

4-1913

C. P. A. Legislation: Tennessee

Tennessee

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C. P. A. Legislation

All of the above errors have been adjusted and the books are now in agreement with my statements presented herewith, which include Manufacturing and Profit and Loss Statements for the year, also Statement of Assets and Liabilities as at October 31, 1912. In my judgment the results contained therein are correct.

Very respectfully yours,

DAVID HENDERSON,
Accountant and Auditor.

C. P. A. Legislation

TENNESSEE *

The following act creating the degree of C.P.A. in Tennessee has been recently adopted:

AN ACT to establish a State Board of Accountancy and prescribe its duties and powers; to provide for the granting and the revoking of certificates to Accountants who qualify under the provisions of this Act, and to provide a penalty for violation of this Act.

SECTION 1. *Be it enacted by the General Assembly of the State of Tennessee,* That there is hereby established a State Board of Accountancy, to consist of Five members, to be appointed by the Governor within thirty days after the passage of this Act, all the members of which shall be practising Public Accountants in this State who have been actively engaged in such practice on their own account or as senior accountants in the offices of reputable Public Accountants for at least three years next preceding such appointment; two of whom shall be selected from the State-at-large and shall hold office for the terms of three years each; and one each of the other three of whom shall be selected respectively from each of the three Grand Divisions of the State commonly known as West, Middle and East Tennessee, to hold office respectively for the terms of one, two and three years, as designated by the Governor in his appointments; and upon the expiration of each of said terms the successor to each member shall be appointed in the same manner for the term of three years, but after January first, nineteen hundred and fourteen, all Accountants to serve on this Board must be holders of C. P. A. certificates under the provisions of this Act. Any vacancies that may occur from any cause shall be filled by appointment to be made by the Governor for the unexpired term.

SEC. 2. *Be it further enacted,* That any citizen of the United States (or person who has duly declared his intention of becoming such citizen), being over the age of twenty-one years and of good moral character, residing or having an office in the State of Tennessee, who shall, as

* See letter of F. W. Pike under heading of Correspondence, explaining and commenting upon the Tennessee act.

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hereinafter provided, receive from the Tennessee State Board of Accountancy a certificate of his qualifications to practise as an expert public accountant, shall be known and styled as a Certified Public Accountant; but no other person, nor any corporation, nor any partnership, all the members of which have not received such certificate, shall assume such title, or the title of "Certified Accountant," or "Chartered Accountant," or the abbreviations "C.P.A." or "C.A.," or any other words, letters or abbreviations tending to indicate that the person, firm or corporation so using the same is a certified public accountant.

SEC. 3. *Be it further enacted*, That examinations of persons applying for certificates under this Act shall be held in Nashville at least once a year or oftener, at the discretion of the Board. The subjects in which applicants shall be examined are: (1) theory of accounts; (2) practical accounting; (3) auditing, and (4) commercial law, as affecting accountancy.

No person shall be permitted to take such examination unless he shall have been practising continuously on his own account as a Public Accountant for at least one year; or shall have been continuously employed in the office of a Public Accountant as an assistant for at least two years; or shall have been continuously employed as a chief or head bookkeeper for at least three years; or shall present an academic diploma or other equally satisfactory evidence, in such manner as required by the Board, proving that he has successfully completed a course of studies and instruction in any State or country which is equivalent to the requirements for graduating from the highest grade of High Schools in this State.

All examinations herein provided for shall be conducted by the State Board of Accountancy, or by a majority thereof. The time and place for holding examinations shall be duly advertised for not less than three consecutive days in at least one daily newspaper published in each of the four most populous cities of the State not less than thirty days prior to the date of each examination.

The Board may make all needful rules and regulations regarding the scope of the examinations, the method and time of filing applications for examination and all other rules and regulations necessary to carry into effect the purposes of this Act.

SEC. 4. *Be it further enacted*, That the Board may, in its discretion, waive the examination of any person possessing the qualifications stated in Section 2 of this Act who (1) is the holder of a C. P. A. certificate issued under the laws of another State which extends similar privileges to certified public accountants of this State; provided, the requirements for said certificate in the said State are, in the opinion of the Board, equivalent to the requirements in this State; (2) is the holder of a certificate of Certified Public Accountant, or Chartered Accountant, or the equivalent thereof, issued under the laws of any foreign government; provided, the requirements for said certificates are, in the opinion of the Board, equivalent to the requirements of this State; (3) has, for at least three years next preceding the date of his application, been practicing as a public accountant, the last three months of which have been in this

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State, and who shall apply in writing to the Board for such certificate within three months after the appointment of said Board by the Governor.

SEC. 5. *Be it further enacted*, That the Board may revoke any certificate issued under this Act if the holder thereof (1) shall be convicted of a felony, or (2) shall be declared by any court of competent jurisdiction to have committed any fraud, or (3) shall be declared by any court or commission to be insane or otherwise incompetent, or (4) shall be held by this Board to be guilty of any act or default discreditable to the profession, or (5) in case the certificate shall have been issued to the holder thereof on account of his holding a C. P. A. or C. A. certificate from another State or country which has, after the issue of this certificate from this Board, in any way depreciated the standard or equivalent of its privileges or requirements in accordance with the provisions of this Act; provided, that written notice of the cause of such contemplated action and the date of the hearing thereon by this Board shall have been mailed to the holder of such certificate at his last known address at least twenty-five days prior to such hearing. At all such hearings the Attorney-General of this State, or one of his assistants designated by him, may sit with the Board as legal counsellor and advisor of the Board and to prepare for any legal action that may be determined upon by the members of the Board.

SEC. 6. *Be it further enacted*, That a uniform fee of twenty-five (\$25.00) dollars shall be charged by the Board for each examination or certificate, or both, same to be paid in advance and to accompany application.

In case of the failure on the part of any applicant to attend the examination at the date specified by said Board, or to pass a satisfactory examination, said applicant may appear at the next examination of said Board for re-examination upon the payment of the further sum of ten (\$10.00) dollars.

From the fees collected under this Act the Board shall pay all expenses incident to the examinations, the expenses of issuing certificates, the traveling expenses of members of the Board and their compensation and their maintenance expenses when performing their duties under this Act; PROVIDED THAT NO EXPENSE INCURRED UNDER THIS ACT SHALL BE A CHARGE AGAINST THE FUNDS OF THIS STATE. Any surplus of receipts over expenses in excess of the sum of FIVE HUNDRED (\$500.00) dollars shall, at the end of each calendar year, be deposited by the Treasurer of the Board with the State Treasurer to the credit of the State School Fund. The members of this Board shall be paid an amount not exceeding fifteen (\$15.00) dollars per day to each member for the time actually spent, and also all necessary traveling and maintenance expenses incurred in the performance of his duties under this Act.

The Board shall report annually to the Governor the number of certificates issued and the amount of receipts and disbursements under this Act.

SEC. 7. *Be it further enacted*, That if any person, or corporation,

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represents himself, or itself, to the public as having received the certificate provided for in this Act, or if he shall advertise himself as a Certified Public Accountant, or Certified Accountant, or Chartered Accountant, or use the initials C. P. A. or C. A., or otherwise falsely hold himself out as having qualified under this Act, while practising in this State, without having actually received a certificate from the State Board of Accountancy, or if, having received such certificate, he shall continue to practise as a Certified Public Accountant after said certificate has been revoked, or if any person shall otherwise violate any of the provisions of this Act, he shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than one hundred (\$100.00) dollars, nor more than five hundred (\$500.00) dollars, or imprisonment for not less than one month nor more than six months, or both, in the discretion of the court.

SEC. 8. *Be it further enacted*, That if any person practising in the State of Tennessee as a Certified Public Accountant, under this Act, or who is in the practice of public accountancy as a Certified Public Accountant, or otherwise, shall wilfully falsify any report or statement bearing on any examination, investigation or audit made by him, or under his direction, he shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not less than one hundred (\$100.00) dollars nor more than one thousand (\$1,000.00) dollars, or shall be imprisoned for a term of not less than three months nor more than one year, or both such fine and imprisonment, for each time and for each item in which he may so falsify such reports.

SEC. 9. *Be it further enacted*, That nothing herein contained shall be construed so as to prevent any person from being employed as a public accountant within this State.

SEC. 10. *Be it further enacted*, That all acts or parts of acts in conflict with the provisions of this Act are hereby repealed.

SEC. 11. *Be it further enacted*, That this Act shall take effect from and after its passage, the public welfare requiring it.

The Georgia Society of Certified Public Accountants

At the regular annual meeting of the Georgia Society of Certified Public Accountants, held in Atlanta, February 22, 1913, the resignation of A. J. Haltiwanger as president was presented, and accepted with regret. The following officers were elected: President, Joel Hunter, Atlanta; vice-president, Alonzo Richardson, Atlanta; secretary-treasurer, Charles Neville, Savannah. James Furse, C.P.A., Savannah, was elected a member of the society.

A general discussion took place on matters affecting the profession of accountancy in the southeastern states, and the members pledged themselves to an educational campaign for the purpose of emphasizing the value of audit work by competent accountants.