



ACCOUNTING IN EXTRAORDINARY TIMES

AICPA Spring Meeting of Council
Sunday, May 21 – Tuesday, May 23, 2017

JW Marriott Hotel
1331 Pennsylvania Avenue, NW
Washington, DC 20004

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**SPRING MEETING OF COUNCIL****MAY 21-23, 2017****WASHINGTON, DC****MINUTES OF MEETING****INDEX**

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A meeting of the Council of the American Institute of Certified Public Accountants convened at 2:33PM Sunday, May 21, 2017, at the JW Marriott Hotel in Washington, DC.

Kimberly Ellison-Taylor, Chairman of the Board, presided.

Attendance

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

Sunday, May 21, 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 Spring Meeting of Council. The Chairman declared a quorum to be present, outlined the agenda for the meeting and moved to the first agenda item.

Election to Fill Council Member-At-Large Vacancies

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

Ms. Ellison-Taylor announced the appointment of Mary Grace Davenport of New York to fill the unexpired term of Paul Stephens, as well as the appointment of Bruce Behn of Tennessee to fill the unexpired term of Jason Deshayes. Upon a motion duly made and seconded, the members of Council approved the election of Ms. Davenport and Mr. Behn to fill the vacancies for the duration of the unexpired terms.

Election to Fill Peer Review Board Vacancies

Ms. Ellison-Taylor announced the nomination of Richard Hill, Mike Wagner, and Scott Szabo to fill unexpired terms on the Peer Review Board with a term to expire in January 2018, as well as the nomination of Mike Pescatore to fill an unexpired term to expire in May 2019. Upon a motion duly made and seconded, the members of Council approved the election of the four members to fill the vacancies for the duration of the unexpired terms.

Approval of the Minutes from the 2016 Fall Meeting of Council/Annual Members' Meeting

Upon a motion duly made and seconded, the minutes of the October 23-25, 2016 meeting of Council/Annual Members' Meeting were unanimously approved.

Update from Chair of the Association of International Certified Professional Accountants

Andrew Miskin, Chair of the Association of International Certified Professional Accountants, thanked everyone for their leadership and efforts in the creation of the Association. He voiced his pride in the considerable leadership that have brought two organizations together.

Mr. Miskin then provided an update on creating a global accounting environment, opening up the U.S. CGMA market, the future of the audit and finance professions, and the importance of leading change.

Presentation of the 2016 AICPA Public Service Award

Ryan Screnar, Chair of the Awards Committee, presented the AICPA's Public Service Award for an individual to Joseph Zanco of Louisiana. Mr. Zanco thanked the AICPA, the Awards Committee, and the Society of Louisiana CPAs, as well as his family for their support of his public service work.

Briefing for Capitol Hill Visits

Mark Peterson, Executive Vice President – Advocacy, and Ed Karl, Vice President – Taxation, gave an update on the current political environment and provided a briefing on issues of importance to the profession that AICPA Council members would be discussing during their Capitol Hill visits. They also provided an update on additional advocacy initiatives underway, including work on tax reform, cash method of accounting, and other current tax issues.

Mr. Peterson then introduced Kate Kiley and Brady King, AICPA Congressional and Political Affairs directors, along with three Congressional office staffers who discussed the importance of CPA and state society visits to federal legislators.

Round Table Hill Visit Prep Discussions

Mr. Peterson and Mr. Karl continued their presentation by answering Council members' questions and recapping the issues to be discussed on Hill visits, and reviewed materials and outlined strategy for those visits.

The Sunday session of the 2017 Spring Meeting of Council concluded at 5:20PM.

Monday, May 22, 2017

Opening Remarks

Ms. Ellison-Taylor opened the session by outlining the agenda for the day and asked for a moment of silence to recognize those impacted by the attacks at the Manchester United arena.

Report from the President and CEO

Barry Melancon, President and CEO, began his presentation by discussing the technological innovation and change that is disrupting the world today, and transforming the accounting profession and our lives.

Mr. Melancon spoke about artificial intelligence, big data, and blockchain, and their current and future effects on business and the accounting profession.

Mr. Melancon noted three areas –that are critical for the profession’s continued success: transforming services, having appropriately skilled human talent, and leveraging trust and promoting relevance.

Mr. Melancon also provided an update on auditing in the future, using cloud technology RADAR, and the Rutgers AICPA Data Analytics Research Initiative.

Mr. Melancon also reported on recent changes to the CPA exam and the health of the student pipeline into the profession, and reiterated the AICPA’s commitment to audit quality. He gave an update on the RIVIO Clearinghouse, firm mobility, integrated reporting, the definition of attest, the evolution of tax, and other professional issues. He continued his update by discussing the importance of branding, and the AICPA’s financial literacy program.

Mr. Melancon then answered questions from the Council members.

Cybersecurity Across the Profession

Sue Coffey, Executive Vice President – Public Practice, spoke to Council about the increasing awareness surrounding cybersecurity and the measures the organization is taking to support the profession. Ms. Coffey provided an update on the cybersecurity risk management framework that creates a common language and a roadmap for the profession. Ms. Coffey also noted the next steps for the cybersecurity framework development, and the new cybersecurity curriculum.

Fair Value Measurements – A New Formula for Valuation Credentialing

Jeannette Koger, Vice President, Advisory Services & Credentialing, provided updates on the two newest AICPA credentials – Certified in Entity and Intangible Valuation (CEIV) and Certified in Valuation of Financial Instruments (CVFI) – which were created to address requests and concerns from regulators about clarity, consistency, transparency, and fair value measurements for financial reporting.

Charting the Future of the Profession: Input into the 2018-2020 Strategic Plan

Eric Hansen, Vice Chair of the Board, and Lawson Carmichael, Executive Vice President – Strategy, People, and Innovation, examined how business models are changing with technological advances and how these changes impact public accounting firms. Mr. Hansen and Mr. Carmichael invited Council members to

share insights on business model change and technological evolution in the profession. The session concluded with feedback from several discussion groups.

Make Way for Gen Z!

Guest speakers David and Jonah Stillman discussed the next generation known as Gen Z entering the workforce, and highlighted differences in communication, identified influencers, and outlined the traits new to Gen Z.

Report on Finance and Operations

Eric Hansen, Chair of the Audit and Finance Committee, and Tim Lasपालuto, Vice President – Finance, Association & Public Accounting, reported on the financial statements for the five-month period ending December 31, 2016 and presented the budget for the Association of International Certified Professional Accountants ending December 31, 2017. Mr. Hansen discussed the current year's forecast and provided highlights on membership, operations and revenue-producing activities. He gave an update on the staff pension plan and requested the Council's approval of the fiscal 2017 budget.

Upon a motion duly made and seconded, the budget of the Association of International Certified Professional Accountants for fiscal year 2017, as presented to Council, was approved and adopted. The financial statements are at **Appendix B** in the official minute records of the AICPA.

Perspectives from Freshmen CPAs in Congress

Congressman Brian Fitzpatrick of Pennsylvania, member of the Foreign Affairs, Homeland Security and Small Business Committees, and Congressman Tom Suozzi of New York, member of the Foreign Affairs and Armed Services Committees, joined Mr. Melancon to provide insights on their first three months in national political office. Both Congressmen noted their CPA backgrounds, and discussed their new responsibilities and goals for serving in the U.S. House of Representatives.

Rapid Business Model Transformation

Andy Bonner, CFO and Executive Vice President – First Century Bank, Ash Noah, AICPA Vice President – External Relations, and Paul Parks, AICPA Associate Director – Business, Industry and Government, provided Council members with insights into the importance of business model innovation. They also reviewed how the business model is connected to strategy, what tools are used to facilitate the process of business model analyses, and provided examples of how organizations have benefited from business model innovation.

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.

The Monday session of the 2017 Spring Meeting of Council adjourned at 5:16PM.

Tuesday, May 23, 2017

Opening Remarks

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

Guest Speaker – Rep. Lynn Jenkins

Representative Lynn Jenkins from Kansas, member of the House Committee on Ways and Means, the chief tax writing committee in the House of Representatives, discussed the importance of individual CPAs and state societies meeting with their Representatives regarding accounting and tax. Representative Jenkins then answered questions from the Council members.

Guest Speaker – Senator Cory Gardner

Senator Cory Gardner from Colorado, member of the Senate Energy and Natural Resource Committee, the Foreign Relations Committee, the Budget Committee, and the Commerce, Science and Transportation Committee, discussed the work of Congress in recent months, as well as upcoming agenda items. Senator Gardner then answered questions from Council members.

Guest Speaker – Tony Sayegh

The Honorable Tony Sayegh, Assistant Secretary of Public Affairs at the U.S. Department of the Treasury, discussed healthcare, the current tax code, and upcoming tax reform.

Report from the Nominations Committee

Tim Christen, co-chair of the Nominations Committee, provided an update on the committee's recent meeting.

Mr. Christen put forth the nomination of Kimberly Ellison-Taylor for the position of Chairman of the Association of International Certified Professional Accountants and David Stanford as Vice Chair of the Association of International Certified Professional Accountants for the 2017-2018 year. Upon a motion duly made and seconded, Council unanimously approved these elections.

Mr. Christen put forth the nominations for At-Large members on the Association Board of Directors, as follows: David Benello of the UK and Amy Radin of New York. Upon a motion duly made and seconded, Council unanimously approved the election of these nominees.

Mr. Christen then explained that approval from CIMA's governing Council is required before these elections can become final.

Hill Issue Recap

Mark Peterson provided an overview of the issues and materials for Hill visits and answered questions from attendees..

Closing Remarks

There being no further business, Ms. Ellison-Taylor thanked the members of Council and AICPA staff, and stated the Fall Meeting of Council is scheduled for October 22-24, 2017 at the J.W. Marriott in San Antonio, Texas.

The meeting was adjourned at 10:19AM on Tuesday, May 23, 2017.