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A Message from the Chairman and President & CEO

400,000 of anything is an impressive quantity. Now that number represents something very meaningful to the CPA profession. By the close of our fiscal year on July 31, 2014, the AICPA’s membership surpassed 400,000. Only 43 cities across the country can claim more residents than we have members. In fact, our membership touches every corner of the United States, along with 144 other countries. Our size and scope represent the diversity, vitality and relevance of the accounting profession.

William E. Balhoff, CPA, CGMA, CFF
Chairman of the Board of Directors

The profession’s voice is one of integrity, demonstrating an unwavering dedication to the soundness of our nation’s financial fabric and global business operations. We are examples of commitment — to excellent work, to community engagement and to preparing our profession for the future. Most of all, our number represents strength. When we speak with one voice, as a professional body, we have a resounding message: The CPA profession makes business, our communities, our country and the world a better place. Your commitment and contributions fuel the CPA credential’s tremendous respect and reach.

Membership growth also reflects the extremely hard work of volunteer members serving on AICPA boards, committees and expert panels, and a dedicated staff that delivers your membership’s value. AICPA membership has risen by more than 20% in just the last few years, an indication of an active and vibrant profession that continues to attract ambitious and committed professionals. A Sageworks survey ranked accounting as the most profitable profession in the country, proving that America relies heavily on CPAs and the services we provide. The profession’s growth and vigor point to a bright future for CPAs.

We proudly share with you our 2013-14 Annual Report, highlighting some of the successes and initiatives that will make this bright future possible.

Quality is the foundation for our profession’s power. The AICPA launched the Enhancing Audit Quality initiative to drive improved performance and quality in financial statement audits of private entities. A discussion paper released in August 2014 explains our plans, proposals and ideas for how to continue maintaining audit excellence in an increasingly complex environment. Stakeholder input, requested by Nov. 7, will be considered and influence how we move forward. The EAQ initiative includes changing elements of the current peer review program, which has been an AICPA membership requirement for 25 years; revisiting auditing and quality control standards; developing resources and tools to assist practitioners; and reinforcing professional ethics. The EAQ paper also introduces another upcoming concept paper that will outline replacing the peer review program with a near real-time practice-monitoring program using advanced technologies and human oversight. The overall EAQ initiative will provide more robust protection of the public interest and promote enhanced audit effectiveness.

Your commitment and contributions fuel the CPA credential’s tremendous respect and reach.

A strong and relevant Uniform CPA Examination® is the first step in maintaining the strength of the CPA profession. The CPA Exam is the touchstone for assessing candidates’ skills and knowledge to enter our demanding and highly respected profession. The AICPA, which constantly enhances the exam to ensure its ongoing rigor and relevance, is collecting feedback for the next version of the exam that focuses on the competencies needed to protect the public interest in an increasingly complex marketplace. To shape the design and structure of the next exam, launching in 2017, we are inviting stakeholder input from all corners of the profession and business world to gain a broad perspective of what newly licensed CPAs will need to know. Under the oversight of the Board of Examiners, this comprehensive research project includes strong representation from the state boards of accountancy as well as firms, academia and business and industry. Along with the start of this major research effort to maintain the exam’s relevance, 2014 also marked the 10th anniversary of the computerized CPA Exam.
Our growing community of Chartered Global Management Accountant designation holders continues to advance the profession’s recognition as trusted advisers within organizations. With a strong management accounting foundation and community, more than 43,000 U.S. CGMA® designation holders are enabling better decision-making and building better businesses. The AICPA and our joint venture partner — the Chartered Institute of Management Accountants — have launched a competency framework that raises the skills of CGMAs in the marketplace. The Harvard ManageMentor, Finance Impact Tool and CGMA Competency Framework help them keep up to date with best practices, identify organizations’ current strengths and growth areas and stay on the cutting edge of finance function developments.

A global strategic case study exam, launching in 2015, will reinforce the rigor of the CGMA designation and further elevate the value that designation holders bring to their employers. The value of the CGMA will be on display later this year. Through the CGMA designation, the AICPA and CIMA will be front and center as the Imperial Sponsor of the November 2014 World Congress of Accountants. This truly global event will further showcase the CPA profession and CGMA in the international spotlight.

The Financial Reporting Framework for Small- and Medium-Sized Entities, released in 2013, is gaining solid marketplace acceptance. Many CPA firms already are providing FRF for SMEs™ financial statement preparation services to their clients. Public knowledge is growing as we educate banks and other financial statement users about the benefits of the framework for their customers and organizations. In fact, an American Bankers Association Banking Journal article advised ABA members that they should accept FRF for SMEs-based statements to remain competitive in the small business market.

Helping members deliver quality services to those they serve is a source of great pride for the AICPA. The AICPA’s Private Companies Practice Section launched the Center for Plain English Accounting™ to help local and regional firms provide quality accounting and auditing services to hundreds of thousands of our nation’s businesses.

The AICPA also is committed to helping firms navigate today’s rapid pace of technological change. In May, CPA2Biz became CPA.com to more closely align with its mission of empowering CPAs and businesses for the digital age. With the rebirth in outsourced finance and accounting services occurring at firms nationwide, CPA.com continues to build its portfolio of firm solutions, resources for the Digital CPA community, and workshops and training for a vertical best practices approach.

The AICPA has been a leader on important advocacy issues affecting members, their clients and organizations, and the public. Working with state CPA societies, we are a force for positive change in areas that include regulation, tax and legislation. As part of our commitment to protect the public, the AICPA has raised questions about the Internal Revenue Service’s new voluntary tax preparer compliance program. We repeatedly informed the IRS of our concern and ultimately filed a lawsuit asserting that the rule is an unlawful exercise of government power. We believe the IRS’s approach offers taxpayers insufficient protection from incompetent or unethical preparers who would simply not join the program. The program also causes confusion for consumers because it creates multiple new and diverse categories of tax return preparers and suggests that the IRS endorses preparers who volunteer for the program. We also believe that the IRS, at a minimum, must provide for a public comment period — which did not occur with the current program.

We drive and embrace developments and trends so our profession can shape change rather than react to it.

William E. Balhoff, CPA, CGMA, CFF
Chairman of the Board of Directors

Barry C. Melancon, CPA, CGMA
President & CEO
As result of the AICPA’s commitment and persistence, the public and policymakers will have access to more understandable information on government spending. A nearly five-year collaborative effort with state CPA societies resulted in passage of the Digital Accountability and Transparency Act, which improves the presentation of government financial information. While it was a time-consuming effort, it also was a reminder of what can be accomplished when stakeholders within the profession come together and work toward a common goal.

Tax concerns remain a central issue, especially when proposed legislation would cause our members unnecessary hardship. One piece of proposed legislation would do just that by requiring pass-through entities to switch from the cash basis method to the accrual method for tax purposes. This is one of our many efforts to support CPA firms. We have worked with member firms and state CPA societies to alert Congress to the many drawbacks of the legislation. Members’ letters — hundreds of them — have drawn significant attention to this issue. In August, 46 Senators from both political parties sent a letter to the Senate Finance Committee opposing elimination of the cash basis method. Additionally, in September, 233 representatives signed a bipartisan letter strongly urging preservation of the cash basis method.

We’ve worked to maintain and expand member competence by leading a movement to revamp education and CPE models to better align with today’s learning best practices. Based on the findings of the Future of Learning Task Force, the AICPA is evolving its learning offerings to provide more personalized, relevant opportunities for CPAs to build their competence. Moving from an hours-based CPE compliance approach to a competency-based approach also is being considered.

AICPA membership has risen by more than 20% in just the last few years, an indication of an active and vibrant profession that continues to attract ambitious and committed professionals.

By shifting to a real-time, purposeful learning model, CPAs will be equipped to offer faster responses to organizational and client needs by relying on enhanced learning opportunities that provide access to the information they need, when they need it, in the format that works best for them. As pioneers in continuing professional education, we are again at the forefront of educational reform.

An Advanced Placement high school accounting course in development will help fill the pipeline of future CPA candidates. As part of our commitment to enhancing accounting education, a task force of the Pathways Commission — a joint project of the AICPA and the American Accounting Association — is developing a proposed AP high school accounting course. Many students pick a career before they reach college, so a high school AP course that appeals to the best and brightest students would introduce and connect more of them to the profession. State CPA societies have been integral in championing this effort by providing letters of support and committing resources to advance it.

For more than a decade, the AICPA has been a proud leader in the push to improve the public’s understanding of personal finances. In 2014, we celebrated the 10-year anniversary of 360 Degrees of Financial Literacy®. Our profession-wide commitment to this campaign has helped improve Americans’ financial futures. Adults, young and old, have a better grasp of financial issues, thanks to our initiatives. The success of our campaign is ripping outward, creating a national wave as financial literacy programs become more popular in schools. Many are making these courses a graduation requirement.

We drive and embrace developments and trends so our profession can shape change rather than react to it. We position CPAs as premier financial professionals and provide forward-thinking resources that accelerate members’ knowledge and value. At the same time, your commitment is the backbone of our profession and the fuel that powers us all. Thank you for your support, your trust and your input. As your professional home, the AICPA welcomes the opportunity, every day, to power you forward.
A community of more than 400,000 members now powers our profession. Great achievements happen when so many work together toward a goal. Did you know it took 400,000 people to land Apollo 11 on the moon? From the tailors who put together each spacesuit to the engineers who created a special heat shield, an incredible number of people contributed to one of the most spectacular feats of the 20th century. Imagine what 400,000 AICPA members can do. This annual report presents some examples.

- To make consistent, reliable and searchable federal spending data available to taxpayers and policymakers, the AICPA worked with state CPA societies to secure passage of the Digital Accountability and Transparency Act.

- Patent assertion entities often target CPA firms and small- and medium-sized businesses with frivolous lawsuits alleging patent infringement. State CPA societies and the AICPA supported legislation that protects CPA firms and many of the businesses they serve from patent assertion entities.

- Modifying the definition of fiduciaries under the Employee Retirement Income Security Act to exclude employee stock ownership plan appraisers is part of bipartisan Senate and House bills the AICPA supported. Under ERISA, fiduciaries should not include CPAs who perform ESOP valuations, but they should instead be subject to Department of Labor rules that would set minimum qualification requirements.

- Protecting CPAs from securities fraud class action lawsuits was the focus of an AICPA amicus brief filed with the U.S. Supreme Court in connection with Halliburton Company v. Erica P. John Fund. While the final Supreme Court ruling kept the existing precedent largely intact, it created an opportunity for defendants in a securities class action suit to defeat the suit at the certification stage.

- In the wake of AICPA advocacy efforts regarding mandatory audit firm rotation, Public Company Accounting Oversight Board Chair James Doty has said the board is no longer actively working to require companies to change auditors after a certain number of years. At the same time, the European Parliament has adopted audit reform rules, including mandatory audit firm rotation for public-interest entities. The AICPA will continue to monitor developments amid concerns that the European rules could adversely affect U.S. public companies with EU subsidiaries listed on a European exchange, or banks or insurance companies. The European rules could cascade to other U.S. agencies and regulators.

- The Center for Audit Quality, affiliated with the AICPA, conducted field testing and provided comments to the PCAOB on sweeping proposed changes to the auditor’s reporting model. While commending the PCAOB’s efforts to enhance audit quality in this area, the CAQ raised concerns about auditors being the source of original information about company information not disclosed by management, which could confuse investors and others. The CAQ recommended that any changes should, at a minimum, maintain audit quality and avoid expanding the expectation gap or causing investor misunderstanding. Beyond the auditor’s report, the CAQ worked to enhance audit quality with the April 2014 release of the...
AICPA Launches Enhancing Audit Quality Initiative

This past summer, the AICPA launched a comprehensive, integrated effort to reinforce the CPA profession’s commitment to audit quality. The Enhancing Audit Quality Initiative takes a holistic approach to helping practitioners enhance their performance in the area of financial statement audits of privately held entities, amid an increasingly complex business environment.

A discussion paper, Enhancing Audit Quality: Plans and Perspectives for the U.S. CPA Profession, released in August 2014, outlines ways the profession maintains audit excellence and explores how to further improve audit quality.

The discussion paper outlines potential reforms to improve quality and asks for stakeholder input, particularly in the areas of competence and due care, professional standards including auditing and quality control, peer review and enforcement.

The paper asks specific questions about the AICPA’s near- and longer-term proposals to continue raising financial statement audit quality, then asks for feedback from all stakeholders in the audit process of non-public entities. Feedback will be considered and influence the AICPA’s plans and programs under the EAQ effort.

The AICPA helped author legislative language to ensure that U.S. accounting firms can recruit and fill vital positions.

The AICPA is working with state CPA societies to introduce legislation at the state level that spells out the definition of attest. On another front, NASBA and the AICPA are collaborating to find ways to exempt out-of-state firms from registration requirements and associated fees when providing attest services, while ensuring that they comply with accountancy laws and regulations in both the state in which they are providing these services and their home state.

Several ongoing AICPA initiatives related to assurance services protected the public interest and improved clarity for practitioners. For example, the AICPA and the National Association of State Boards of Accountancy worked together to update the Uniform Accountancy Act to establish, among other things, that engagements performed under the AICPA’s Statements on Standards for Attestation Engagements can be performed only by licensed CPA firms operating within a CPA firm in the United States. The goal is to ensure that attest engagements are performed by people who have sufficient regulatory oversight. The AICPA also is working with state CPA societies to introduce legislation at the state level that spells out the definition of attest.

Expressing deep concerns about the negative impact that IRS budget cuts would have on taxpayers and tax practitioners, the AICPA urged Congress to fund the IRS so that it can carry out its mission efficiently and effectively. The consequences for taxpayers and CPAs include longer wait times on calls and slow responses to inquiries, among other problems. In written testimony, the AICPA noted that the IRS needs sufficient funds to properly administer and enforce tax laws and provide assistance to taxpayers and their advisers, but also is wrestling with administration of the Affordable Care Act, new reporting requirements under the Foreign Account Tax Compliance Act and a sharp rise in taxpayer identity theft cases.

Troubled by potential consequences for the public and the profession, the AICPA filed a lawsuit against the Internal Revenue Service to stop a new voluntary tax preparer compliance program. The AICPA believes the program for unenrolled preparers is “unjustified and unlawful” and previously sent letters to the IRS, the Department of the Treasury and the Office of Management and Budget, stating its strong concerns. A voluntary program would create confusion about the relative proficiencies of the various types of preparers and would leave the impression among taxpayers that the IRS endorses certain tax return preparers. Some states have tried to regulate tax preparers as well; the AICPA and state CPA societies are monitoring legislation to ensure a CPA’s extensive education and experience is considered.

The AICPA has been a leading and vocal opponent of proposals that would require thousands of pass-through entities, such as CPA firms, other service businesses and farms, to change from the cash basis method of accounting to the accrual method for tax purposes. The change would cause a hardship for these businesses. The AICPA has worked with state CPA societies and CPA firms to communicate with the vast majority of Congress and to provide comments to key congressional committees. This year, 279 bipartisan members of Congress signed letters to leadership strongly urging them to preserve the cash basis method.

Simplifying and standardizing state income tax collection for the many Americans whose work temporarily takes them across state lines is the focus of the bipartisan supported Mobile Workforce State Income Tax Simplification Act. The AICPA and state CPA societies encouraged bipartisan support for the measure, as it serves the needs of employees, states and businesses.

The AICPA and the National Association of State CPA Boards worked together to provide guidance to help practitioners fulfill their responsibilities to audit committees with a broader understanding of audit quality. The CAQ also published the Professional Judgment Resource, providing auditors with a decision-making process to facilitate important auditing and accounting judgments.

In addition, the AICPA’s extant members and taxpayers. Serving as a resource for Congress and other influential tax authorities, the AICPA offers timely and informed recommendations on critical concerns affecting our members and taxpayers.

The AICPA released in August 2014, outlines reforms to improve quality and asks for comments on key congressional committees. This year, 279 bipartisan members of Congress signed letters to leadership strongly urging them to preserve the cash basis method.

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The Lifelong Learning Revolution Is On. Are You Ready?

- Major disruptions in education have opened opportunities for professional development in the accounting profession. The AICPA’s Future of Learning initiative will enable CPAs to thrive in a competitive marketplace. The initiative includes effectively leveraging major trends in education and technology into meaningful change for continuing professional education.
- The Future of Learning Report explores a profession-wide, global learning vision to address a reinvention of lifelong learning and competency in four ways:
  1. Innovate and experiment: Learning, compliance and competency development must evolve to support high-performing professionals who serve the public, employers and clients with unequaled rigor and expertise.
  2. Ignite a passion for learning: Create meaningful, purposeful experiences that motivate and engage learners.
  3. Make learning personal: For the pursuit of learning to be lifelong, it has to be personal and meaningful, which means relevant learning opportunities that address the knowledge and competency needs of individual learners must exist.
  4. Measure what matters: Demonstration of competency and professional development should not be limited to a test result or number of hours. A shift in compliance is necessary so that learning is authentic and relevant, and measures competency, development or performance as ways to help assure CPAs’ high-quality work.

- To avert a significant administrative burden for both taxpayers and the IRS, the AICPA alerted the IRS and the Department of the Treasury of the impact proposed regulations related to the net investment income tax would have on charitable trusts and other entities. The AICPA recommended revisions to the proposals that would prevent potential difficulties. In addition, the AICPA suggested Congress make the NII and regular income tax thresholds for estates the same as those applicable to married individuals filing separately.
- Mindful of the myriad challenges facing small businesses, the AICPA called on Congress to consolidate and simplify the types of tax-favored retirement plans available to small business owners. In written testimony, the AICPA noted that doing so would minimize the related cost and administrative burdens.
- Designed to position CPAs as the premier providers of tax services, the AICPA Tax Practitioner’s Toolkit enables CPAs to communicate their value and reinforce client relationships during busy season and beyond. The 2013–14 toolkit featured new resources, including a two-page Tax Law Snapshot, FAQs on extensions, additional advertisements and enhanced talking points, which were popular with members.
- To make it easier for members to address the tax needs of same-sex couples, the AICPA alerted the IRS to 17 areas that need additional guidance in light of the U.S. Supreme Court’s decision in United States v. Windsor. Topics covered in the AICPA’s letter encompassed income tax, estate and gift tax and other issues. The AICPA has also created planning resources for practitioners to use when advising same-sex couples.

- As most of the major Affordable Care Act provisions became effective in 2014, members turned to the AICPA Health Care Reform Resources Center for resources, such as a timeline on tax provisions and related guidance. In addition, the AICPA offered informed comments to the IRS and the Department of the Treasury on implementation of the law.
- The devastating impact of natural disasters, such as Hurricane Sandy, raises concerns about tax relief for those affected. Currently, taxpayers living in disaster areas may receive different treatment for similar losses and it may be long after the disaster that the IRS grants tax benefits. The AICPA has urged Congress to consider establishing permanent tax relief provisions to offer taxpayers in disaster areas the certainty and help they need while also ensuring they fair and prompt tax relief.

Financial Literacy Effort Celebrates 10 Years

The year 2014 marks the 10th anniversary of 360 Degrees of Financial Literacy, a wide-ranging initiative that allows CPAs to demonstrate their commitment to public service. The award-winning effort, which enjoys extensive state CPA society participation, has helped change consumer behavior and broadened the campaign’s reach to encompass messages about the nation’s fiscal responsibility.

Feed the Pig®

The Feed the Pig campaign, which launched in 2006 to focus on the financial literacy message to young adults, unveiled a redesigned website, with new action-focused tools and articles. Additionally, Feed the Pig, which is the No. 1 Ad Council campaign, released all new public service announcements. The new PSAs and website shift the campaign message to focus on how financial decisions are tied to larger life goals, with the tag line “When it comes to financial stability, don’t get left behind.”
The new CGMA® Competency Framework, created using comprehensive global research, delineates the skills, abilities and competencies finance professionals need to take on various roles and drive the success of their organizations.

The pioneering Global Management Accounting Principles™ constitute a framework that CFOs, senior finance and other professionals can use to benchmark their practices to drive better quality decisions. Launched in October 2014, the AICPA and CIMA developed them after research in 20 countries across five continents during a 90-day public consultation. Through written submissions and attendance at roundtables, there were more than 400 responses to the consultation, representing a broad range of disciplines, industries and sectors.

The CGMA Finance Impact Tool, released in April, drives improvement of an organization’s finance function and supports strategy development and the business planning process. CGMA designation holders can use the FIT to assess their organizations in six critical areas related to the finance function.

A required exam to earn the CGMA designation will further enhance the rigor and recognition of this designation. The CGMA exam, which will be implemented in January 2015, will feature a comprehensive strategic case study assessing management accounting skills and competencies.

Harvard ManageMentor, a free online learning resource for CGMA designation holders, provides expert advice and practical tools on 44 critical management topics. The resource provides actionable feedback to help CGMA designation holders make better decisions, learn new skills and connect with others to enhance performance.

The AICPA, with the Chartered Institute of Management Accountants, is building a foundation of quality and excellence in management accounting. The Chartered Global Management Accountant® designation continues to grow with more than 130,000 designation holders worldwide, making it the largest designation of its kind in the world.

91% of business decision-makers say CPAs are valuable assets to their organizations.

SOURCE: America Counts on CPAs — Updated infographic
http://blog.aicpa.org/2014/06/america-counts-on-cpas-updated-infographic.html

The AICPA continues to help CPAs deliver on their commitment to protect the public interest. Thorough and rigorous standards are essential for the profession to achieve that objective. Addressing business complexities is a critical component of the process.

The Accounting and Review Services Committee proposed three new standards, two of which should be finalized this year, aimed at making it easier for practitioners to distinguish between preparation and reporting services.

To provide CPAs with simpler to understand and easily applied attestation standards, the AICPA is clarifying SSAsEs. The AICPA’s Auditing Standards Board has proposed a restructuring of the attestation standards and is soliciting comments.

Positioning the profession to take on a key role in changing the corporate reporting landscape, the AICPA continued its active participation in the International Integrated Reporting Council. The IIRC released a framework in December 2013 to support adoption of Integrated Reporting around the world.

The Personal Financial Planning Executive Committee issued the Statement on Standards in Personal Financial Planning Services as authoritative guidance for members who provide PFP services. Designed to enhance members’ confidence and competence and to ensure consistency in the delivery of estate, retirement, investment and risk management planning, the standards became effective July 1, 2014. The AICPA’s PFP Division developed a compliance toolkit to help members implement the guidance.

To reinforce the strength of the CPA credential and expand its reach in four key practice areas, the AICPA came to an agreement with the Chartered Professional Accountants of Canada. It allows Canadian practitioners access to the specialized resources and information available through the AICPA’s Information Management and Technology Assurance Section, PFP Section and Forensic and Valuation Services Section. CPA Canada members also can join these sections and, given the proper qualifications, earn the Certified in Financial Forensics® and Certified Information Technology Professional® credentials.

SOURCE: These Are the 5 Most In-Demand Jobs Right Now
http://time.com/404/5-most-in-demand-jobs-right-now
ACCELERATE
CPAs’ Success

The AICPA tackled new regulations head-on by developing new resources, including toolkits and guidance. As new service opportunities became available, the AICPA ensured CPAs had the information and tools available to respond and keep pace with those changes.

- CPAs have been able to prepare financial statements using the AICPA’s Financial Reporting Framework for Small- and Medium-Sized Entities since 2013. The RRF for SMEs framework enables CPAs to serve the needs of many private clients, reinforcing CPAs’ role as trusted business advisers for Main Street’s business community. An education campaign aimed at clients and financial statement users promoted the use of RRF for SMEs. Additionally, new member resources are available. Driving marketplace acceptance has been a grassroots effort, with CPAs conducting successful outreach campaigns to the lender community and state banking organizations. State CPA societies have encouraged use of the framework as well. At the same time, the AICPA has supported the work of the Private Company Council, which has advocated for three proposals that ultimately became Financial Accounting Standards Board Accounting Standards Updates. Other proposals are in the works.

- The AICPA developed the Center for Plain English Accounting in response to members at local and regional firms requesting access to national resources. CPAE provides AICPA Private Companies Practice Section members with a one-stop, reliable resource to help them address increasingly complex audit and accounting standards and issues. Services include written responses to technical inquiries, reports, alerts and access to an extensive reference library.

- The AICPA fielded its PCPS/TSCPA National MAP Survey in the late spring and summer. With wide-ranging questions aimed at providing valuable practice management benchmarking information for firms, the survey touches on issues such as financial reporting, hiring and retention, succession and technology use, among other subjects. The PCPS team will release comprehensive survey benchmark reports, segmented by firm size and region, in the fall.

- A more user-friendly AICPA Code of Professional Conduct offering members easier navigation and a more intuitive design becomes effective Dec. 15, 2014. The code was restructured into several parts, each organized by topic and, when necessary, by subtopic and section. Where applicable, the code refers to existing non-authoritative guidance. Additionally, the Ethics Division revised certain code provisions to reflect a “conceptual framework” approach (also known as a “threats and safeguard” approach). The division also adopted two conceptual frameworks, one for members in public practice and one for members in business, which will be effective Dec. 15, 2015.

- The #CPAPowered Demonstrates CPAs’ Value

  - The #CPAPowered campaign, the AICPA’s first social media campaign, highlighted the value and reputation of CPAs as the premier providers of tax and personal financial planning services — supporting the AICPA’s strategic priority to enhance and protect the CPA reputation. This campaign, which ran during tax season and beyond, reminded consumers of the important role CPAs play in life’s special moments — getting married, having children, opening a business, retirement and other major events — and invited them to share their CPA-powered stories.

  - The campaign tapped into one of the key success factors for shareable content — identity and emotion. According to Forrester Research, 70% of U.S. adults who are online trust brands or product recommendations from friends and family. The AICPA leveraged these trends to generate significant engagement on behalf of the profession via Facebook, Twitter and YouTube, channels that more than 69% of Fortune 500 companies actively use.

  - #CPAPowered generated more than 410,000 social engagements, allowing us to foster positive brand sentiment and gain deeper insights into consumer perceptions. Consumers submitted their real-life CPA-powered stories on cpapowered.org in the form of images and text. Members also participated by sharing their stories and encouraging their clients to share stories using #CPAPowered. An added bonus: the campaign was an additional 2,100 followers to the AICPA Facebook page and Twitter account, expanding the AICPA’s audience reach for news and information about the AICPA and the profession over the long term.

- Lenders, loan brokers, health insurance providers, regulators and various other agencies continue to ask CPAs to verify client information ranging from financial statements and tax returns to content in loan applications and health insurance forms. To help members manage the related risks, the AICPA has updated its guidance and developed a toolkit that CPAs can use to make an informed decision about preparing third-party verifications, also known as comfort letters.

- To ensure CPAs are prepared to implement significant new guidance, the AICPA’s Financial Reporting Executive Committee has formed 16 task forces. The task forces address industry-specific issues and develop resources, such as a dedicated web page, related to the new revenue recognition standard. The standard, which eliminates transaction- and industry-specific guidance, is one result of the convergence project of the FASB and the International Accounting Standards Board.

- As the business environment becomes more complex and small businesses struggle to navigate it, CPAs have an opportunity to advise clients in a number of areas. The AICPA PCPS launched an information-packed Small Business Client Concerns web page, which provides information to address the challenges clients face and resources to highlight the CPA’s value. Subjects include health care reform, keeping up with government regulations and tax laws, and gaining access to capital and small business loans.

- In response to new conflict minerals reporting requirements stemming from the Dodd-Frank Act and Securities and Exchange Commission regulations, the AICPA’s Conflict Minerals Task Force developed nonauthoritative guidance. Background details and links to articles and rulemaking are part of the storehouse of information available to members on the AICPA Conflict Minerals Resources page.
The AICPA is ensuring our profession’s continued success by attracting the best and brightest talent from a diverse pool of candidates. Through highly successful initiatives to introduce students to accounting, and offering them a strong education to prepare them for future challenges, the AICPA continues to strengthen the future of the profession.

- During the last year, the AICPA maintained its strong support for minorities in post-graduate accounting education and throughout the profession. The Accounting Scholars Leadership Workshop, now in its 20th year, is an annual invitational program for minority accounting students who plan to pursue the CPA credential.
- The AICPA’s National Commission on Diversity and Inclusion continues to develop strategies to recruit, retain and advance accountants with a diverse range of abilities and from various backgrounds. Earlier this year, the Diversity and Inclusion team launched an e-newsletter, Inclusion Solutions, aimed at sharing best practices for diversity and inclusion programs in the accounting profession and business community. In the near future, the commission plans to release tools that will help CPA firms succeed in their diversity and inclusion efforts.
- To introduce high school students to accounting, the AICPA developed Bank On It, an interactive, online accounting game with more than 1,000 engaging questions. The game challenges students to learn about accounting fundamentals and real-world workplace uses of accounting knowledge. Since the game’s launch in February 2014, more than 10,600 educators and students have played.
- The AICPA celebrated the placements of 24 newly minted Ph.Ds. from the Accounting Doctoral Scholars Program, which addresses the nationwide shortage of accounting faculty. The program has supported more than 110 audit and tax practitioners with recent public accounting experience to pursue their Ph.Ds. in accounting. State CPA societies and CPA firms have provided substantial and unwavering support for the program since its inception.

EQUIP
the Profession for a Strong Future

- A task force of the Pathways Commission — a joint initiative of the AICPA and the American Accounting Association — is working with the College Board to develop and implement an Advanced Placement accounting course to introduce high school students to accounting. State CPA societies provided support by offering high school training sessions and encouraging college involvement.
- To maintain the rigor and relevance of the Uniform CPA Examination and ensure that new CPAs continue to serve the public interest, the AICPA has embarked on a major research effort to determine what changes may be necessary in content and structure. This practice analysis is designed to maintain the exam’s applicability in a fast-moving, ever-changing business environment. Building the next version of the CPA Exam involves evaluating the knowledge and skills required of CPAs entering the profession and developing an exam that effectively assesses each candidate on those measures. An Invitation to Comment, Maintaining the Relevance of the Uniform CPA Examination, is accepting input until Dec. 2.

CPA2Biz Becomes CPA.com

- CPA2Biz, an AICPA subsidiary, changed its name to CPA.com. The new name more closely aligns with the company’s mission of empowering CPAs and businesses for the digital age.
- CPA.com has a continued focus on building a community of digital CPAs, as well as developing resources, tools and training to guide firms as they look to build a digital practice. Additionally, the company launched a Digital CPA webcast series for members, featuring thought-leading speakers and practitioners on highly relevant topics with direct connection to the annual Digital CPA conference.

More than 10,600 educators and students have played Bank On It!
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