

**STATEMENT FOR THE RECORD**  
**OF**  
**BARRY MELANCON, PRESIDENT AND CEO**  
**AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**

**PUBLIC HEARING**  
**ON**  
**EXAMINING CONFERENCE AND TRAVEL SPENDING ACROSS THE**  
**FEDERAL GOVERNMENT**

**JANUARY 14, 2014**

**COMMITTEE ON HOMELAND SECURITY AND**  
**GOVERNMENTAL AFFAIRS**

**U.S. SENATE**

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The American Institute of Certified Public Accountants (AICPA) would like to thank Chairman Carper, Ranking Member Coburn and the members of the Committee on Homeland Security and Governmental Affairs for the opportunity to submit this statement for the record for the hearing entitled “Examining Conference and Travel Spending Across the Federal Government,” held on January 14, 2014.

The AICPA is the world’s largest member association representing the accounting profession comprised of over 394,000 members in 128 countries and a 125-year heritage of serving the public interest. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting. The AICPA sets ethical standards for the profession and U.S. auditing standards for audits of private companies, nonprofit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination and offers specialty credentials for CPAs who concentrate on personal financial planning; fraud and forensics; business valuation; and information technology.

We applaud the Committee’s efforts to host a hearing with the purpose of gaining a fuller understanding of the issues surrounding federal government conferences and travel. We understand the intent of Congress and of this Committee to achieve greater accountability and transparency in government spending, specifically spending for government-sponsored conferences. Excessive and extravagant spending of taxpayer dollars is inexcusable. We are, however, concerned that legislative proposals to unreasonably restrict federal employee participation in meetings and conferences hosted by non-governmental organizations, such as professional associations like the AICPA and state CPA societies, is having a chilling effect on these meetings and will deter important dialogues between regulators and those they regulate. Just as members of Congress gain valuable insights through in-person interactions with colleagues and constituents, federal officials’ face-to-face participation in conferences and meetings provide critical exchanges with stakeholders that cannot be replaced by webinars and conference calls.

#### AICPA Conferences and Meetings

The AICPA hosts dozens of conferences and meetings throughout the year and around the country to facilitate regulators’ accessibility to those affected by federal regulations. These events range from small groups of subject matter experts meeting to discuss proposed guidance for new regulations to thousands of CPAs attending educational conferences to learn about the latest changes to accounting rules to prepare for the upcoming public company reporting season. At many of these conferences and meetings, the AICPA invites members of Congress and federal officials – both political appointees and career federal employees – to participate. These officials bring a level of expertise, unmatched by any other source, regarding the current status of laws and regulations affecting the work performed by the accounting profession, as auditors of public company financial statements, preparers of tax returns and providers of other services.

Generally, conferences with larger numbers of federal agency attendees are held in Washington, DC, although some have satellite locations or are rotated to other parts of the country to minimize travel requirements for all attendees. Importantly, these meetings are not held just one time per year in Washington, but at various points during the year around the country to facilitate regulators’ accessibility to those affected by federal regulations. While the majority of those federal employees attending the DC-based conferences merely travel across town, employees stationed in New York and elsewhere also attend at the satellite locations, when available. In these cases, federal employees who

work in multiple locations are able to attend in person, traveling within a reasonable distance from their duty station (at very low cost) and interact with participants from the private sector, providing real world commentary and context to the regulations they administer and oversee. Importantly, federal employees who are CPAs are also keeping their technical accounting skills and CPA licenses current through their attendance at these events.

For example:

- Officials from the Securities and Exchange Commission (SEC) and Public Company Accounting Oversight Board (PCAOB) spoke at the AICPA's Annual Conference on Current SEC and PCAOB Developments in December 2013. That conference included approximately 1,400 participants in Washington, DC, and, eliminating the need for long-distance travel, also included a large number of participants in Chicago, IL, Los Angeles, CA, New York, NY, and online. Included among conference participants were federal officials from multiple agencies. Topics addressed by SEC and PCAOB officials included "Developments in the Division of Corporate Finance," "Office of the Chief Accountant Policy Initiatives," the "Role of Data Analysis in the Future of Financial Reporting," and a "PCAOB Standard Setting Update."
- The annual Government Accounting and Auditing Update Conference in Washington, DC, with nearly 500 participants, includes an entire federal track that draws a significant number of federal employees. These federal employees, who are involved with key spending and audit functions within the federal government, gain up-to-date information on important accounting and auditing developments, ensuring that accounting for federal spending and audit quality remain high.
- The Joint Committee on Employee Benefits Government Invitational, jointly sponsored by the AICPA and American Bar Association, is held annually in Baltimore, Maryland. Officials from several federal agencies and Congress joined dozens of accounting profession leaders at the March 2013 conference titled "Benefits in an Era of Middle Class (In) Security in Employment and Beyond." Topics included "Preparing for Boomer Retirement – Phased in and Delayed Retirement" and "Executive Compensation: Employment & Severance Agreements in a Changing Environment."

In addition to these larger conferences, the AICPA also hosts a number of smaller meetings with practitioner volunteers. Generally, these are held in the AICPA's offices in Washington, DC, but also occasionally take place in other cities. Federal officials are often asked to participate to engage in direct dialogue with profession leaders and exchange information regarding current and proposed regulatory requirements. For example:

- Twice a year, the AICPA coordinates a meeting called the Single Audit Roundtable in Washington, DC. The objective of the meeting is to provide an opportunity for single audit constituents in government and the audit profession to discuss current developments and future activities concerning audits of federal awards. Typically, the meeting includes federal agency representatives from Offices of Inspectors General, federal program offices, Government Accountability Office, Office of Management and Budget, and other key agencies. This meeting is essential to open lines of communication between all parties involved and to discuss issues to improve single audits and their usefulness to the federal agencies.
- AICPA's tax technical resource panels, each specializing in specific areas of the tax code, are comprised of CPAs who are leaders in public practice, education, and business and industry that meet in person approximately two times per year. Department of Treasury and Internal

Revenue Service officials are invited to more than half of the panel meetings to exchange ideas, discuss guidance projects and technical issues, and gain important feedback and suggestions from stakeholders. The AICPA disseminates the guidance derived from those meetings to AICPA member tax preparers, ultimately benefitting taxpayers. In addition, the AICPA often prepares commentary to the government based on issues discussed at these meetings. For example, recent meetings have included discussions in such highly technical areas as the generation-skipping transfer tax, portability of the deceased spousal unused exclusion amount, and tangible property regulations.

### Conference Attendance Trends

It is important to note that since the recent General Services Administration and IRS conference scandals occurred and the resulting spotlight on federal conferences and travel, the AICPA has seen a drop in attendance at its conferences, both of federal employees and private sector attendees. While the economy, generally, has been improving during this time, this trend calls into question whether the reduction can be attributed in part to private sector attendee concerns that there will be fewer government attendees with whom to interact.

Federal agency officials attend such conferences often for the purpose of their own continuing professional education, as many are licensed professionals, and because these conferences include dissemination of important technical information required for them to successfully perform their jobs. CPAs, like lawyers and doctors, must regularly earn continuing professional education credits, and the AICPA is concerned that reduced federal attendance could have significantly detrimental effects on federal employee CPAs in maintaining their CPA licenses.

### Legislative Proposals

Several legislative proposals have been considered in the 112<sup>th</sup> and 113<sup>th</sup> Congresses that would impact federal employees' attendance at conferences and the use of taxpayer dollars to pay for conferences.

While the AICPA recognizes that the goals of such legislation are to provide transparency for travel and conference spending by federal agencies, it is concerned that legislation that does not provide the ability to highlight beneficial effects of conferences will have unintended consequences with substantial impacts on professionals at associations like the AICPA. Although Congress intends to limit unnecessary spending for federal employee travel and government-sponsored conferences and enhance federal accountability, the AICPA cautions against passage of any legislation that effectively precludes officials' attendance at non-governmental meetings and conferences which either directly or indirectly provides a significant benefit to CPAs, taxpayers, and other stakeholders.

### Summary

The AICPA believes that the exchange of information that occurs between regulators and CPAs – whether federal officials are speakers or participants at conferences – has significant positive benefits creating transparency and understanding of the government's regulatory impact on business and the public at large.

The AICPA is concerned that any actions that unduly limit federal government officials from attending meetings and conferences, such as those held by the AICPA, will have a significant negative impact on government. Federal employees who are themselves professional CPAs, lawyers, doctors, and scientists should be encouraged to maintain their licenses and technical expertise to ensure they fulfill their duties competently and effectively.

The AICPA believes that without interaction with those individual stakeholders who are affected by governmental actions, federal officials may find themselves cut off from understanding the impact their actions have on the lives and business interests of all Americans. Rather than discouraging participation, the AICPA further hopes that Congress will use its influence to encourage federal officials to speak at non-governmental conferences as a very effective way to disseminate key information and share their expert guidance to those they regulate.

The AICPA is optimistic that the information provided by federal and public witnesses, as a result of this hearing, will lead this Committee, the Senate and the entire Congress to use their oversight authority to call for continuing the open and honest dialogue that occurs at professional conferences and meetings. It is imperative that regulators have these opportunities for discussion with stakeholders, including CPAs who work with taxpayers, businesses, federal, state and local governments officials, in order to craft strong, workable regulations that protect the public.

Thank you again for the opportunity to provide comments on this important topic. Please contact Diana Huntress Deem in our Washington office at 202.434.9276 or [ddeem@aicpa.org](mailto:ddeem@aicpa.org) if there are additional questions.