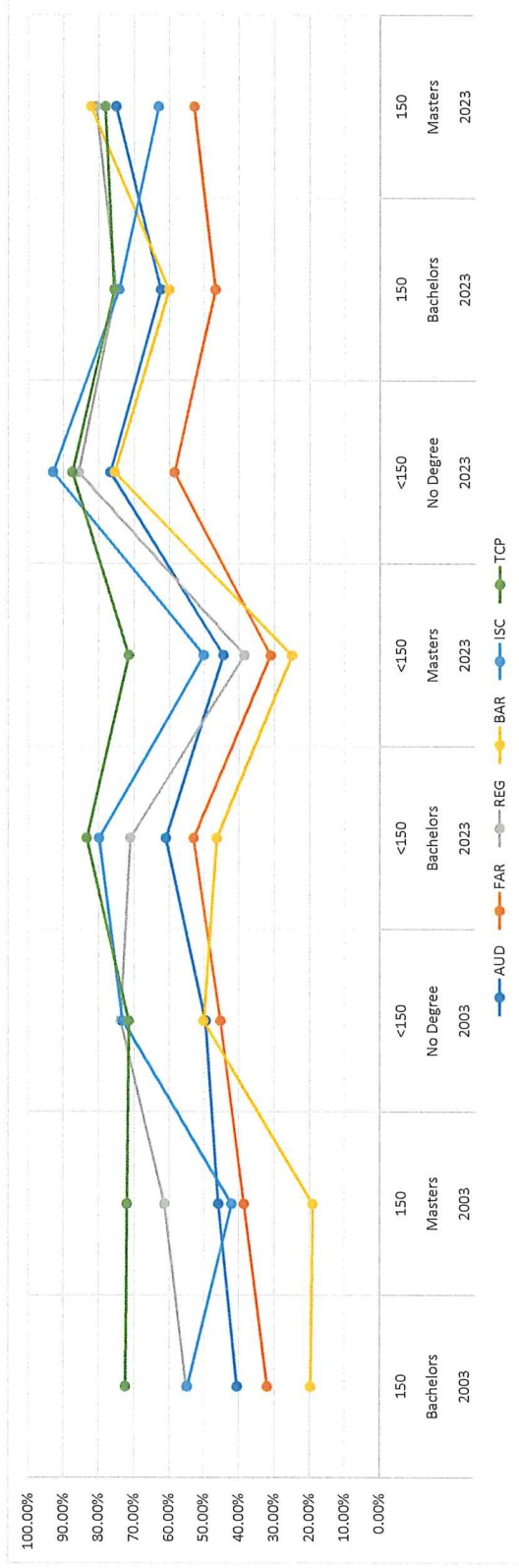
**RECOMMENDATION:** Information only. No action required.

**SUGGESTED MOTION:** Information only. No action required.

# Texas CPA Exam Results - 12/30/2024

Tested - January 10, 2024 through December 10, 2024

	By Degree - 2003 Act						By Degree - 2023 Act											
	Bachelors			Masters			No Degree <150			Bachelors <150			Masters <150			No Degree <150		
	Tested	Passed	Tested	Tested	Passed	Tested	Tested	Passed	Tested	Tested	Passed	Tested	Tested	Passed	Tested	Tested	Passed	Tested
<b>Totals</b>	<b>2210</b>	<b>1125</b>	<b>2838</b>	<b>1185</b>	<b>1392</b>	<b>2122</b>	<b>481</b>	<b>198</b>	<b>553</b>	<b>382</b>	<b>449</b>							
AUD	721	277	465	207	120	60	292	171	29	14	306	228	148	90	129	78		
FAR	844	268	562	213	139	57	453	215	55	18	382	221	209	96	194	97		
REG	714	399	475	290	140	99	257	182	25	14	283	236	124	90	104	82		
BAR	142	28	110	21	8	4	54	25	8	2	57	43	40	24	62	51		
ISC	150	82	76	32	26	19	109	87	6	3	128	119	31	23	27	17		
TCP	225	163	150	108	35	25	48	40	7	5	48	42	45	34	41	32		



**Texas CPA Exam Results**  
December 30, 2024

Qualifications Code	Tested - September 1, 2023 through December 31, 2023											
	AUD			BEC			FAR			REG		
	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %
Pre-2003	1	1	100.0%	2	1	50.0%	8	2	25.0%	6	2	33.3%
2003 B	622	302	48.6%	1299	550	42.3%	386	155	40.2%	443	256	57.8%
2003 M	482	262	54.4%	1004	437	43.5%	362	152	42.0%	364	223	61.3%
2003 W 5YR	133	69	51.9%	215	107	49.8%	61	25	41.0%	101	64	63.4%
2023 B	19	12	63.2%	104	54	51.9%	5	1	20.0%	6	1	16.7%
2023 M	3	2	66.7%	24	8	33.3%	1	1	100.0%	2	1	50.0%
2023 W 5YR	5	4	80.0%	70	53	75.7%	0			0		
2023 B W150	11	6	54.5%	31	19	61.3%	9	6	66.7%	5	3	60.0%
2023M W150	10	9	90.0%	35	20	57.1%	6	2	33.3%	3	2	66.7%

Qualifications Code	Tested - January 10, 2024 through February 6, 2024 - Score Release Date April 24, 2024																	
	AUD			BEC			FAR			REG			BAR			ISC		
	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %
Pre-2003													0			2	1	50.0%
2003 B													12	4	33.3%	14	9	64.3%
2003 M													10	1	10.0%	6	1	16.7%
2003 W 5YR													2	1	50.0%	2	2	100.0%
2023 B													2	1	50.0%	3	3	100.0%
2023 M													6	5	83.3%	3	3	100.0%
2023 W 5YR													3	3	100.0%	2	2	100.0%
2023 B W150													1	1	100.0%	0	1	100.0%
2023M W150																		

Qualifications Code	January 10, 2024 through March 26, 2024 - Score Release Date June 4, 2024																	
	AUD			BEC			FAR			REG			BAR			ISC		
	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %
2003 B	216	80	37.0%				277	85	30.7%	197	118	59.9%						
2003 M	150	79	52.7%				147	61	41.5%	149	90	60.4%						
2003 W 5YR	49	26	53.1%				44	18	40.9%	31	26	83.9%						
2023 B	43	27	62.8%				112	65	58.0%	57	46	80.7%						
2023 M	5	2	40.0%				12	4	33.3%	3	1	33.3%						
2023 W 5YR	135	103	76.3%				198	118	59.6%	91	80	87.9%						
2023 B W150	23	14	60.9%				56	32	57.1%	18	13	72.2%						
2023M W150	14	12	85.7%				53	32	60.4%	22	16	72.7%						

Qualifications Code	April 20, 2024 through May 19, 2024 - Score Release Date June 28, 2024																	
	AUD			AUD			BEC			FAR			REG			BAR		
	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %
2003 B																		
2003 M																		
2003 W 5YR																		
2003 B																		
2003 M																		
2003 W 5YR																		
2003 B W150																		
2003M W150																		

Qualifications Code	April 1, 2024 through July 25, 2024 - Score Release Date July 31, 2024																	
	AUD			AUD			BEC			FAR			REG			BAR		
	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %
Pre-2003																		
2003 B																		
2003 M																		
2003 W 5YR																		
2003 B																		
2003 M																		
2003 W 5YR																		
2003 B W150																		
2003M W150																		

Qualifications Code	July 1, 2024 through July 31, 2024 - Score Release Date September 10, 2024																	
	AUD			AUD			BEC			FAR			REG			BAR		
	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %
2003 B																		
2003 M																		
2003 W 5YR																		
2003 B																		
2003 M																		
2003 W 5YR																		
2003 B W150																		
2003M W150																		

Qualifications Code	July 1, 2024 through September 25, 2024 - Score Release Date November 1, 2024																	
	AUD			AUD			BEC			FAR			REG			BAR		
	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %
2003 B	262	91	34.7%	293	92	31.4%	230	133	57.8%									
2003 M	166	70	42.2%	227	84	37.0%	163	99	60.7%									
2003 W 5YR	33	17	51.5%	46	15	32.6%	60	40	66.7%									
2023 B	126	70	55.6%	224	94	42.0%	102	72	70.6%									
2023 M	11	6	54.5%	30	9	30.0%	12	9	75.0%									
2023 W 5YR	57	37	64.9%	91	51	56.0%	45	32	71.1%									
2023 B W150	63	37	58.7%	104	47	45.2%	56	39	69.6%									
2023M W150	73	36	49.3%	101	48	47.5%	47	36	76.6%									

Qualifications Code	October 1, 2024 through October 31, 2024 - Score Release Date December 10, 2024																	
	AUD			AUD			BEC			FAR			REG			BAR		
	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %
2003 B										45	12	26.7%	55	28	50.9%	90	61	67.8%
2003 M										42	9	21.4%	37	14	37.8%	49	31	63.3%
2003 W 5YR										3	1	33.3%	10	4	40.0%	11	8	72.7%
2023 B										25	6	24.0%	57	43	75.4%	38	30	78.9%
2023 M										6	1	16.7%	3	1	33.3%	4	2	50.0%
2023 W 5YR										10	5	50.0%	19	17	89.5%	11	9	81.8%
2023 B W150										14	7	50.0%	10	4	40.0%	26	17	65.4%
2023M W150										14	9	64.3%	10	5	50.0%	20	15	75.0%

Qualifications Code	October 1, 2024 through December 26, 2024 - Score Release Date - February 2025																	
	AUD			AUD			BEC			FAR			REG			BAR		
	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %	Tested	Passed	Pass %
2003 B																		
2003 M																		
2003 W 5YR																		
2023 B																		
2023 M																		
2023 W 5YR																		
2023 B W150																		
2023M W150																		

**Agenda Item V.**

**Qualifications Committee Agenda**

**January 15, 2025**

H. Review of correspondence.

**DISCUSSION:** Staff will present correspondence for the committee's consideration.

**RECOMMENDATION:** Information only. No action is required.

**SUGGESTED MOTION:** Information only. No action is required.

<p style="text-align: center;"><b>Agenda Item VI</b> <b>Report on Licensing Department Programs</b> <b>January 16, 2025</b></p>
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- Ms. Espinoza-Riley, Licensing Committee Chair, will provide an update on the January 25, 2025 Swearing-in Ceremony.

The Board will hold its next Swearing-in Ceremony on January 25, 2025 at the Palmer Events Center in Austin. We will have a total of 206 new CPAs in attendance and 22 fifty-year honorees. The following Board members will attend and participate in the ceremony: Ms. Crawford, Ms. Espinoza-Riley, Mr. Neuhoff, Ms. Seefeld, and Mr. Trippon.

**Outstanding candidates to be recognized in January:**

**Patrick Walter Poe\***

Ernst & Young LLP - Houston  
University of Mississippi  
Master of Accountancy

**Jinglei Peng**

BDO USA PC - Houston  
UT- Austin  
Bachelor of Business Administration

**Benjamin Edward Ramsay**

Deloitte & Touche LLP - Houston  
Texas A&M University- College Station  
Master in Financial Management

**Grant Jeffrey Heckenkemper**

L&H CPAs Advisors - Dallas  
Oklahoma State University  
Master in Accounting

**Anthony Carol Pogue**

ATKG Advisors LLC – Laredo  
Texas A&M International University  
Master of Professional Accountancy

**Edwin O'Neal Johnson Jr.**

Baker Tilly US LLP - Plano  
UT- Arlington  
Master in Accounting

**Conner Michael Callahan**

Deloitte & Touche LLP – Houston  
UT- Austin  
Master in Professional Accounting

**Adam Robert Dalton**

Deloitte Tax LLP - Dallas  
Brigham Young University  
Master in Accounting

**Mark Allen Thompson**

Deloitte Tax LLP – Houston  
Texas A&M University- College Station  
Master in Financial Management

**Minze Ouyang**

Ernst & Young LLP - Houston  
UT- Austin  
Master in Professional Accounting

**Diego Vazquez De Anda**

Deloitte Tax LLP - Dallas  
Southern Methodist University  
Bachelor of Business Administration

\*Elijah Watt Sells Award recipient

**Agenda Item VII**  
**Behavioral Enforcement Committee**  
**October 17, 2024**

The Behavioral Enforcement Committee met on October 17, 2024, by video conference, at 10:00 a.m.

**Members Present**

Jeannette P. Smith, CPA  
*Committee Chair*  
Susan Adams, CPA  
Jill A. Holup  
Bennett Allison, CPA  
Patrick Durio, CPA  
Phillip D. Johnson, CPA  
Robert Ogle, CPA

**Staff Present**

Paulette Beiter, Esq.  
J. Randel (Jerry) Hill, Esq.

**A. AFTER GIVING THESE MATTERS DUE CONSIDERATION, THE COMMITTEE RECOMMENDS THEY BE DISMISSED BASED UPON VOLUNTARY COMPLIANCE WITH THE ACT AND THE RULES:**

- **Investigation Nos. 24-08-06L & 24-08-07L:** Respondents allegedly either failed to complete an engagement or refund a portion of the pre-paid fees. **(Board action required)**

**B. OTHER:** The committee considered other matters during its meeting; however, no action is required.

**Agenda Item VII**  
**Behavioral Enforcement Committee**  
**December 5, 2024**

The Behavioral Enforcement Committee met on December 5, 2024, by video conference at 10:00 a.m.

**Members Present**

Jeannette P. Smith, CPA  
*Committee Chair*  
Susan Adams, CPA  
Jill A. Holup  
Bennett Allison, CPA  
Patrick Durio, CPA  
Phillip D. Johnson, CPA  
Robert Ogle, CPA

**Staff Present**

Paulette Beiter, Esq.  
J. Randel (Jerry) Hill, Esq.

**A. AFTER GIVING THESE MATTERS DUE CONSIDERATION, THE COMMITTEE RECOMMENDS THEY BE DISMISSED BASED UPON INSUFFICIENT EVIDENCE OF A VIOLATION OF THE *RULES* OR THE *ACT*:**

**1. Investigation Nos. 24-09-01L & 24-09-02L:** Respondents allegedly transferred and disclosed a client's confidential information to a third party without his permission. **(Board action required)**

**2. Investigation Nos. 24-10-03L & 24-10-04L:** Respondents allegedly prepared a client's returns incorrectly resulting in a large tax liability for a client. **(Board action required)**

**B. OTHER:** The committee considered other matters during its meeting; however, no action is required.

<p style="text-align: center;"><b>Agenda Item VIII</b> <b>Technical Standards Review Committee</b> <b>November 20, 2024</b></p>
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The Technical Standards Review Committee met on Wednesday, November 20, 2024, by video conference beginning at 11:00 a.m.

**Members Present**

Ray R. Garcia, CPA

*Committee Chair*

Kimberly Crawford, CPA

Susan Warren, CPA

Douglas Koval, CPA

Dilliana Stewart, CPA

Juliet Williams, CPA

**Member Absent**

Sheila Vallés-Pankratz

**Staff Present**

J. Randel (Jerry) Hill, Esq.

John Moore, Esq.

- **OTHER:** The committee considered four matters during its meeting. At this time three of the matters do not require Board action. One matter is on the Board Agenda for approval at this meeting, under Agenda Item IX.

**Agenda Item IX**  
**Consideration of Agreed Consent Orders &**  
**Administrative Disciplinary Actions**  
**January 16, 2025**

**A. AGREED CONSENT ORDERS**

**Behavioral Enforcement Committee**

- Investigation No. 24-07-09L

**Technical Standards Review Committee**

1. Investigation No. 24-07-01L
2. Investigation No. 23-11-08L
3. Investigation Nos. 24-07-02L & 24-07-03L
4. Investigation Nos. 24-09-04L & 24-09-05L

**B. ADMINISTRATIVE DISCIPLINARY ACTIONS**

1. Investigation Nos. 24-08-10001 - 24-08-10100
2. Investigation Nos. 24-09-10001 - 24-09-10072
3. Investigation Nos. 24-08-10101 - 24-08-10275
4. Investigation Nos. 24-09-10073 - 24-09-10256
5. Investigation Nos. 24-08-10276 - 24-08-10290
6. Investigation Nos. 24-09-10257 - 24-09-10285

**B. ADMINISTRATIVE DISCIPLINARY ACTIONS**

**1. Respondents: In The Matter of Disciplinary Action Against Certain Licensees for Nonpayment of Licensing and Late Fees for Three Consecutive License Periods**

The Respondents failed to pay their licensing fees for three consecutive license periods. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the certificate of each Respondent still not in compliance be revoked without prejudice. Each Respondent may regain his or her certificate by paying all license fees and late fees and by otherwise coming into compliance with the Act. Respondents violated *Act Section 901.502(4) (failure to pay license fees for three consecutive years)*. No Board committee considered these actions.

- 1. Investigation Nos. 24-08-10001 - 24-08-10100
- 2. Investigation Nos. 24-09-10001 - 24-09-10072

**2. Respondents: In The Matter of Disciplinary Action Against Certain License Holders for CPE Delinquencies**

The Respondents failed to comply with CPE reporting requirements found in Chapter 523 of the *Rules* and *Act Section 901.411 (Continuing Professional Education)*. The Respondents, although provided with a preliminary report and having been notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the license of each Respondent still not in compliance be suspended for a period of three years, or until he or she complies with the licensing requirements of the Act, whichever is sooner. Additionally, staff recommends a \$100 penalty be imposed for each year a Respondent is not in compliance with the Board's CPE requirements. Respondents violated Board *Rules 501.94 (Mandatory CPE)*; and *523.111 (Required CPE Reporting)*; as well as *Act Section 901.411*. No Board committee considered these actions.

- 3. Investigation Nos. 24-08-10101 - 24-08-10275
- 4. Investigation Nos. 24-09-10073 - 24-09-10256

**3. Respondents: In The Matter of Disciplinary Action Against Certain Certificate Holders for Failure to Complete License Notice**

The Respondents failed to complete their license renewal notices in accordance with Board *Rule 515.3 (License Renewals for Individuals and Firm Offices)*. Respondents, although properly notified of the proposed disciplinary action and their

right to a hearing on the matter, failed to request a hearing. Staff recommends the certificate of each Respondent not in compliance be revoked without prejudice until such time as the Respondent complies with the requirements of the *Rules* and the *Act*. Respondents violated *Act Section 901.502(12) (Violations of Board Rules)*. No Board committee considered these actions.

5. Investigation Nos. 24-08-10276 - 24-08-10290

6. Investigation Nos. 24-09-10257 - 24-09-10285

<p style="text-align: center;"><b>Agenda Item X</b> <b>Review of Future Meetings/Hearing Schedules</b> <b>January 16, 2025</b></p>
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- I. **DISCUSSION:** Schedule of dates for 2025 Board and committee meetings, hearings, and other activities are attached for your information.

**RECOMMENDATION:** None by staff.

**SUGGESTED MOTION:** None by staff.

<p style="text-align: center;"><b>Agenda Item XI</b> <b>Adjournment</b> <b>January 16, 2025</b></p>
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I. **DISCUSSION:** The presiding officer will entertain a motion to adjourn.

**RECOMMENDATION:** None required.

**SUGGESTED MOTION:** None required.