



GO BEYOND

AICPA Spring Meeting of Council
Sunday, May 20 – Tuesday, May 22, 2018

Loews Ventana Canyon
7000 N Resort Drive
Tucson, AZ 85750

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**SPRING COUNCIL MEETING****MAY 20-22, 2018****TUCSON, AZ****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, May 20, 2018, at the Loews Ventana Canyon Resort in Tucson, AZ.

Eric Hansen, Chairman of the 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, May 20, 2018

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

Eric Hansen, Chairman of the Board, welcomed everyone to the AICPA's 2018 Spring Council Meeting. Mr. Hansen then declared a quorum to be present, outlined the agenda for the meeting, and moved to the first agenda item.

Approval of the Minutes from the 2017 Fall Meeting of Council

Upon a motion duly made and seconded, the minutes of the October 22-24, 2017 meeting of Council were approved.

Election to Fill Elected Council Member Vacancy

Mr. Hansen announced the nominee to fill a Council vacancy from North Carolina.

Mr. Hansen announced the nomination of D. Scott Showalter to fill the unexpired term of Dan Purvine, through May of 2019. Upon a motion duly made and seconded, the members of Council approved the election of Mr. Showalter to fill the vacancy for the duration of the unexpired term.

Approval of IASB (International Accounting Standards Board) as a Standard Setter

Mr. Hansen provided some background and an update on the proposed approval of the IASB as a standard setter. He noted recognition of IASB allows members to use IFRS for financial reporting purposes without violating the AICPA Code of Conduct. Mr. Hansen stated the recommendation of the Board of Directors is to re-designate the IASB as an approved standard-setting body subject to reassessment in three to five years.

Upon a motion duly made and seconded, the members of Council approved the following resolution:

Council Resolution

WHEREAS, At its Spring, 2008 meeting, the Council resolved that the International Accounting Standards Board (IASB) be designated as the body which is authorized to establish professional standards with regard to international accounting and reporting principles under the Compliance With Standards Rule and the Accounting Principles Rule of the AICPA Code of Professional Conduct, with the proviso that Council would, three to five years after such designation, reassess whether continued recognition of the IASB for such purposes is appropriate, and readopted that resolution in May 2013, and

WHEREAS, The Council supports the IASB and believes recognition of the IASB as the body authorized to establish professional standards with regard to international accounting and reporting principles under the Compliance With Standards Rule and the Accounting Principles Rule of the AICPA Code of Professional Conduct should continue; and

WHEREAS, The Council also believes it should again reassess such recognition three to five years after the effective date of this resolution; now

BE IT RESOLVED, That the Council hereby readopts the resolutions related to the IASB set out in Appendix A to the Code of Professional Conduct as set out below.

AICPA Code of Professional Conduct -- Appendix A Council Resolution Designating Bodies to Promulgate Technical Standards [Note: New language (i.e., date of re-adoption) is underlined -- the date on which Council re-adopts the resolutions will be inserted in the blank.]

International Accounting Standards Board

RESOLVED: That the International Accounting Standards Board (IASB) is hereby designated as the body to establish professional standards with respect to international financial accounting and reporting principles pursuant to the "Compliance With Standards Rule" (AICPA, Professional Standards, ET sec. 1.310.001 and 2.310.001) and the "Accounting Principles Rule" (AICPA, Professional Standards, ET sec. 1.320.001 and 2.320.001) of the Code of Professional Conduct; and

BE IT FURTHER RESOLVED: That the Council shall reassess, no sooner than three years but no later than five years after the effective date of this resolution, whether continued recognition of the IASB as the body designated to establish professional standards with respect to international financial accounting and reporting principles under the "Compliance With Standards Rule" (AICPA, Professional Standards, ET sec. 1.310.001 and 2.310.001) and the "Accounting Principles Rule" (AICPA, Professional Standards, ET sec. 1.320.001 and 2.320.001) of the Code of Professional Conduct is appropriate.
[Added by Council May 18, 2008; readopted by Council, May 19, 2013 and May 20, 2018.]

Update from the Chairman of the Association of International Certified Professional Accountants

Kimberly Ellison-Taylor, Chairman of the Association Board, reported on her work with members in the U.S. and abroad, and noted numerous successes and opportunities in the profession. She announced the release of the first Association-wide integrated report and reiterated strategic priorities. Ms. Ellison-Taylor further discussed the Board's work on issues important to both CPAs and CGMAs. She concluded by thanking her family, the Maryland Association of CPAs and Oracle for their support during her time of service to the Association and the profession.

Association 2018-2020 Strategy

Lawson Carmichael, Chief Operating Officer, and Kevin Henson, Vice President-Strategy, provided an overview of the 2018-2020 strategic goals, as well as key market trends, and insights and input that have guided the development of the plan. Mr. Carmichael stated the approach to strategy development is fact-based, hypothesis-driven and collaborative. He also reported on three trends dramatically transforming the marketplace - technology, business model evolution and workforce changes.

Kevin Henson continued the discussion by summarizing five recurring key insights in the strategic planning process – continuing to drive brand recognition of CPA and CGMA; future-proofing the exam and its content; up-skilling the profession; offering flexible pathways; and serving the broader profession. He provided further details of the five 2018-2020 strategic initiatives – promoting competency globally, transforming the organization, evolving auditing in the future, opening U.S. market for CGMA and future-proofing public and management accounting.

Future-Proofing the CPA

Bill Reeb, Vice Chair of the Board, gave an overview of the AICPA's and NASBA's joint initiative to explore possible alternate pathways to obtain a CPA credential. He noted the input from various key stakeholders that is being gathered, and reviewed the feedback from Council's discussions at Regional meetings in March 2018

Guest Speaker on Geopolitical Trends Shaping Our World

Jacob Shapiro, Director of Analysis at Geopolitical Futures, shared his insights on possible changes in the longer-term global landscape, and how it may affect business, firms, clients and governments

The Sunday session of the 2017 Fall Meeting of Council concluded at 5:05PM.

Monday, May 21, 2018

Opening Remarks

Mr. Hansen opened the meeting by outlining the day's agenda.

Report from the President and CEO

Barry Melancon, President and CEO, outlined the profession's established set of core services, and the AICPA's commitment to supporting members as they provide services amidst changes in technology, the talent

pool and the business world. He noted the key role of cloud technology, and blockchain's ever-increasing influence on the accounting profession, in accounting, audit, tax, regulation, education, privacy and other areas.

Mr. Melancon stressed the importance of audit quality, and the profession's work to enhance quality at all levels. He reviewed a new resource available for practitioners performing compilation and review work and highlighted the AICPA's work on auditing in the future.

Mr. Melancon discussed the important role of finance and noted several areas of research to support the management accounting community. He also highlighted work in risk management, integrated reporting, sustainability, public sector resources, and more.

Mr. Melancon then responded to questions from the Council members.

CPA Exam Evolution

Mike Decker, Vice President – Examinations, provided an update on the CPA exam's current content and its supporting infrastructure, how we are equipped to transform the exam to meet future needs and ensuring the exam remains current and relevant amidst a rapidly changing environment. He noted several process improvements, and announced that exam content will reflect the recent tax law changes at the beginning of 2019.

Small Firm Connections

Carl Peterson, Vice President-Small Firms, updated Council members on the AICPA's ongoing outreach and engagement with small firms through PCPS and the Firm Services teams. He highlighted several features and enhancements to the Firm InMotion toolkit available to practitioners.

Guest Speaker on Digital Disruption

Dr. Tracey Wilen, global speaker and researcher on the impact of technology on society, work and careers, shared her insights and research on trends that are impacting society today, skills to consider for a disrupted digital world, and strategies for business leaders and for managing future generations of employees.

Report on Finance and Operations

Chris Schmidt, Chairman of the Audit and Finance Committee, reported on the Association's 2017 combined audited financial statements, highlighted key elements of the Association's 2018 operating budget, reported on the activities of the Association and CPA.com, and the related organizations of AICPA and CIMA.

Scott Spiegel, Chief Financial Officer, gave an update on the staff pension plan, reviewed membership trends and provided key strategic highlights.

Mr. Schmidt submitted the following motion:

BE IT RESOLVED, That the proposed AICPA dues rates for the membership year beginning August 1, 2018, as presented to Council in item 11, are hereby approved.

Upon a motion duly made and seconded, Council approved the motion.

The materials can be found on as Appendix B in the minutes.

Learn, Unlearn, Relearn

Clar Rosso, Executive Vice President - Engagement & Learning Innovation, provided insights into how the AICPA's approach to continuing education and competency development is evolving into a focus on lifelong learning, specific actions that help members navigate this disruption, and ways to help the profession remain relevant. She outlined the concept of learning, followed by unlearning and relearning, to gain knowledge and maintain competencies in a rapidly changing business world. Council members and guests participated in table discussions on this topic.

Advocacy

Mark Peterson, Executive Vice President – Advocacy, provided a greater insight into the fluid political landscape in Washington, DC, the profession's work to encourage IRS modernization and U.S. tax reform, as well as other issues.

The Monday session of the 2018 Spring Meeting of Council adjourned at 5:05PM.

Tuesday, May 22, 2018

Opening Remarks

Mr. Hansen opened the session by outlining the day's agenda.

Election of Association Chairman and Vice Chairman

Andrew Miskin, Chair of the Nominations Committee, submitted a motion to Council for the election of Eric Hansen as Chairman and Steve Swientozielskyj as Vice Chairman of the Association Board for terms beginning June 1, 2018 through May 31, 2019. Upon a motion duly made and seconded, Council approved their election as Chairman and Vice Chairman of the Association Board.

Tax Insights & Outlook: Inside Perspectives on Tax Policy and Implementation of the Tax Cuts & Jobs Act of 2017

Jeff Porter, AICPA Board member and former Tax Executive Committee Chair, moderated a panel discussion on the impact of tax reform from industry, firm, academic and tax policy perspectives, and the effects on CPAs in all forms of practice. Participants on the panel included Annette Nellen, Director of the Masters of Science and Taxation Program at San Jose State University, Patrick Johnson, Domestic Income Tax Manager for AutoZone in Memphis, TN and Jan Lewis, tax partner with Haddox Reid Eubank Betts in Jackson, MS. During the discussion, Council members asked questions and shared their experiences with tax reform.

Opening Accredited Business Valuation Up to Other Qualified Professionals

Nathan DiNatale, Chair of the Business Valuation Committee, presented on considering other qualified professionals to obtain the Accredited Business Valuation (ABV) credential. He reviewed the changing landscape of business valuation and the accounting and finance profession, as well as trends in hiring other qualified professionals in CPA led firms. He shared input and reactions from members, committees, and market leaders. He talked about how this will affect both the ABV and the CEIV credentials. He stated it was important to continue to support CPA led firms in services beyond audit and tax.

Mr. DiNatale requested Mr. Hansen to take a vote on the resolution. Mr. Hansen presented the Resolution to Council and upon a motion duly made and seconded, the motion was passed by unanimous consent.

Council Resolutions

WHEREAS, In 1996, Council authorized an accreditation in business valuation for Certified Public Accountants, who are members of the Institute; and

WHEREAS, Council believes it is advisable to allow the National Accreditation Commission and the AICPA Board of Directors to determine whether individuals, who are not Certified Public Accountants, to obtain the business valuation credential, and to delegate to the Commission and the Board the authority to set the criteria necessary for individuals to obtain and hold that credential; now

BE IT RESOLVED, That individuals involved in business valuation, who are Certified Public Accountants or other qualified professionals, who meet eligibility requirements determined by the National Accreditation Commission and approved by the AICPA Board of Directors in a manner that takes into consideration maintaining the quality of the CPA brand, shall be eligible to obtain and hold the AICPA business valuation credential; and

BE IT FURTHER RESOLVED, That the National Accreditation Commission and the AICPA Board of Directors are hereby authorized to take any action necessary to implement Council's resolutions related to the business valuation accreditation.

Closing Remarks

There being no further business, Mr. Hansen thanked the members of Council and AICPA staff, and stated the Fall Meeting of Council is scheduled for October 21-23, 2018 at the Ritz Carlton in Amelia Island, FL.

The meeting was adjourned at 10:56AM on Tuesday, May 22, 2018.