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# American Institute of Certified Public Accountants

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## Board of Directors

### Minutes of Meeting: November 20-21, 2014

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## Board of Directors

### Minutes of Meeting: November 20-21, 2014

A meeting of the AICPA Board of Directors was held Thursday, November 20 and Friday, November 21 at the AICPA's New York office. The meeting convened at 9:00am on Thursday, November 20, 2014.

#### Attendance

The following Board members were present:

Tommye Barie, Chair  
Tim Christen, Vice Chair  
Grant Ashley (Thursday afternoon)  
Nancy Bagranoff  
Bill Balhoff – Immediate Past Chair  
Tom Broderick  
Steve Christian  
Kimberly Ellison-Taylor  
Tracey Golden (Thursday only)  
Theresa Grafenstine  
Eric Hansen  
DeAnn Hill  
Jean Hobby (Friday only)  
Ed Jordan  
Myriam Madden  
Dorri McWhorter  
Barry Melancon  
David Morgan  
David Moynihan (Friday only)  
Anne Northup  
Margery Piercey  
Gary Reynolds

Also present:

Chris Almonte, Manager  
Communications

Erik Asgeirsson, President  
CPA.com

Joanne Barry, CEO  
New York State Society of CPAs

Jim Brackens, Vice President  
Ethics & Practice Quality

Michael Buddendeck, General Counsel and Secretary  
General Counsel & Trial Board

Lawson Carmichael, Senior Vice President  
Strategy, People and Innovation

Michael Cerami, Vice President, CPA.com  
Corporate Alliances

Susan Coffey, Senior Vice President  
Public Practice and Global Alliances

Heather Collins, Director  
Governance

Jina Etienne, Director  
Taxation

Cindy Fornelli, Executive Director  
Center for Audit Quality

Ellen Goldstein, Director  
Communications & Member Engagements

Kevin Henson, Vice President  
Strategy

Jay Hyde, Director  
Media Relations

Suresh Iyer, Manager  
Strategy

Ed Karl, Vice President  
Taxation

Tim LaSpaluto, Controller

Cynthia Lund, Vice President  
State Society Affairs

Janice Maiman, Senior Vice President  
Communications, Media, News & Professional Pathways

Carl Mayes, Senior Technical Manager  
Special Projects

Dan Noll, Director  
Accounting Standards

Alfonso Olaiz, Manager  
Strategy

Carl Peterson, Vice President  
Small Firms

Mark Peterson, Senior Vice President  
Congressional & Political Affairs

Anthony Pugliese, Senior Vice President and Chief Operating Officer  
Finance, Operations and Member Value

Cheryl Reynolds, Vice President  
Communications, Advertising & Brand Management

Clar Rosso, Vice President  
Member Learning & Value

Dana Rubenstein, President & CEO  
Delaware Society of CPAs

Scott Spiegel, Chief Financial Officer  
Finance, Operations & Member Value

Arleen Thomas, Senior Vice President  
Management Accounting & Global Markets

Donna Wolf, Administrative Assistant  
General Counsel & Trial Board

Mat Young, Vice President  
State Regulatory & Legislative Affairs

## **Chairman's Report**

Tommye Barie, Chair of the Board, opened the meeting by welcoming the 2014-2015 Board members. Ms. Barie also welcomed CPA/SEA guests Joanne Barry, CEO of the New York State Society of CPAs, and Dana Rubenstein, President & CEO of the Delaware Society of CPAs.

Ms. Barie continued by giving an update on her activities and travels since the October Fall Council meeting, including her participation in the NASBA Annual Meeting, AICPA Women's Summit, and the World Congress of Accountants.

## **Approval of the Minutes**

After discussion, upon a motion duly made and seconded, the minutes of the July 31, 2014 executive session meeting; the July 31-August 1, 2014 regular meeting and the September 22, 2014 conference call meeting were approved.

The regular meeting minutes were authorized for placement on the AICPA's website.

## **President and CEO Report**

Barry Melancon welcomed the new Board members. He discussed numerous topics including the Fall Council meeting, the AICPA & CPA/SEA Leadership Conference, the Global Accounting Alliance, Canadian/US mobility, the Center for Plain English Accounting, and the National Academy Foundation (NAF).

Mr. Melancon updated the Board on the joint venture with CIMA, and gave an update on the Pathways Commission. He also announced that Senator Blanche Lincoln had resigned from the Board and that recruitment was underway for her replacement as a public board member.

Mark Peterson, Senior Vice President - Congressional & Political Affairs gave an update on Congressional matters and an outlook for the next session of Congress.

Mr. Melancon and Michael Buddendeck, General Counsel & Secretary, gave an update on the AICPA's lawsuit against the IRS regarding its voluntary annual filing season program, including the district court's recent decision to dismiss the lawsuit. The Board expressed support in moving forward with an appeal of the decision.

Arleen Thomas, Senior Vice President – Management Accounting & Global Markets, gave an update on CGMA and the World Congress of Accountants (WCOA) conference. Mr. Melancon also noted that Olivia Kirtley had been installed as the first member from business and industry to serve as president of IFAC.

### **Supporting our Members in Taxation**

Jina Etienne, Director – Taxation, and Alfonso Olaiz, Manager – Strategy, presented a comprehensive report on the changing tax practice landscape, along with recommendations for enhancements to the AICPA’s support of members practicing in the tax arena.

### **Center for Audit Quality Annual Report**

Cindy Fornelli, Executive Director - Center for Audit Quality (CAQ), gave an overview of the CAQ’s recent work, and highlighted the extensive Anti-Fraud Collaboration efforts.

### **Statutory Meetings of the ARA, Benevolent Fund, Foundation**

Tim LaSpaluto, Controller, provided background on the Accounting Research Association. He outlined its purpose, and reported net assets of \$440,000, and announced the ARA’s Officers and Trustees for FY15.

Mr. LaSpaluto also reported on the AICPA Foundation and its mission, recent activities, and net assets of approximately \$11 million. He announced the Board liaison for FY15 would be Nancy Bagranoff.

Mr. LaSpaluto concluded his report by reporting on the AICPA Benevolent Fund. He discussed its formation, its mission and noted its net assets of approximately \$9 million. He also announced the Board liaison for FY15 would be Grant Ashley.

### **Audit Committee Report**

Tracey Golden, Chair of the Audit Committee, reported the Committee received a report from the Internal Audit, Risk & Compliance (iARC) team on its organizational updates and FY15 project plan. Ms. Golden also reported the Committee reviewed and approved the Audit Committee charter, the iARC mission and charter, and the AICPA Code of Conduct.

In addition, Ms. Golden reported the Committee received an update from AICPA audit firm CohnReznick LLP on current activities for FY15 and the progress of the Roadmap association management software (AMS) implementation.

### **Legal Update and Secretary's Report**

Michael Buddendeck, General Counsel and Secretary, delivered the Secretary's Report (reflecting membership ballot Nos. 952, 953, and 954 for the time period of July 19, 2014 to November 8, 2014 admitting 8185 members, accepting 562 resignations, 226 reinstatements and 375 advances of dues). Upon a motion duly made and seconded, the Board accepted the Secretary's Report, which is attached under **Appendix A** of the meeting minutes.

Mr. Buddendeck then provided the Board with a legal update.

## Finance Committee Report

Gary Reynolds, Chairman of the Finance Committee, gave an update on the current fiscal year operating results and forecasts. He also stated the long term investments continue to perform in line with the respective benchmarks.

Anthony Pugliese, Senior Vice President and Chief Operating Officer-Finance, Operations and Member Value, reported on the Member Learning & Competency revenue and net contribution trends since FY12.

Mr. Pugliese stated AICPA's membership continues to grow and has renewed more than 90.5% of membership, compared to 89% this same time last year.

Mr. Pugliese updated the Board on the pension environment, as well as some potential mitigation strategies to address certain risks. Both the Investments and Finance committees will continue to monitor the environment and potential mitigation options.

The financial statements are at **Appendix B** in the official minute records of the AICPA.

## Evolving the CPE Compliance Model and AICPA CPE Membership Requirement

Anthony Pugliese and Clar Rosso, Vice President - Member Learning & Value reported on research and work on the initiative to evolve the profession's learning model to focus on member competency, and the possible effects and steps necessary to modify the AICPA CPE membership requirement. They outlined the four



recommendations from the Future of Learning task force, and noted that the AICPA/CIMA Competency and Learning website will be available in January 2015.

The Board discussed various types of learning, assessments, compliance, and other learning model issues.

### **CGMA Employer Recognition Strategy**

Arleen Thomas, Lawson Carmichael, Senior Vice President - Strategy, People and Innovation and Suresh Iyer, Manager - Strategy, reported on the CGMA employer recognition strategy, including positioning the CGMA as the preferred credential for management accountants.

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There being no further business, the meeting adjourned at 10:45 a.m. on Friday, November 21, 2014.