READY FOR THE

NEXT

2016 ANNUAL REPORT
TABLE OF CONTENTS

A Message from the Chairman and President & CEO ........ 04
Year at a Glance .................................................. 08
Next Steps ............................................................ 10
   Extending Our Influence ..................................... 11
   Advancing Quality ............................................ 14
   Showcasing the CPA ......................................... 17
Next Trends ......................................................... 20
   Exploring Auditing in the Future ......................... 21
   Promoting Firm Success .................................... 23
   Transforming Finance ....................................... 25
   Innovating Education ....................................... 27
Next Opportunities ............................................... 30
   Leading in Cybersecurity .................................. 31
   Igniting Careers ............................................. 33
   Charting the Future ......................................... 36
Board of Directors ............................................... 37
EVERYTHING THE AICPA HAS DONE THIS PAST YEAR WAS DESIGNED TO SUPPORT OUR MEMBERS AND THE PROFESSION ...
We raised the profession’s powerful voice to influence current and proposed legislation and regulations across a number of critical measures of interest to our members and stakeholders. At the same time, we continued our profession’s journey to maintain excellence by expanding the Enhancing Audit Quality initiative. The Peer Review Board’s Enhanced Oversight Program has made great strides in identifying areas where peer review can be reinforced, taking steps to address issue detection and remediation specifically. We also extended our quality efforts through the newly formed Assurance Research Advisory Group, which funds practice-oriented assurance research to support standard setting and overall quality enhancement.

Through numerous awareness efforts, the AICPA continued to highlight members’ value in the marketplace. The national #CPApowered social media campaign, targeted to small business owners, showcased CPAs’ expertise in providing planning, advisory and attest services. In addition, this year’s Feed the Pig financial literacy efforts garnered tens of millions of dollars in donated media to educate consumers on managing money.

Whether or not we embrace them, shifting market forces require accountants to remain flexible and nimble for the future and still meet day-to-day business needs. At the AICPA, we spent the past year identifying and preparing our members for market demands across a wide spectrum of issues that affect the CPA profession and firm clients.

With a keen eye toward helping CPAs strengthen skill sets and achieve greater efficiencies, we’ve been developing innovative guidance, tools and technologies so our members can capitalize on next trends. For example, the Firm inMotion e-Toolkit is helping small firms evolve into “firms of the future.” It explores such issues as structure and strategy, talent and culture and using technology. Also, we expanded the AICPA | CIMA Competency and Learning website so that members could gain additional knowledge and sharpen their skill sets in all areas of practice.
**NEXT OPPORTUNITIES**

The challenges of the future are manageable when you embrace the advantages they can bring. Because of CPAs’ strong reputation, next opportunities abound for practitioners to expand their services to much-needed areas and broaden their leadership roles. This year, we took steps to advance services in areas such as fair value measurement and not-for-profit audit, began development of a new examination engagement in cybersecurity, and created an online mentoring program and other tools to help grow and encourage the next generation of leaders in accounting.

In the coming year, one initiative that will bring even more opportunity for members is the expansion of our partnership with The Chartered Institute of Management Accountants (CIMA). As a result of the overwhelmingly positive vote by members of the AICPA and CIMA, we will launch a new international accounting association in January 2017. This new association will give our profession an even higher global profile and greater worldwide influence. By raising our 600,000-strong collective voice, we’ll extend the accounting profession’s reach on issues affecting businesses, clients and the public interest well into the future.

With this annual report, we celebrate the successes of the past year and look with excitement at what lies ahead for our profession. And we remain steadfastly focused on making sure you’ll be ready for whatever comes next.

_Timothy L. Christen, CPA, CGMA_
Chairman of the AICPA Board of Directors

_Barry C. Melancon, CPA, CGMA_
AICPA President & CEO
**YEAR AT A GLANCE.** How is the AICPA getting you ready for the next? By putting members front and center.

**RECOGNITION IN THE MARKETPLACE**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated audience reached by 2,596 news reports on the profession</td>
<td>588,000,000</td>
</tr>
<tr>
<td>Estimated audience reached by news reports on CGMA Joining the Dots program</td>
<td>65,500,000</td>
</tr>
<tr>
<td>Small business media impressions the #CPApowered advertising campaign generated</td>
<td>15,323,461</td>
</tr>
</tbody>
</table>

**CONNECTING CPAs WITH CONSUMERS**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media impressions Feed the Pig and 360 Degrees of Financial Literacy generated</td>
<td>49,000,000</td>
</tr>
<tr>
<td>Visits to Feed the Pig and 360 Degrees of Financial Literacy websites</td>
<td>3,600,000</td>
</tr>
<tr>
<td>Donated media to the Feed the Pig public service campaign</td>
<td>&gt; $42,000,000</td>
</tr>
</tbody>
</table>

**PREPARING FIRMS FOR CONTINUED SUCCESS**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCPS member firms</td>
<td>6,515</td>
</tr>
<tr>
<td>Firm inMotion e-Toolkit downloads</td>
<td>3,310</td>
</tr>
<tr>
<td>Tax Practitioner’s Toolkit downloads</td>
<td>37,537</td>
</tr>
<tr>
<td>Small Business Marketing Toolkit for CPAs downloads</td>
<td>9,348</td>
</tr>
</tbody>
</table>

**FILLING THE CPA PIPELINE**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique candidates entering the pipeline and taking the first section of CPA Exam</td>
<td>45,229</td>
</tr>
<tr>
<td>Unique candidates who passed the CPA Exam</td>
<td>26,800</td>
</tr>
<tr>
<td>Approximate ongoing number of unique candidates in CPA pipeline</td>
<td>93,000</td>
</tr>
</tbody>
</table>

**HELPING BUSINESSES GROW**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGMA Joining the Dots tools downloaded</td>
<td>5,246</td>
</tr>
<tr>
<td>CGMA Risk Management tools downloaded</td>
<td>24,478</td>
</tr>
</tbody>
</table>

**ASSISTING WITH TECHNICAL ISSUES**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>A&amp;A Hotline inquiries</td>
<td>18,362</td>
</tr>
<tr>
<td>Revenue recognition, leases and financial instruments websites page views</td>
<td>56,710</td>
</tr>
<tr>
<td>Cybersecurity Resource Center page views</td>
<td>8,023</td>
</tr>
</tbody>
</table>
EXTENDING OUR INFLUENCE. Regulators and lawmakers play a significant role in determining what’s next, shaping the environment where CPAs and their clients operate — locally and globally. The outcomes of regulatory and legislative changes can resonate for years, creating uncertainty and affecting how CPAs and their clients do business. By raising the profession’s influential voice, the AICPA advanced the needs of members and the public interest on a broad scope of legislation and tax affairs during the past year.

- Addressing the concerns of smaller CPA firms and other small businesses, the AICPA spoke emphatically against the U.S. Department of Labor’s proposed rule amending Fair Labor Standards Act exemptions from minimum wage and overtime requirements. Noting that the rules could force members and their small business clients to reduce hiring (and possibly the size of their workforces), the Institute urged Congress to intervene to ensure that regulations on overtime pay reflect the evolving workplace and are not economically counterproductive. Public comments and action by the AICPA and the larger business community were successful in reducing the final salary threshold. The final rule, which requires overtime to be paid to employees making a salary rate of over $913 per week or about $47,476 annually, takes effect Dec. 1, 2016.

- As businesses — including CPA practices — expand their operations in new locations, the AICPA seeks to eliminate an unnecessary burden. The AICPA has been a longtime supporter of legislation that would address employers complying with what is now a complicated web of nonresident state income tax withholding laws. The Institute favors a uniform national standard that would strike a balance between the interests of state taxing authorities and those of businesses and their employees. In April, the AICPA testified before a House Small Business Subcommittee, urging members to back legislation that would provide a reasonable 30-day *de minimis* exemption before an employee is obligated to pay taxes to a state in which they do not reside.
HOLD, PLEASE: IRS SERVICE CONCERNS RIPPLE ACROSS THE PROFESSION. During the stress and anxiety of busy season, nothing could be more frustrating than being stuck on hold or — worse — getting cut off from a call with the IRS. Hearing members’ concerns, the AICPA pushed for improved IRS customer service for taxpayers and CPAs, particularly during tax season. AICPA representatives met with lawmakers and IRS officials in early 2016 to express their concerns about service levels and again surveyed members on their busy-season experiences with the IRS. The Institute is pushing for an objective, transparent solution to the service problems members reported. The AICPA also has been actively engaged regarding the IRS “Future State” initiative, aimed at using technology to better serve taxpayers, and offered recommendations on its development at the National Taxpayer Advocate’s forum. CPAs can turn to AICPA resources focused on IRS procedures and tax administration as we continue to advocate solutions.

- A comprehensive definition of attest, passed in 38 states and pending or under consideration in others, ensures CPAs are the go-to professionals to provide attestation services. Thanks to AICPA and state CPA society efforts, the new laws generally prohibit non-CPAs from providing reports indicating they have used AICPA professional standards. This definition is intended to guarantee that, when reports are issued using the profession’s standards, there is an appropriate level of regulatory oversight and competency to safeguard the quality of the reports. At the same time, as part of the Institute’s firm mobility advocacy efforts to augment practitioners’ business opportunities, 16 states now allow CPAs to provide attest and non-attest services across state lines.

- To protect the interests of the public and CPAs performing tax engagements, the Institute continued to engage in the discussion of an appropriate tax preparer regulation regime. In response to proposed legislation that would provide the Internal Revenue Service unlimited authority over preparers, the AICPA has worked with Congress to encourage a more prescriptive program that addresses issues such as possible marketplace confusion and relief for non-signers in CPA firms. The AICPA is a committed supporter of enhancing compliance and elevating ethical conduct of paid preparers, and favors a solution at the federal level that could be leveraged by the state taxing authorities.

A comprehensive definition of attest, passed in 38 states and pending or under consideration in others, ensures CPAs are the go-to professionals to provide attestation services.

- As part of its ongoing efforts to help battle identity theft, the AICPA last year successfully persuaded Congress to pass legislation allowing the IRS to use truncated Social Security numbers on Forms W-2. In line with other Institute recommendations, the IRS is considering the use of Identity Protection Personal Identification Numbers (IP PINs) for all taxpayers. Resources developed for members include the Tax Identity Theft Information and Tools, resource page, which offers checklists, client letters and tips from experts for tax practitioners.

- Obtaining speedy relief after a natural disaster is challenging for victims and for the tax professionals who assist them. This year, the AICPA actively supported Title III of the proposed National Disaster Tax Relief Act, which would authorize permanent tax relief triggered automatically for victims within a federal disaster area. The Institute noted that passing this act would provide taxpayers with certainty and fairness as they rebound from a catastrophe.
In response to regulators’ requests for assistance in addressing issues of consistency, transparency and quality in the performance of fair value measurements, the AICPA is launching the Certified in Entity and Intangible Valuations™ (CEIV™) credential.

Members working with or volunteering for not-for-profit organizations often require specialized resources to manage audit, financial accounting, tax and governance. The AICPA’s Not-for-Profit (NFP) Section, which attracted more than 4,500 members in its first year, offers the support this community requires. To foster greater financial competency in NFPs and support the public interest, the section provides resources for CPAs who work for or with NFPs and for finance professionals working within or volunteering for NFP organizations. The Institute also has seen tremendous demand for two certificate programs, one for those seeking to build their understanding of core NFP financial concepts, and another for those with a solid background who wish to enhance their competencies further and apply their knowledge.

The Institute’s Enhancing Audit Quality (EAQ) initiative, a comprehensive effort to help drive high performance in private company audits and protect the public interest, continued to raise awareness of and chart solutions for increased complexity and challenges CPAs face. Starting with pre-licensure, the AICPA sought to address quality by focusing on testing higher-order skills such as critical thinking, problem-solving and analytical ability, and assessing evaluation-level skills in the Audit section of the next version of the Uniform CPA Exam, launching in April 2017. The newly established Assurance Research Advisory Group (ARAG) was formed in collaboration with the American Accounting Association (AAA) to fund academic research proposals addressing private company assurance topics of interest to practitioners. ARAG seeks to drive research that will support standard setting and the broader EAQ initiative. Through Peer Review’s Enhanced Oversight Program, the AICPA’s Peer Review Board has identified where peer review can be strengthened, and instilled changes related to issue detection and remediation. To help practitioners develop their competencies further, the AICPA produced a free quality control practice aid, as well as the Private Companies Practice Section’s (PCPS) Invigorate the Focus on Quality Toolkit, which provides firms with checklists, templates and training materials to aid them in raising the level of quality in their services. In addition, the AICPA’s new certificate programs in single audit and employee benefit plan audits enable practitioners to strengthen and demonstrate their competencies in those areas.

Regulators, concerned about protecting the public interest, requested the AICPA’s assistance in addressing issues of consistency, transparency and quality in the performance of fair value measurements. In response, the AICPA is developing two new fair value measurement credentials: the Certified in Entity and Intangible Valuations™ (CEIV™) credential launches in fall 2016, and a complex financial instruments credential is slated for summer 2017. Because fair value measurements are a critical component of financial statements, these AICPA credentials will be available to all valuation professionals who perform fair value measurements. A new Fair Value Measurement interest area on AICPA.org houses related information and education.
- The release of significant and complicated new accounting standards requires CPAs to get up to speed and formulate new implementation plans. This year, to pave the way for members as they implement the new revenue recognition, leases and financial instruments standards, the AICPA released a number of valuable tools: financial reporting briefs, learning and implementation plans, publications, webcasts, CPE and Center for Plain English Accounting alerts. An additional effort to help professionals prepare for and implement the revenue recognition standard is underway. The AICPA’s Financial Reporting Executive Committee and its 16 industry task forces are developing a new revenue recognition guide that will provide valuable industry specific information, helping professionals in these areas.

- Effective internal control supports organizations as they strive to achieve important business objectives and help manage risk. Using a blend of self-paced learning and live classroom training, the COSO Internal Control Certificate helps members develop expertise in designing, implementing and monitoring an internal control system that meets the expectations of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control — Integrated Framework. The AICPA is a member of COSO.

- **SHOWCASING THE CPA.** Whatever the economic forecast, the public recognizes the CPA as a beacon of trust. As regulations become more complex and individuals and businesses have increasingly challenging financial needs, it’s more important than ever that CPAs anticipate and prepare clients for what’s next. At the same time, reaching new audiences and expanding upon the ways they can act as trusted advisers can be a challenge for busy professionals. The AICPA advances a number of efforts designed to help CPAs take next steps to showcase their offerings and reinforce their competencies — and a recent survey of the brand reveals those efforts are working.

- **The CPA brand stands stronger than ever.** CPAs continue to be rated first among financial professionals and their work consistently receives high marks from both business decision-makers and individual investors, according to the latest findings from biannual independent research to monitor the profession’s reputation. We found that the profession plays a critical role in investor confidence due to its recognized strong core values and evolving body of knowledge and skills. Clients value CPAs’ strength in the core areas of tax, accounting, audit and attest. There is also increasing demand for specializations within the profession in areas such as strategic planning, performance management, risk management, sustainability assurance and business integration systems.

- **CPAs are essential to the small business community, providing a breadth of services to meet owners’ needs and help keep their operations viable for the future.** To demonstrate this and illustrate the important work CPAs perform, the popular #CPApowered social media campaign features ads and videos starring AICPA members who share CPA secrets to business success, and directs viewers to the CPApowered.org website where they can find more information or locate a CPA in their area. The campaign includes a Small Business Marketing Toolkit created to help CPAs promote their services.
CPAs have been providing financial planning services — inclusive of income tax, estate, retirement, risk management and investment planning — for over 100 years. It’s a core service to the public, and a practice area with statistically proven growth opportunities. More than 100,000 AICPA members offer financial planning services, yet many CPAs are not calling themselves financial planners. To help our members attract and retain financial planning clients and remain relevant, the Personal Financial Planning (PFP) Section developed a member education campaign, “Will they find you?” This fact-based campaign presents compelling reasons for CPAs to adopt and use the term CPA financial planner so they won’t be overlooked by current and prospective clients seeking ethical, professional and objective financial planning advice.

Feed the Pig, an AICPA-sponsored national public service campaign, has helped Americans ages 25–34 meet more than 1 million financial goals.

Reinforcing the hallmarks that define the CPA profession, the CPA Truth campaign features memes that highlight the unique qualifications and high service standards that set the profession apart. CPAs can share the downloadable memes in their own social media.

Expanding awareness of CPA competencies, the AICPA Financial Literacy volunteer effort benefits both the public and the profession. In recognition of April as Financial Literacy Month, CPA Caucus Co-chair, Rep. Brad Sherman (D-CA), went to the House floor to recognize the importance of financial literacy. He commended the 360 Degrees of Financial Literacy program, as well as the efforts of the AICPA and state CPA societies to improve the lives of all Americans through increased financial understanding. Additionally, Feed the Pig, a decade-long national public service campaign designed to improve financial literacy among Americans ages 25–34, has to date received more than $426 million in donated media and has assisted in people completing more than 1 million financial goals. The campaign, sponsored by the AICPA and the Ad Council, has collaborated with a number of partners to increase personal financial knowledge by providing free digital resources, including Facebook, Games for Change and Upworthy.
EXPLORING AUDITING IN THE FUTURE. The traditional financial statement audit is evolving. Accessing smarter data and leveraging increasingly robust IT systems, auditors are diving deeper into the businesses they audit to provide better insights and understanding. This next trend has the potential to drive even greater audit quality and change how auditors approach their role as they examine underlying and summary data. Over the past year, the AICPA launched several foundational programs as part of its Auditing in the Future initiative to prepare firms of all sizes for emerging opportunities in the audit landscape.

To facilitate the further integration of data analytics into the audit process, and enhance audit quality, the AICPA joined with Rutgers Business School in December 2015 to launch the Rutgers AICPA Data Analytics Research (RADAR) Initiative. Through RADAR, Rutgers and other academic organizations with expertise in analytics will conduct foundational research that will benefit the entire CPA profession by testing the effectiveness of new analytical approaches and techniques in a research environment. Research findings will inform the development of the AICPA’s guidance on audit data analytics, as well as potential amendments to auditing standards (both U.S. and international).

The Audit Data Analytics Guide will be released in 2017 and help practitioners, regardless of firm size, gain practical guidance on integrating audit data analytics into all audit phases. The AICPA’s Auditing Standards Board (ASB) and Assurance Services Executive Committee (ASEC) formed a joint working group to develop the guide, which will supersede the current Analytical Procedures Guide. The new guide will carry forward much of the content from the analytical procedures guide, while also including various examples and discussions on how audit data analytics can be integrated into each of the phases of the audit more broadly.
What will auditing in the future look like? This year, the AICPA’s Assurance Services Executive Committee, along with academics, students and professionals associated with Rutgers Business School, published *Audit Analytics and Continuous Audit, Looking Toward the Future*. This compendium explores the theory of modern continuous assurance, the current state of continuous auditing and continuous monitoring, the evolution of auditing, audit analytics for financial statement audits, and continuous risk monitoring techniques.

Through the Rutgers AICPA Data Analytics Research (RADAR) Initiative, Rutgers and other academic organizations with expertise in analytics will conduct foundational research that will benefit the entire CPA profession by testing the effectiveness, theory and methodology of new analytical approaches and techniques in a research environment.

Rapidly changing financial technology is transforming how banks, private equity firms and other investors evaluate business opportunities and quantify risk. To help members keep up with the pace, the AICPA has been working on innovative delivery methods to ensure audited financial statements remain the gold standard source for assessing the current health and prospects of a private company. RIVIO Clearinghouse, introduced in May 2016 by the AICPA’s CPA.com subsidiary in partnership with Confirmation.com, is a secure digital platform designed to rationalize the flow of private company financial statement information between key stakeholders in a way that prevents fraud, speeds lending decisions and gives businesses sophisticated control over who views their key financial data. RIVIO, an acronym for Repository of Intelligent Validated Inputs and Outputs, is just one example of the Institute’s leadership role in developing new ways to deliver quality audit, accounting or tax services in the cloud.

PROMOTING FIRM SUCCESS. Firms today look vastly different from how they did a decade ago and, a decade from now, firms’ business models may be unrecognizable. The trends driving the next generation of business owners are diversity and an evolving definition of success. Much the same holds true for the next generation of CPAs. Firms open to exploring these trends can access AICPA resources that will guide them toward the future.

Numerous converging trends — from technological advances to generational changes — present a broadening landscape for firms. The Private Companies Practice Section’s (PCPS) forward-thinking Firm inMotion e-Toolkit delivers the tools CPAs need to evolve and grow their practices. The e-toolkit leverages key insights from the profession’s *Horizons 2025 Report* and provides resources for members to enhance their strategic planning in structure and strategy, use of technology, clients and relationship building, and staff development and culture. A new component — globalization — will be added to the toolkit in 2017.

The Private Companies Practice Section’s (PCPS) forward-thinking Firm inMotion e-Toolkit delivers the tools CPAs need to evolve and grow their practices.

Practitioners have new opportunities to serve clients as they seek to gain greater access to capital, thanks to crowdfunding rules the Securities and Exchange Commission released earlier this year. Use of crowdfunding is growing at an explosive rate. In 2015, $34.4 billion was raised through crowdfunding worldwide, more than double the $16.2 billion raised in 2014. This trajectory is expected to continue in the coming years. The AICPA’s Crowdfunding and Regulation A+ web page offers timely details on the rules, including information snapshots, an explanatory video and a link to a page highlighting peer review considerations. The AICPA’s PCPS team will release a crowdfunding toolkit in 2017 to help members better advise clients in this emerging area.
CAA firms rely on critical benchmarking information that helps them weigh their strategic efforts against those of their peer firms and the competition. Results of the PCPS/CPA.com National Management of an Accounting Practice (MAP) Survey, which will be released later this year, help the Institute monitor the state of current practice and provide valuable data for practitioners. The CPA profession’s premier benchmarking study features key metrics broken down by firm size and region. Focusing on a crucial strategic area for firms, the PCPS Succession Survey results, to be released this fall, will spotlight important trends and concerns for firm transitions.

Crowdfunding has grown from a $6.2 billion industry in 2013 to a $34.4 billion industry in 2015. Given the growth trend, the AICPA has developed resources to help CPAs serve clients seeking capital.

**TRANSFORMING FINANCE.** The role of the CFO continues to expand and evolve. There are unprecedented levels of opportunity for the finance function to add value as businesses look to their finance professionals to deploy their expertise in risk management, including cybersecurity, strategy and execution, turning data into insights that inform decisions. Decision-making in the financial world is more critical now than ever, and Chartered Global Management Accountant® (CGMA®) designation holders are establishing themselves as insightful leaders in this arena. To help CGMAs identify next trends and accelerate transformation, a host of related resources were developed, and targeted efforts communicated the value that CGMAs bring to their organizations.

In a volatile and uncertain business climate, high-quality decision-making never has been more important, or more difficult. The Joining the Dots program provides research and tools to help management accountants improve decision-making in their organizations. The “Joining the Dots: Decision Making for a New Era” report includes findings from a survey of more than 300 board-level executives from large organizations around the world. It features in-depth interviews with C-suite executives on the major contributors to poor decision-making, and offers solutions. The report provides best practices, including following integrated thinking principles similar to those outlined in the Global Management Accounting Principles. A new interactive tool also helps management accountants identify key areas in their organizations that need to be addressed in order to deliver more effective decision-making.

Finance professionals often are the go-to leaders in identifying, assessing and developing plans to mitigate the ever-increasing risks that may significantly affect a business’s strategic success. In a fast-paced business environment, CGMAs need quick and easy access to solutions. The CGMA Risk Management Toolkit brings together a risk heat map, a scenario-planning tool, case studies, guides and articles that help them understand emerging risks and establish robust risk processes.
INNOVATING EDUCATION. The way professionals consume new information is substantially different from even five years ago, making continuing education both challenging and exciting. To meet the needs of today’s professionals, address the innovative and changing ways in which they learn and consume information and prepare them for what’s next on the job or in their careers, the AICPA has designed various new and convenient learning opportunities.

Offering members learning experiences that are personalized, inspiring and meet their individual and professional needs has been the focus of the profession-wide Lighting the Fire: Strategies to Fuel the Future of Learning initiative, launched in 2014. Over the past year, the AICPA has made great strides to meet the initiative’s vision for new approaches to learning. Through partnerships with a number of state CPA societies, the AICPA has experimented with nano-learning, blended learning and the use of participant-focused learning techniques such as crowdsourcing virtual Q&As to meet the changing needs of CPAs. The Institute also is taking steps to ensure that its vision can become a practical reality. This included an AICPA and the National Association of State Boards of Accountancy (NASBA) proposal to update their Statement on Standards for Continuing Professional Education (CPE) allowing CPAs to get credit for nano-learning and for blended learning, which was approved in August 2016.

To bring multiple learning opportunities to members’ fingertips, the newly expanded AICPA | CIMA Competency and Learning website offers more than 2,400 educational resources and planning tools across all major practice areas of public and management accounting.

The reaction to Britain’s vote to leave the European Union (Brexit) was immediate and impassioned. While the long-term implications of this historic vote remain to be seen, financial executives stand ready to ease their organizations through the uncertainties. A special digital edition of CGMA Magazine newsletter published in June included an array of timely, practical content to help members prepare for potential supply-chain effects, currency-fluctuation risks, and recruiting and retention challenges related to Brexit. The coverage also offered guidance on scenario planning and how to communicate to staff in times of uncertainty.

From partnering in organizational decision-making to overseeing the enterprise risk management process, CGMAs bring a wealth of knowledge and expertise to the organizations where they work. Exposing senior finance and business leaders to the value that CGMA designation holders bring was the focus of a number of public relations and media efforts this past year. A targeted awareness campaign highlighting CGMAs’ acumen in integrated thinking and business partnering through publications such as CFO Magazine, CEO Magazine, American City Business Journals, Business Insider, HR Magazine, among others, made a strong case for CGMAs as essential to transforming finance and business for the future. In addition, coverage of the Joining the Dots report in The Wall Street Journal, Fortune magazine and Sky News Radio in the United Kingdom showcased the power and importance of the CGMA Global Management Accounting Principles in helping CGMAs respond to business challenges.

To help employers gain increased value from the CGMA designation in their organizations, the AICPA sought measures to create expanded access to obtaining the CGMA designation for qualified professionals in the United States. Recognizing that businesses want and need competent, credentialed professionals within their finance departments, the AICPA’s governing Council overwhelmingly approved a proposal to expand access to the CGMA. Having met the education, examination and experience criteria, qualified individuals will be awarded the CGMA and join the over 150,000 CGMAs around the world who already hold the management accounting designation. Citing the best interests of business, the accounting profession and the public, the AICPA’s governing Council acknowledged that the move brings qualified individuals into a professional affiliation committed to integrity, objectivity and competence, and that is grounded in lifelong learning and ethics.
Organizations are increasingly seeking specialized services to fulfill their business objectives and satisfy their stakeholders. Specializations allow firms and practitioners to tap into new markets and better serve clients. This past year, the AICPA’s National Accreditation Commission (NAC), which identifies, recognizes, advocates for and supports new service areas, began assessing next business trends in which members can play an expanded and valuable role. In addition, to help the profession advance its quality across all areas of service, the NAC unanimously approved a proposal to implement competency-based renewal requirements for the AICPA’s specialty credentials.

**A TIME TO ENGAGE**

When CPAs converge in one location for their firm’s annual meeting, the opportunities abound to learn from experts in the know, network with colleagues across all areas of the practice and plan for the future. Much like the premise of a firm’s annual meeting, **AICPA ENGAGE** taps into today’s educational trends and provides a one-of-a-kind learning and networking experience. Debuting in June 2017, AICPA ENGAGE will bring together five of the Institute’s most popular conferences and the Association for Accounting Marketing (AAM) Summit in a single forum devoted to financial planning and public accounting. The AICPA conferences involved will include: the Advanced Estate Planning Conference, Advanced Personal Financial Planning Conference, Conference on Tax Strategies for High-Income Individuals, National Advanced Accounting and Auditing Technical Symposium and the Practitioners Symposium/TECH+ Conference. Participants can attend on-site or online, will have access to all sessions and will benefit from unparalleled networking and learning opportunities.
OPPORTUNITIES

LEADING IN CYBERSECURITY. Today's global marketplace runs on electronic information, making it more likely that the next threat facing businesses and governmental entities will be cyber-related rather than physical in nature. Ninety-five percent of CGMAs recently surveyed said their companies are concerned with cyberattacks, reinforcing an imperative that cybersecurity is not just an IT problem, it's an enterprise risk management problem, and also setting up the argument that businesses need to better communicate about and report on their cybersecurity management programs. Over the past year, the Institute's cybersecurity efforts have kept members informed about this growing threat and laid the groundwork for initiatives that will foster awareness and acceptance of CPAs as trusted advisers and independent assessors of cybersecurity risk management.

Boards of directors, customers, business partners and regulators are increasingly seeking information on entity cybersecurity risk management programs. Recognizing the role that CPAs can play in advising and reporting on how entities manage the potential effects of cybersecurity risks on their business objectives, the AICPA's Assurance Services Executive Committee (ASEC) formed the ASEC Cybersecurity Working Group to collaborate with the AICPA's Auditing Standards Board (ASB). The group is developing practitioner performance and reporting guidance for an examination-level assurance engagement on an entity's cybersecurity risk management program. The criteria being developed in relation to this engagement are aligned with the 2013 COSO Internal Control — Integrated Framework Points of Focus, allowing companies to take a strategic, objectives-based approach in managing, and communicating how they manage, cybersecurity risk.

The AICPA is developing practitioner performance and reporting guidance for an examination-level assurance engagement on an entity's cybersecurity risk management program.
IGNITING CAREERS. With an abundance of businesses starting up and existing organizations aiming for growth, there never has been a better time to be a CPA. Budding CPAs have their choice of engaging, interesting work across a diverse client base. The AICPA's pipeline initiatives prepare high-potential entrants with a wide range of talents for an exciting career in accounting, spark students' interest in pursuing their CPA and help CPAs chart next opportunities for success.

Accounting program enrollment and CPA firm hiring of new graduates have reached record highs, and the number of new CPA Exam candidates and examination sections continues to grow. The past fiscal year saw the highest number of sitters since 2012. Recruiting top talent is important for business and firm success, so the AICPA is taking steps to attract the most qualified candidates. To engage stakeholders in this effort, the Institute published the CPA Exam Candidate Success report. The report provides insights on best practices that colleges, universities and employers can undertake to put students on a path to the CPA. In addition, to advance recruitment efforts, the AICPA partnered with state CPA societies on joint programs and is working with the National Association of State Boards of Accountancy (NASBA) on several projects focused on exam dropout and CPA conversion rates.

To help candidates prepare for the next version of the Uniform CPA Examination, launching in April 2017, the AICPA issued *The Uniform CPA Examination: An Overview of the Current Exam and What to Expect from the 2017 Version*. This booklet is a valuable candidate-focused publication covering basic information about the CPA profession, candidate testing requirements, and details about the current CPA Exam and changes. It also provides helpful tips and resource links that candidates can use to prepare for the test.

By relaunching StartHereGoPlaces.com with a robust teacher library that includes more than 70 resources to further engage high school students in the study of accounting, the AICPA strengthened the CPA brand’s online presence at the high school level. Bank On It® continues to test students’ accounting knowledge via gamification and has been played more than 50,000 times. Both this site and ThisWayToCPA.com, the AICPA’s site designed specifically for college students and CPA Exam candidates, are now more accessible on smartphones and tablets.

The AICPA’s efforts will continue into 2017 with the ASEC’s development of a supply chain vendor risk management guide. This guidance is intended to enable CPAs to report on cybersecurity risk in supply chains and distribution networks, helping companies to better understand and manage that risk.

Executives in the finance function have a unique view into the complexities of business and can play a crucial role in helping businesses prepare for and address potential cybersecurity risks. Nearly three quarters, 72%, of CGMAs said their companies have asked the finance function to take on more responsibility to mitigate these risks. To help educate members and prepare them for the opportunities and challenges presented in this burgeoning area, the AICPA teamed with Ridge Global on a series of webcasts covering today’s cybersecurity threats, the techniques used to protect against them and methods for detecting and responding to attacks as they occur.

Advising clients on taking the next steps toward implementing internal risk management policies and procedures is yet another role CPAs can play in the battle against cybersecurity threats. CPAs on the front lines will gain important insights from the AICPA’s Information Management and Technology Assurance team, which has deployed a cybersecurity task force to produce a series of blog posts and webcasts to educate members.

The potential for cyberattacks presents an urgent risk for any business, firm or client, so the AICPA launched the new Cybersecurity Resource Center, a library of timely news and information, events and continuing education offerings. A video featuring AICPA President & CEO Barry C. Melancon discusses the leadership role CPAs can play in the cybersecurity space. An upcoming PCPS toolkit will educate firms on cybersecurity as it relates to their own practices and will offer tools to assist them in starting cybersecurity risk management advisory and assurance practices.

Executives in the finance function have a unique view into the complexities of business and can play a crucial role in helping businesses prepare for and address potential cybersecurity risks. Nearly three quarters, 72%, of CGMAs said their companies have asked the finance function to take on more responsibility to mitigate these risks. To help educate members and prepare them for the opportunities and challenges presented in this burgeoning area, the AICPA teamed with Ridge Global on a series of webcasts covering today’s cybersecurity threats, the techniques used to protect against them and methods for detecting and responding to attacks as they occur.

Advising clients on taking the next steps toward implementing internal risk management policies and procedures is yet another role CPAs can play in the battle against cybersecurity threats. CPAs on the front lines will gain important insights from the AICPA’s Information Management and Technology Assurance team, which has deployed a cybersecurity task force to produce a series of blog posts and webcasts to educate members.

The potential for cyberattacks presents an urgent risk for any business, firm or client, so the AICPA launched the new Cybersecurity Resource Center, a library of timely news and information, events and continuing education offerings. A video featuring AICPA President & CEO Barry C. Melancon discusses the leadership role CPAs can play in the cybersecurity space. An upcoming PCPS toolkit will educate firms on cybersecurity as it relates to their own practices and will offer tools to assist them in starting cybersecurity risk management advisory and assurance practices.


MENTORING PROGRAM AN OPPORTUNITY TO STRENGTHEN CPA TALENT

From troop leaders and swim coaches to college professors and managers, mentors play a significant role in shaping our lives, influencing our behaviors and helping us plan our career nexts. The groundbreaking AICPA Online Mentoring Program connects CPAs at all stages of their development to seasoned professionals, allowing them to gain insights and perspectives that can help advance their careers.

Powered by the AICPA’s Private Companies Practice Section (PCPS) and developed by the Women’s Initiatives Executive Committee with support from the Young CPA Network, the program matches mentors and mentees for a nine to 12 months-long online relationship, and offers practical resources that include a mentoring relationship guide. It is currently in a pilot phase.

- The number of high school teachers trained to teach higher-order accounting courses has increased due to a collaboration with state CPA societies to expand the reach of the Accounting Pilot & Bridge Project. AICPA research has shown that the first accounting course high school students take greatly affects their decision to pursue accounting as a major and career choice. High school teachers go through the program and receive continued support from the AICPA in the form of lesson plans, access to online teaching resources and pre-written exams.

- The AICPA has advocated for the Association to Advance Collegiate Schools of Business (AACSB) to study reengineering accounting accreditation. AACSB has created a quality assurance committee that will explore recommendations by the AICPA and others to decouple accounting accreditation from business school accreditation and to set accreditation standards that require more engagement between the professional accounting community and accounting faculty.

- Firms and strategic partners seeking to diversify the pipeline of new talent can access AICPA resources devoted to promoting diversity and inclusion in the profession. In addition to the existing AICPA Accounting Inclusion Maturity Model, Recruitment and Retention Toolkit and Inclusion Solutions newsletter, new offerings this year include the “Unconscious Bias” webcast series. This series of three web events helps participants recognize their underlying preferences that can undermine good decision-making and can be a critical impediment to developing an inclusive workplace.
CHARTING THE FUTURE. Reinforcing the profession’s position for the future and gaining broader international advocacy on behalf of CPAs and their stakeholders was the impetus behind the AICPA’s proposal with The Chartered Institute of Management Accountants (CIMA) to evolve its joint venture. Together, the two organizations proposed creating a new association that would integrate operations and represent the entire profession, while preserving the membership bodies of both organizations.

In a bold step forward for the accounting profession, members of the AICPA and CIMA each overwhelmingly approved the creation of an international accounting association that will strengthen advocacy, open new opportunities for members and enhance the resources available to public and management accountants in the United States and abroad. Launching in early 2017, the new association, called the Association of International Certified Professional Accountants, will represent the entire accounting profession, using its international influence to advance the interests of about 600,000 current and next-generation professionals. It will allow the profession to stay ahead of trends and developments and speak with one powerful voice. The Institute will continue to promote, protect and broaden the CPA, advancing audit, tax and other core services. Members will receive all existing benefits, as well as added value from the new association. All AICPA and CIMA members will have automatic dual membership in the association for no additional dues.

The AICPA ballot passed 86.5 percent to 13.5 percent. Members of The Chartered Institute of Management Accountants (CIMA) endorsed the ballot 89.7 percent to 10.3 percent.

BOARD OF DIRECTORS

- Timothy L. Christen, CPA, CGMA, Chairman
- Kimberly N. Ellison-Taylor, CPA, CGMA, Vice Chairman
- Tommye E. Barie, CPA, Immediate Past Chair
- Barry C. Melancon, CPA, CGMA, President and CEO

For Three Years (2015–18)
- Paul E. Curth, CPA
- Frederick D. Niswander, CPA, CGMA
- Anne M. Northup*
- William R. Pirolli, CPA/CFF/PFS, CGMA
- Christopher G. Schmidt, CPA
- Mary S. Stone, CPA

For Two Years (2015–17)
- Thomas C. Broderick, CPA, CGMA
- Theresa M. Grafenstine, CPA, CGMA
- Eduardo L. Jordan, CPA, CGMA
- J. Michael Kirkland, CPA, CGMA
- Margery L. Piercey, CPA, CGMA
- David Stanford*

For One Year (2015–16)
- Mark P. Begich*
- Stephen W. Christian, CPA, CGMA
- Tracey C. Golden, CPA
- Eric L. Hansen, CPA
- DeAnn Hill, CPA, CGMA
- Dorri C. McWhorter, CPA, CGMA
- David K. Morgan, CPA

*Public Member