

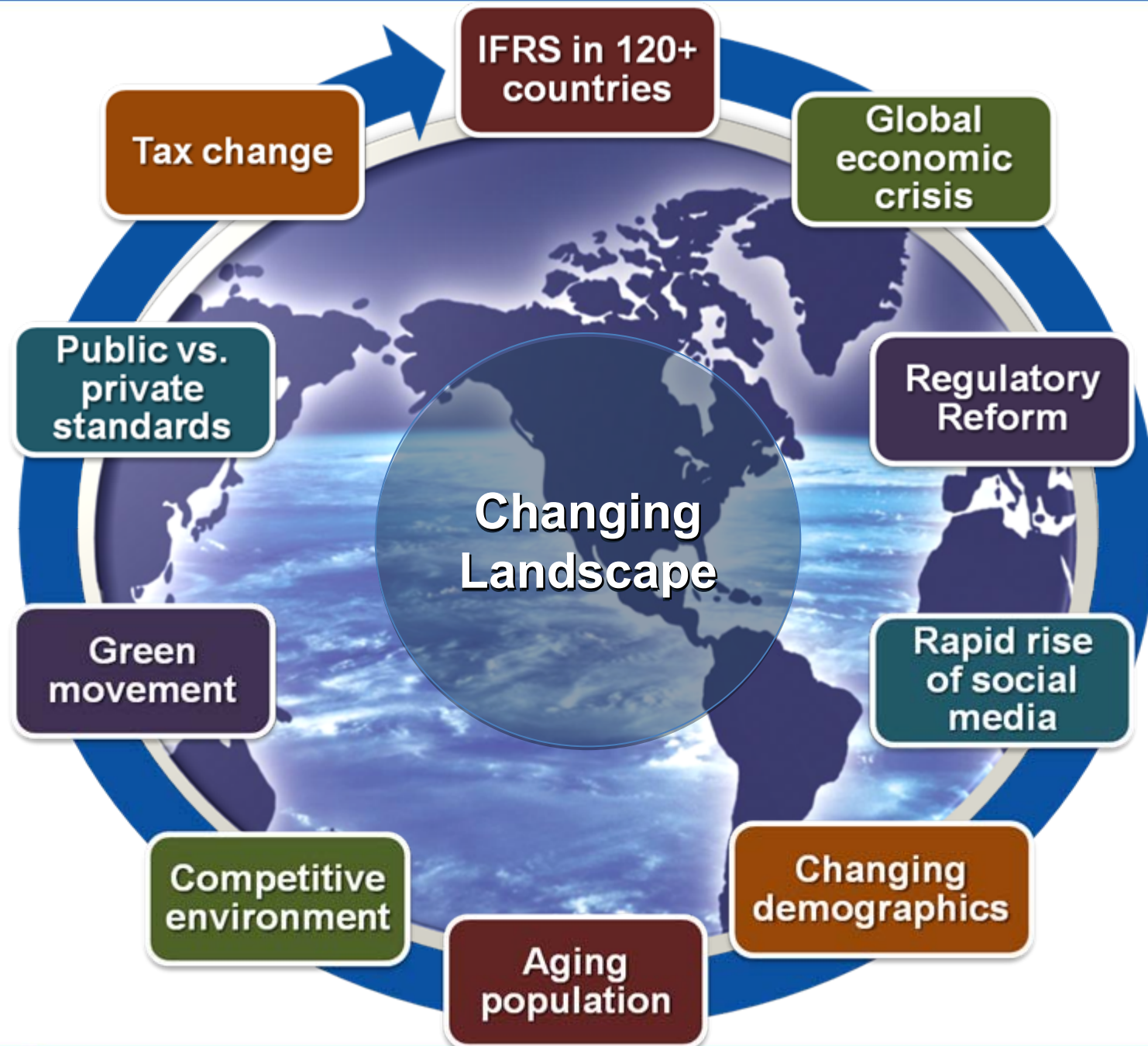


*Seize the **Future***

Date: June 28, 2011

Location: Georgia Society of CPA's- Annual Convention

**Paul V. Stahlin, CPA
Chairman, AICPA**





***Leading Profession on
Emerging Issues***

Legislative & Regulatory Overview

Dodd-Frank Act

SOX

Aiding & Abetting

Red Flags Rule

Dodd-Frank Studies We're Watching

404(b) – Completed; no new exemptions

Financial planner regulation

- **GAO: No additional layer of regulation needed**

Aiding and abetting

- **To be completed by June 30**

Morrison – F cubed Litigation

Municipal adviser rule-making

Whistleblower rule-making

Tax in the Forefront

**Uncertain Tax
Positions**

Due Dates

Simplification

Mandatory E-File

**Tax Strategy
Patents**

**Tax Preparer
Regulation**

Repeal of expanded 1099 reporting requirements

Tax Preparer Regulation Registration

IRS Report – January 2010

■ Two overall goals

- Enhance compliance
- Elevate ethical conduct

■ Four major elements

- PTIN
- Circular 230
- CPE
- Testing

■ CPAs exempt from CPE and testing

AICPA Position

Registration plan should not confuse marketplace

- All registered tax preparers NOT equal

Cost to taxpayers

Supports PTIN for signers

Moderate PTIN fee - not for revenue

Delay new IRS exam process



*The Future is **Glocal**
Global + Local*

The New Trend: Local, Local, Local



**Local
Commerce**



**Local
Politics**



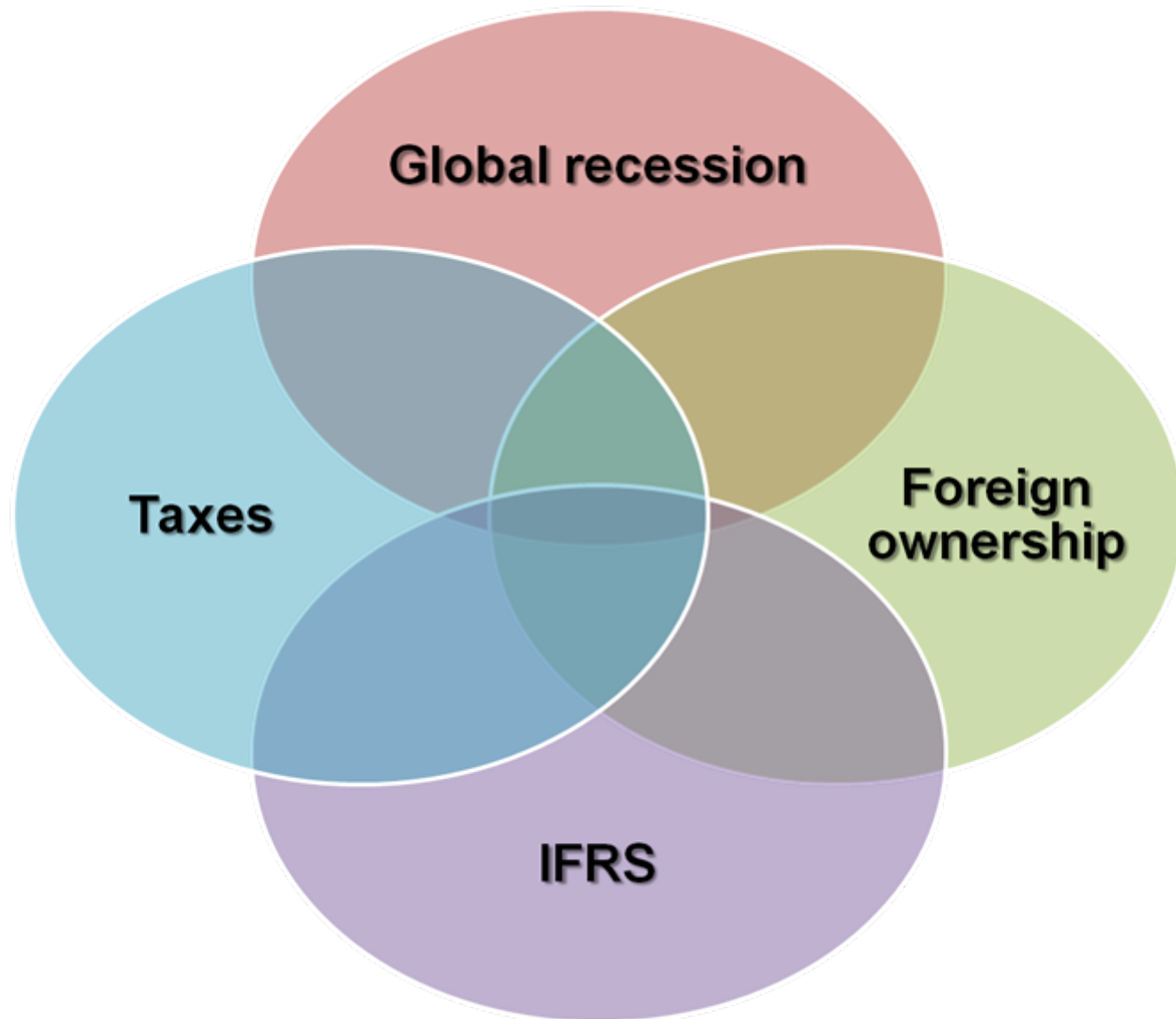
**Local
Education**



**Local
Growth**

Trend Watchers call this “local cocooning”

Economic Interconnectedness



SEC on IFRS at AICPA SEC-PCAOB Conference

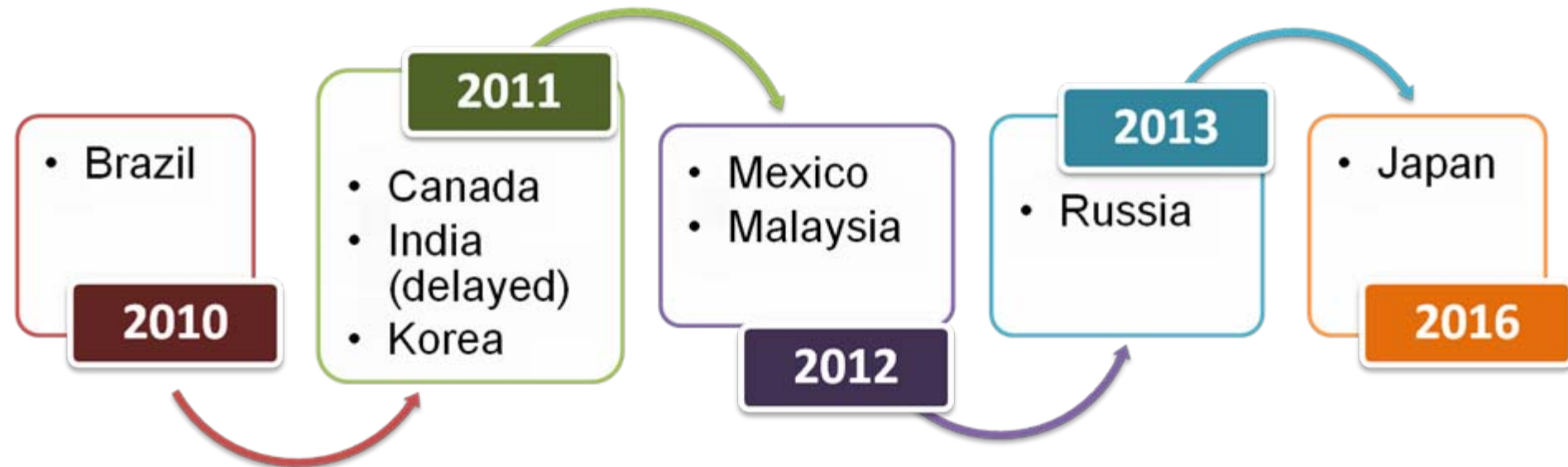
Decision “sometime in 2011” (not committed to June)

Quality standards is priority over timing

Minimum four years to comply if IFRS adopted

Adoption, endorsement or “condorsement”/role of FASB

IFRS – Adoption Trends (Since Europe in 2005)



- AICPA supports SEC Work Plan on transition to IFRS for public companies
- FASB/IASB convergence project to be completed in 2011; FASB insurance contracts 2012

IFRS Certificate Program

- Gain competence in IFRS
- Demonstrate knowledge, expertise
- Enhance career opportunities
- 25 online courses/42 CPE credits
- Free subscription to IASB's eIFRS
- Library of podcasts
- Discounts on AICPA IFRS products



[IFRS.com/certificate](https://www.aicpa.org/IFRS/certificate)



***Responding to the
Marketplace***

Blue Ribbon Panel – Historic Movement

- **Major Recommendations:**
 - **Separate standard-setting board**
 - **Differential standards (GAAP with exceptions/modifications for private companies)**
- **5-year sunset review of board**
- **Funding mechanism for new board**
- **Report due to FAF late Jan.**
- **FAF considers at Feb. 15 meeting**
- **Proposal likely in spring 2011**



Changing Private Company Reporting

Stakeholders must be heard

CPAs strongly urged to send letter to FAF supporting panel's recommendations

Need small business clients, private employers to comment

Encourage bankers/lenders, other users to show support

aicpa.org/privateGAAP

AICPA Sustainability Accomplishments

Website launch

- aicpa.org/sustainability

International Integrated Reporting Committee

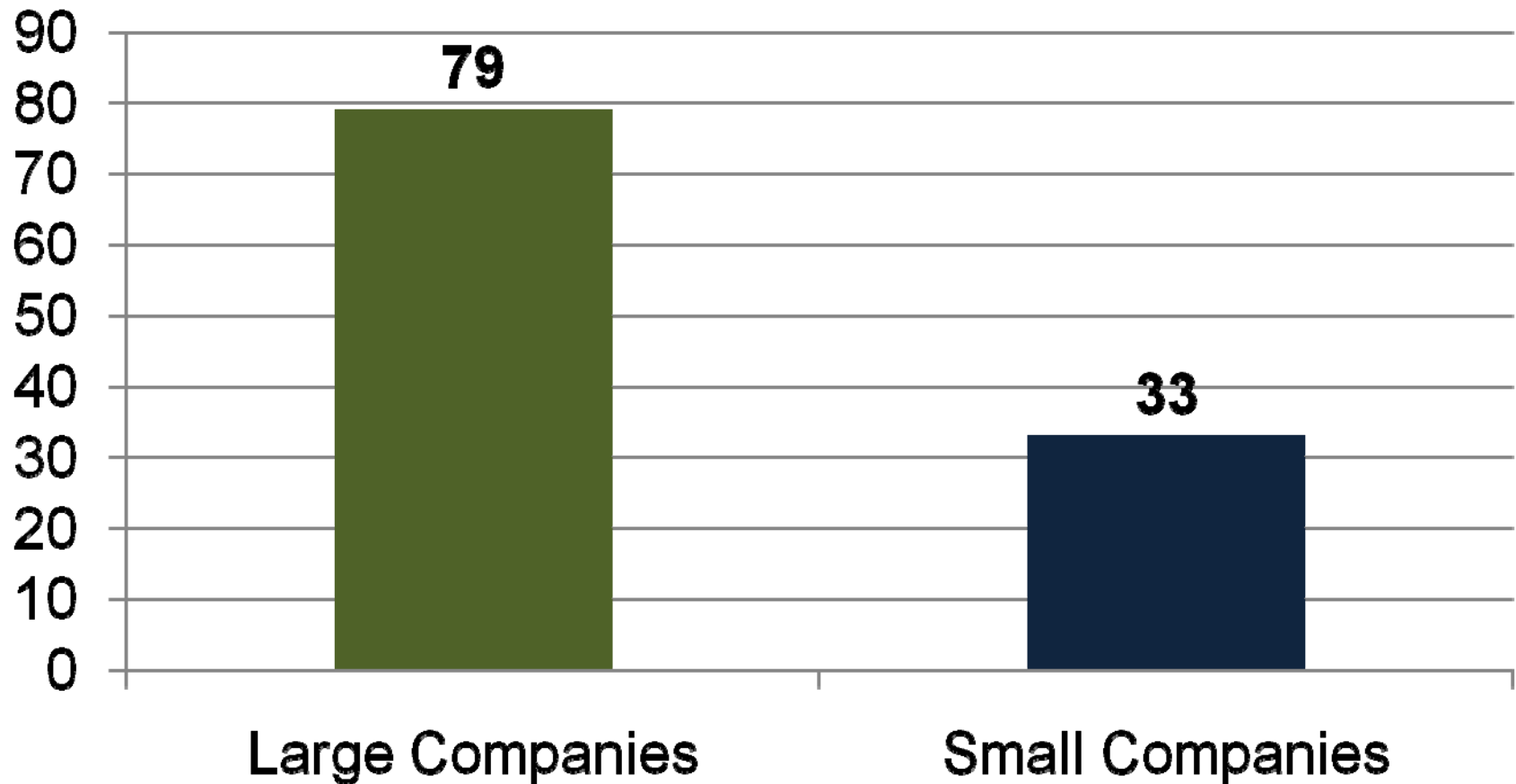
CDSB Climate Change Reporting Framework

AICPA/CICA Sustainability Workshop

This Way to CPA 2010 Accounting Case Competition

Global Accounting Sustainability Survey Joint Study by AICPA, CIMA & CICA

Formal Sustainability Strategy



SAS 70 → Service Organization Control Reports



- **3 reports to help service orgs demonstrate reliability and trust**
 - **SOC 1: SSAE 16**
 - **SOC 2: Other than ICFR**
 - **SOC 3: Trust Services**
- **CPAs, clients decide on market need and proper engagement**
- **Use for marketing, websites**
- **New AICPA webpage aicpa.org/SOC**

AICPA/CIMA Release ERM Whitepaper

- **Series of global reports with CIMA**
- **U.S. falls behind in ERM**
- **Many companies lack strong risk oversight protocols**



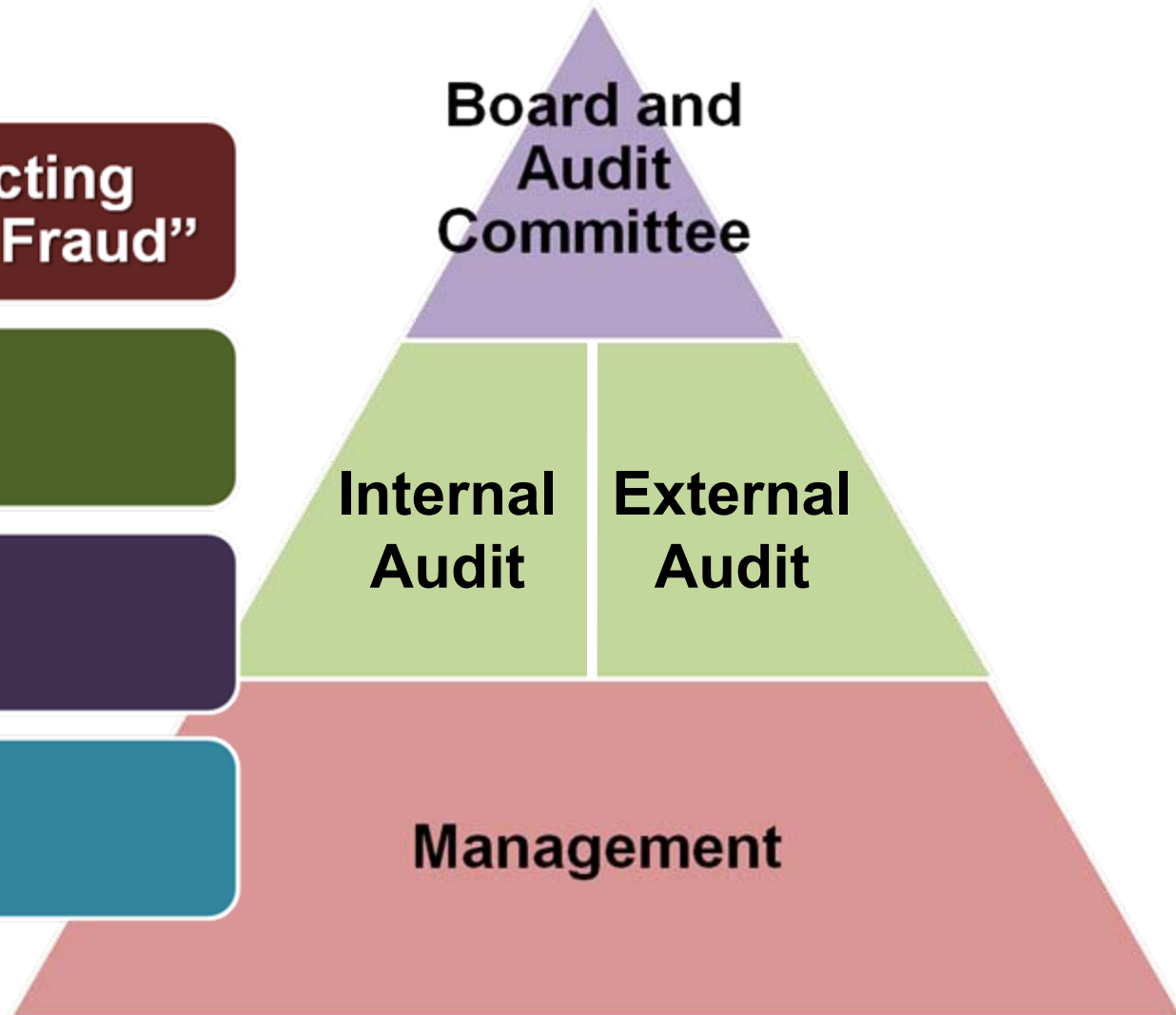
Center for Audit Quality Anti-Fraud Report

**“Deterring and Detecting
Financial Reporting Fraud”**

**100 participants in
roundtables**

**Partnerships:
FEI, IIA, NACD**

**Focused on fraud
deterrence**





***Moving the Profession
Forward***

Firm – Small Business Relationship

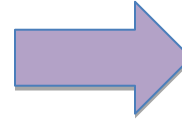
Key Technology Trends Driving Changes

TODAY

FUTURE (*not too far off*)

Data

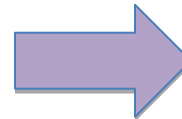
Semi automated
data collection for tax, audit,
and client accounting



Highly automated
data collection for tax, audit,
and client accounting

Processing

Independent platforms and
partial workflows



Integrated best of breed
platforms and broad
workflows to automate
processing

Services

Tax and Accounting
Compliance

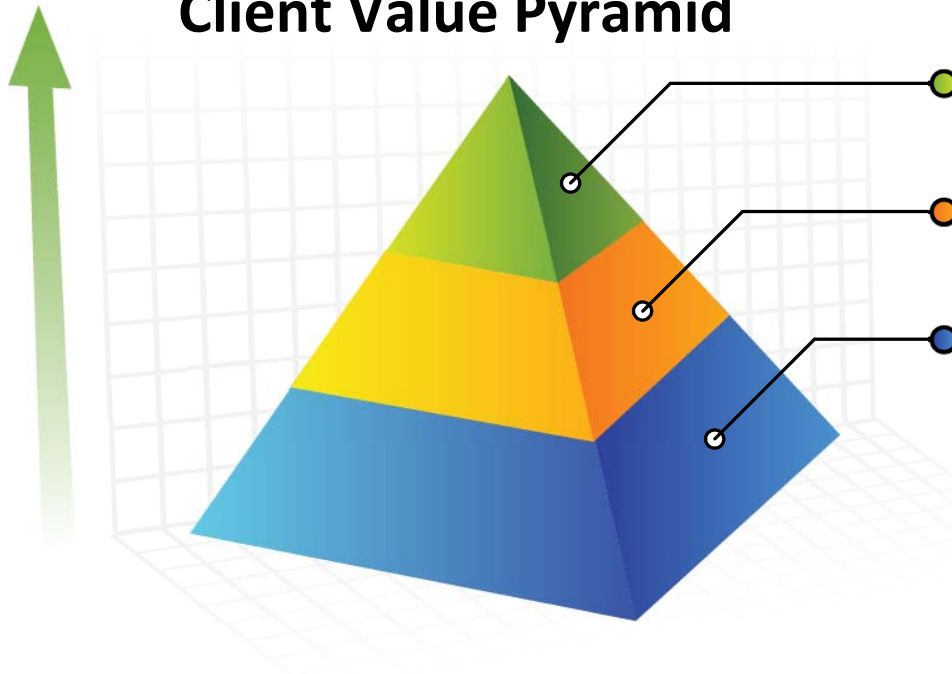


Advisory and Business
Strategy which includes
compliance

Cloud Services Changing Relationship, Adding Value

Cloud computing is changing how firms and clients interact

Client Value Pyramid



Virtual CFO

Budget, Business Planning, etc.

Controllership Services

Monthly Close, Fin Statements, etc

Transactional Services

Tax, Write up, Bookkeeping, A/P, Payroll, etc.

CPA Exam International Test Administration

Offered starting August 2011 (registration now open)

- **Bahrain**
- **Japan**
- **Kuwait**
- **Lebanon**
- **United Arab Emirates**

Same format and language as U.S. exam

Licensure through state boards of accountancy



***AICPA Member-Value
Enhancing Strategy***

New AICPA-CIMA Designation

A Globally Recognized Management Accounting Designation

- Powered by AICPA & CIMA, two of the world's largest and most respected professional accounting bodies
- Delivered through the AICPA in the Americas and to US CPAs anywhere in the world, with the US CPA credential being a preferred entry path
- Differentiated by ongoing competency/relevant knowledge program
- Benefits for members of AICPA and state CPA societies

Association of International Certified Professional Accountants



Permanent Joint Venture supported by a contract

Designation & Membership Considerations



AICPA Membership

- Existing CPAs
- CPAs converted to new designation
- New designation

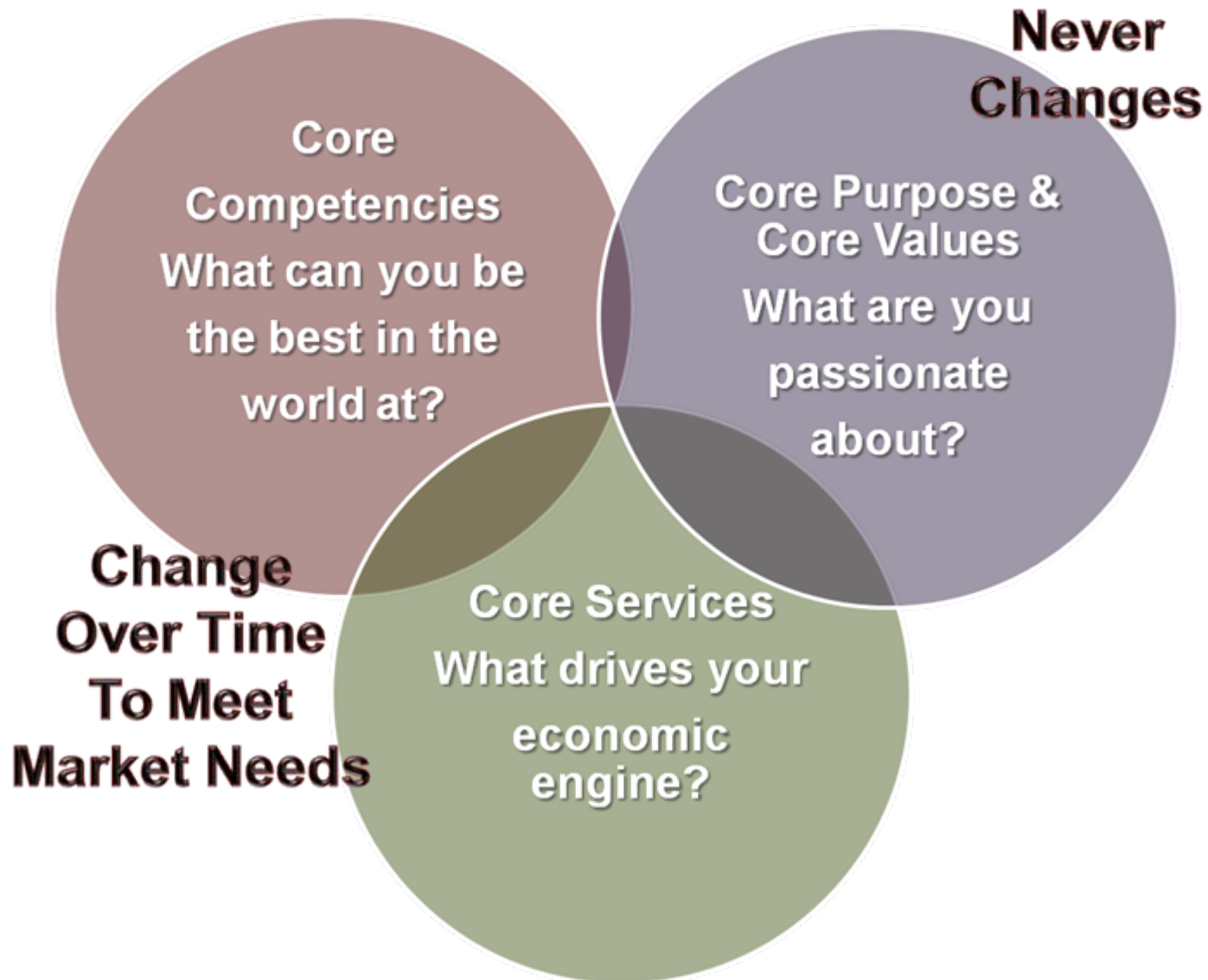
- CPAs recognized as highest professional entry path
- Initial 3-year charter period for CPAs that meet experience requirements (*through January 2015*)
- Within US, AICPA regular membership is only pathway
- In the remainder of the Americas, non-CPAs can obtain new designation as Chartered Global Management Accountant (CGMA) Associate members

www.aicpa.org/CGMA



CPA HORIZONS 2025

Finding the Sweet Spot



It's up to you...

**Participate in online interactive survey on
cpahorizons2025.org**

Actively participate in virtual discussion forums

**Stay close – As the CPA Horizons 2025 findings
unfold we will make you aware of them**

Professional Issues and Initiatives

■ Advocacy

- Federal/State Legislation & Regulation
- Regulatory Restructuring
- Tax
- Uniformity & Mobility
- Public Policy Issues

■ People

- CPA Exam
- Young CPAs
- Student Recruitment
- Minority Initiatives
- PhD Creation & Support
- 150 hour

■ International

- IFRS
- ISAs
- Ethics

■ Financial Literacy

■ Prof. Excellence & Public Interest

- Tax Preparer Registration
- Enhanced Business Reporting
- XBRL
- Private Company Financial Rep
- Sustainability
- Audit Quality
- Clarity Project
- Peer Review & Ethics
- Private Companies Practice Section
- Specialized Communities & Credentials
- Business, Industry & Government

■ CPA Reputation

■ Competition & Risk

■ Operational Excellence

AICPA®

*Seize the **Future***