



ACCOUNTING IN EXTRAORDINARY TIMES

AICPA Fall Meeting of Council & Annual Members' Meeting
Sunday, October 22 – Tuesday, October 24, 2017

JW Marriott San Antonio Hill Country Resort & Spa
23808 Resort Parkway
San Antonio, TX 78261

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**FALL COUNCIL & ANNUAL MEMBERS' MEETING****OCTOBER 22-24, 2017****SAN ANTONIO, TX****MINUTES OF MEETING****INDEX**

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A meeting of the Council of the American Institute of Certified Public Accountants convened at 2:30PM Sunday, October 22, 2017, at the JW San Antonio Hill Country Resort & Spa in San Antonio, TX.

Kimberly Ellison-Taylor, Chairman of AICPA Board of Directors, presided.

Attendance

A record of attendance for the Council is listed in **Appendix A** in the official minute records of the AICPA.

Sunday, October 22, 2017

Welcome and Opening Remarks by the Chairman of the AICPA Board of Directors

Kimberly Ellison-Taylor, Chairman of the Board, began by welcoming everyone to the AICPA's 2017 Fall Council and Annual Members' Meeting. Ms. Ellison-Taylor asked the audience for a moment of silence for those who had been impacted, directly or indirectly, by recent natural disasters. The Chairman declared a quorum to be present, outlined the agenda for the meeting, and moved to the first agenda item.

Election to Fill Elected Council Member Vacancies

Ms. Ellison-Taylor announced the nominees to fill two Elected Council Member vacancies.

Ms. Ellison-Taylor announced the nomination of Darryl Nitta of Hawaii to fill the unexpired term of Wendell Lee, as well as the nomination of John Baines of Texas to fill the unexpired term of Bill Reeb. Upon a motion duly made and seconded, the members of Council approved the election of Mr. Nitta and Mr. Baines to fill the vacancies for the duration of the unexpired terms.

Election to Fill Peer Review Board Vacancy

Ms. Ellison-Taylor announced the nomination of Steve Hicks to fill an unexpired term on the Peer Review Board with a term to expire in January 2018. Upon a motion duly made and seconded, the members of Council approved the election of Mr. Hicks to fill the vacancy for the duration of the unexpired term.

Approval of the Minutes from the 2017 Spring Meeting of Council

Upon a motion duly made and seconded, the minutes of the May 21-23, 2017 meeting of Council were approved.

Presentation of the AICPA Gold Medal Award of Distinction

Ms. Ellison-Taylor noted that the AICPA Gold Medal Award of Distinction is the highest honor bestowed by the AICPA to a member. She acknowledged past Gold Medal recipients and introduced Mr. Jack

Finning, a member of the Awards Committee, to present the Gold Medal to this year's recipients, George Krull and Bruce Webb. Mr. Krull accepted his award and thanked the Missouri Society, his family, friends and colleagues who helped him through his career. Mr. Webb accepted his award and thanked the AICPA for the opportunities to serve the profession as well as his wife, colleagues, and the chairs of the committees on which he has served.

Future of Finance

Noel Tagoe, Executive Vice President of Academics and Management Accounting, and Andrew Harding, Association Board Member and Chief Executive - Management Accounting, discussed the changing role of the finance function, what we can expect to be different in the future and the drivers of change, as well as how the Association is responding to support the profession.

Guest Speaker on Artificial Intelligence and the Impact to the Profession

Calum Chase joined Council to discuss the long-term impact of artificial intelligence on individuals, societies, and economies. Mr. Chase also spoke to the ways artificial intelligence is changing the accounting profession.

The Sunday session of the 2017 Fall Meeting of Council concluded at 5:03PM.

Monday, October 23, 2017

Opening Remarks

Ms. Ellison-Taylor opened the meeting and declared the Annual Members' Meeting of the AICPA to be in session and gave an overview of the day's agenda.

Report from the President and CEO

Barry Melancon, President and CEO, presented a short video highlighting Kimberly Ellison-Taylor's year as AICPA Chairman of the Board.

Mr. Melancon spoke about artificial intelligence, disruption, and rapid changes in technology and their current and future effects on business and the accounting profession.

Mr. Melancon noted the skills that will play a role in the success of auditors in the future: technology, communication, critical thinking and judgement. Mr. Melancon also provided an update on cybersecurity risk

management, blockchain, integrated services for tax and financial planning, and shifting firm models. He reported on the CGMA Compass Diagnostic Tool, CGMA Pathway, and the Future of Finance.

Mr. Melancon also discussed best practices for securing the CPA pipeline, including the Accounting Pilot and Bridge Project, the Academic Champion Program, and the Accounting Doctoral Scholars Program. In addition, he noted the importance of working collaboratively with state societies, NASBA, and firms, each of which have helped to increase the number of graduates taking the CPA Exam.

Mr. Melancon provided an update on developing competencies, tax reform, IRS service issues, disaster relief support, advocacy, and proposed limitations on cash accounting, and he noted continued progress for the profession's initiatives in the definition of attest, firm mobility, innovation, and promoting the profession.

Positioning the Profession for the Next Generation

Ms. Ellison-Taylor hosted a Generation X/Millennial panel that discussed ways to position the profession for future generations. Panelists included Mark Koziel - Executive Vice President of Firm Services, Carla McCall – co-managing partner of AAF CPAs, Emily Donnelly from AAF CPAs, and Zach Matroly – Assistant Controller with Koch Industries. Ms. Ellison-Taylor invited discussion about ways organizations can position themselves for the future, steps they have taken to effect change, and where they see the profession in the next ten years.

Integrated Tax and Planning Services to Individuals

Jeannette Koger, Vice President, Advisory Services & Credentialing, joined by AICPA Board member Jeff Porter, owner of Porter and Associates CPAs, discussed key issues affecting tax and planning as well as the how CPAs can best respond to secure the future of the profession. They discussed the key areas of retirement planning, investment planning, estate planning and risk management planning, noting that tax planning is an integral part of each.

Update from the National Association of State Boards of Accountancy (NASBA)

Ted Lodden, Chairman of the National Association of State Boards of Accountancy (NASBA), discussed the importance of the work being done by NASBA. Mr. Lodden provided an update on current NASBA initiatives including diversity and inclusion, improved global pathways, improving the pipeline, and technological impacts to the profession.

Enhancing Audit Quality

Sue Coffey, Executive Vice President of Public Practice, provided Council with an update on Enhancing Audit Quality and the significant accomplishments over the last year. Ms. Coffey noted the improved Peer Review Performance, the enhanced oversight program, and the development of a new single audit resource.

Report on Finance and Operations

Rick Niswander, Member of the Audit and Finance Committee and CFO of East Carolina University, and Scott Spiegel, Chief Financial Officer, reported on the current year combined forecast for the Association of International Certified Profession Accountants and CPA.com, gave an update on the staff pension plans, and provided highlights on membership, operations and revenue-producing activities.

Guest Speaker – John O’Leary

John O’Leary, author of “On Fire, The Seven Choices to Ignite a Radically Inspired Life”, gave an inspirational speech to Council members about how to live your best life and keep a positive attitude.

Breakout Sessions

Ms. Ellison-Taylor invited Council members to participate in breakout sessions for the remainder of the business day.

The Monday session of the 2017 Fall Meeting of Council and the AICPA Annual Members’ Meeting were adjourned at 5:16PM.

Tuesday, October 24, 2017**Opening Remarks**

Ms. Ellison-Taylor opened the session and reviewed the upcoming day’s agenda items.

Report from the Auditing Standards Board

Mike Santay, Chair of the Auditing Standards Board and Audit Services Partner at Grant Thornton, provided an update on the Auditing Standards Board’s (ASB) current initiatives and standards recently issued. He mentioned the various organizations and volunteer groups the ASB teams with during its standard-setting process, including those with expertise in data analytics, audit evidence, and risk assessment.

Report on Breakouts

Bill Reeb, AICPA Vice Chair nominee, reported on Council’s breakout sessions held the previous afternoon. He noted that AICPA leadership and staff will use Council’s valuable feedback, and thanked Council members for their thoughtful approach to the discussion questions.

Open Forum

Ms. Ellison-Taylor and Mr. Melancon invited comments and answered questions from members of Council and guests. Mr. Melancon also answered questions that were submitted during the Report from the President and CEO.

Report from the Nominations Committee

Tim Christen, co-chair of the Nominations Committee, presented the report of the 2016-2017 Nominations Committee. In accordance with the Institute's bylaws, the Committee held meetings and subsequently published its report on the AICPA website in April of 2017.

Mr. Christen put forth the slate of members nominated as Council members-at-large for three-year terms beginning February 1, 2018 and ending in May 2021. Upon a motion duly made and seconded, Council unanimously approved the election of the nominees for Council members-at-large.

Mr. Christen put forth the slate of nominees for directly-elected members of Council. Notice of these nominations was also placed on the AICPA website in April 2017. Upon a motion duly made and seconded, Council unanimously approved the election of the nominees to be directly-elected Council members.

Mr. Christen put forth the slate of nominees for the Joint Trial Board to fill twelve vacancies, as well as reappointment of two members for an additional three-year term beginning February 1, 2018 and ending in May 2021. Upon a motion duly made and seconded, Council unanimously approved the election of the nominees to the Joint Trial Board.

Mr. Christen put forth the individuals nominated for election to the Peer Review Board. Upon a motion duly made and seconded, Council unanimously approved the election of the nominees to the Peer Review Board.

Mr. Christen put forth the slate of AICPA members to serve on the Nominations Committee for the volunteer year February 1, 2018 to May 2019. Upon a motion duly made and seconded, Council unanimously approved the election of the AICPA Nominations Committee members.

Mr. Christen put forth the nominations for AICPA members on the Association Board of Directors, for a three-year term beginning February 2018, as follows: Sheila Balzer of Colorado, Joe Falbo of New York, Anoop Mehta of Maryland, Randy Myeroff of Ohio, and Doug Roosa of Michigan. Upon a motion duly made and seconded, Council unanimously approved the election of these nominees.

Mr. Christen put forth the nomination of Bill Reeb for the position of Vice Chairman of AICPA for a term of February 1, 2018 to May 2019. Upon a motion duly made and seconded, Council unanimously approved his election.

Mr. Christen recognized the work and accomplishments of Kimberly Ellison-Taylor, whose term ends on January 31, 2018, due to the special transition term.

Mr. Christen then put forth the nomination of Eric Hansen as AICPA Chairman with a term of February 1, 2018 to May 2019. Upon a motion duly made and seconded, Council unanimously approved Mr. Hansen's election.

The Nominations Committee report is at **Appendix C** in the official minute records of the AICPA.

Closing Remarks

There being no further business, Ms. Ellison-Taylor thanked the members of Council and AICPA staff, and stated the Spring Meeting of Council is scheduled for May 20-22, 2018 at the Loews Ventana Canyon Resort in Tucson, AZ.

The meeting was adjourned at 10:19AM on Tuesday, October 24, 2017.