



Contact: Anne Sittmann
202-434-9213
asittmann@aicpa.org

FOR IMMEDIATE RELEASE

AICPA's Melancon Tells House Subcommittee New Financial Reporting Model Offers Investors Better Information

Washington, DC, March 29, 2006—Barry Melancon, President and CEO of the American Institute of Certified Public Accountants (AICPA), today testified before Congress on the need for a new financial reporting model that gets more quality information into the hands of investors faster, thereby enabling them to make informed decisions based on current, rather than only historical, results. He described the foundation that the CPA profession has laid to achieve this goal.

Melancon told a hearing of the House Financial Services Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises that corporate reporting of financial information via quarterly and annual reports is historically based.

“Today, investors, lenders, and other users of the information need to make decisions much faster and more often based on what is currently happening and what may happen in the future, in addition to what has occurred solely in the past,” he said.

The AICPA has worked for more than a decade to achieve enhanced financial reporting, Melancon said. In 1993, a report by the AICPA Special Committee on Financial Reporting was one of the first to call for a broader “bandwidth” of information from public companies to provide more useful information to investors.

“Enhanced financial reporting is no longer just a dream,” said Melancon. “Coupled with enabling technologies like AICPA’s initiative XBRL (eXtensible Business Reporting Language—a computer language for the electronic communication of business and financial data) enhanced business reporting will provide users with the breadth of information they require at the speed they need to be successful in today’s economy.”

Use of XBRL is not the only component required to achieve enhanced financial reporting, Melancon told the Subcommittee. “Companies, public accounting practitioners and policymakers still need to consider many elements as the evolution towards a reporting model that meets the needs of today’s markets continues to become a reality,” he said. Melancon identified two of those elements as simplifying overly complex reporting and converging international reporting and auditing standards.

- more -

Melancon concluded by telling the Subcommittee that enhanced business reporting and XBRL “are essential to the future of the U.S. economy, the proper functioning of capital markets, and investor confidence. There simply is no excuse for not implementing enhanced business reporting.”

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with approximately 330,000 members, including CPAs in business and industry, public practice, government, and education. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It also develops and grades the Uniform CPA Examination.

###

***Note to Editors:** A copy of the testimony is available by calling Shirley Twillman at 202-434-9220 or e-mailing her at stwillman@aicpa.org.*