

Meet Your New GSCPA Chair: Lowell Mooney, Ph.D., CPA



 **The Georgia Society
of CPAs**

July/August 2015 | Volume IV, Issue 4



PRITCHARD & JERDEN

Insurance and Risk Management Since 1960

Exclusive marketers and administrators for The Georgia Society of CPAs insurance products

The Georgia Society of CPAs provides an alternative to all employers offering group health insurance. Avoid a large part of the HCR law in Community Rating and potentially save thousands of dollars by signing up with GSCPA's Association Plan.



NEW! VOLUNTARY BENEFITS OPTIONS

Offering voluntary worksite products on a **GUARANTEE ISSUE** basis through payroll deduction or bank draft. **All GSCPA members, employees of member firms and industry companies with affiliated CPA members are eligible!**

Term Life with 75 Months of Long Term Care

Can help pay costs associated with long term care

Critical Illness Champion

Pays a lump sum benefit that can be used to help cover the cost of recovery from a major illness

Cancer Care Protector

Provides benefits that can be used to help relieve financial impact associated with cancer treatment and recovery

Disability Income Protector

Provides protection when sickness or injury stops paychecks

Accident Champion

Provides specified benefits for treatments and recovery associated with accidental injury

Gold Plan

Lifetime Benefit Term - \$50,000 with Long Term Care
Critical Illness Champion - \$10,000 benefit
Accident Champion

Diamond Plan

Lifetime Benefit Term - \$100,000 with Long Term Care
Critical Illness Champion - \$25,000 benefit
Accident Champion

FOR MORE INFORMATION:

Patrick Bell: pbell@pjins.com or 404-949-1098

Voluntary Benefits Hotline: 844-233-7742

PRITCHARD & JERDEN, INC.

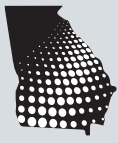
950 East Paces Ferry Rd NE, Suite 2000

Atlanta, GA 30326

Phone: 404-238-9090 | Fax: 404-261-5440

www.pjins.com

WWW.GSCPAVOLUNTARYBENEFITS.COM



**The Georgia Society
of CPAs**

C CURRENT ACCOUNTS
THE GEORGIA SOCIETY OF CPAs

GSCPA OFFICERS 2015-2016

CHAIR

J. Lowell Mooney, Ph.D., CPA

CHAIR-ELECT

Barbara J. Evans, CPA

TREASURER

Rodney L. Chandler, CPA

SECRETARY

Boyd E. Search, CAE

IMMEDIATE PAST CHAIR

Terry I. Parker, CPA

GSCPA DIRECTORS 2015-2016

FIRST OF A TWO-YEAR TERM

K. Scott Collins

Karen C. Drescher

G. Tom Harrison

Lee Ellen Fields

James W. Freeman

SECOND OF A TWO-YEAR TERM

Jennifer W. Birtz, CPA

Amanda J. Carman, CPA

Kirk J. Jarrett, CPA

Ben P. Lee, CPA

EDITOR-IN-CHIEF

Jamie P. Etzbach

DESIGNER

Faith B. Ellis

CEO

Boyd E. Search

COO

Greg A. Wilder

VICE PRESIDENT, LEGISLATIVE AFFAIRS

Don P. Cook

Contents



COLUMNS

14 | TAXATION

Georgia: More Captivating
Than Ever

*J. Scot Kirkpatrick and
Christopher A. Steele*

16 | A&A

Best Practices for Enhancing and
Improving Audit Quality

Gregory M. Clark, CPA, CGMA

20 | INDUSTRY

The "Four Ts" for Managing Local
Government Performance

Sarah Birnbach

22 | TECHNOLOGY

Beware: Ransomware Threatens
to Hold Your Data Hostage

Thomas G. Stephens, Jr., CPA

24 | MAP

Improv Your Way to Success in
the Workplace

Peter A. Margaritis, CPA

26 | LEGISLATIVE

What the Transportation Bill
Means for Georgia

*Michael Bell, CPA and
Don Cook*

FEATURES

8 | MEET YOUR NEW GSCPA CHAIR: LOWELL MOONEY, CPA

Natalie Rooney

12 | A DEEPER LOOK INTO THE RECENT REPORT ON THE QUALITY OF EMPLOYEE BENEFIT PLAN AUDITS

*Melissa Herbert, CPA and
Heidi LaMarca, CPA*

SOCIETY NEWS

5 | CEO MESSAGE

Boyd E. Search, CAE

7 | CHAIR MESSAGE

J. Lowell Mooney, Ph.D., CPA

30 | GSCPA RECOGNIZES MEMBER EXCELLENCE

32 | JOIN THE GEORGIA ACCOUNTING FOOD FIGHT

33 | NEW BOARD MEMBERS

34 | GOLF TOURNAMENT

36 | MEMBER VIEW

The Future of Practice Monitoring
Rodney Chandler, CPA

37 | MEMBER NEWS

38 | CPE

40 | CLASSIFIEDS

42 | SELF-STUDY TEST

Current Accounts is published six times a year by The Georgia Society of Certified Public Accountants (GSCPA). Statements and opinions expressed are those of the authors and not necessarily those of GSCPA. Publication of an advertisement does not constitute an endorsement of the product or service by GSCPA. Articles may be reproduced with permission. Copyright 2015 *Current Accounts*.



SOUTHEASTERN ACCOUNTING SHOW

August 27-28, 2015 | Cobb Galleria Centre, Atlanta

GSCPA's largest event features exceptional speakers presenting new and relevant topics that help you stay current on information affecting your business and clients. Don't miss this opportunity to earn up to 22 hours of CPE credit that is completely customizable to your interests with seven different tracks of study.

CELEBRATING
25
YEARS

It has been a quarter of a century since the first Southeastern Accounting Show debuted and while much has changed with the way CPAs conduct business, there are a few topics that are still viable today. SEAS began in 1990 as the Southeastern Computer and Accounting Show, but rapid growth and a wider variety of topics facilitated the name change in 1995 to the Southeastern Accounting Show.

Let's take a look at how topics of education have evolved, some more drastically than others, over the past 25 years.

Then: Look What Computers Can Do

Now: Innovate Like Microsoft, Google and Apple: The Three Secrets of 21st Century Innovation

Then: Recent Developments in State and Multi-State Taxation

Now: State Tax Economic Development Initiatives

Then: Sales and Use Tax Issues in Georgia

Now: Department of Revenue Update

Then: Marketing on the Internet

Now: Marketing for CPAs: Why it is Essential and How to Implement a Strategic Marketing Plan for Your Firm

Then: The Four Top Windows Accounting Applications

Now: Outlook: The Killer App in Microsoft Office

Then: Using a Microcomputer for Audits

Now: Harness the Power of the Cloud

To register visit www.gscpa.org or call 404-504-2985 or 800-330-8889, Opt. 3

Audit Quality

Boyd E. Search, CAE



In late May, the Department of Labor (DOL) released a report on a study showing an audit deficiency rate of nearly 40 percent in employee benefit plan audits. The study examined 400 audits conducted by 232 firms in 2011 with the study

concluding in September of 2014. Specifically, the study focused on an auditor's compliance with professional auditing standards and whether the plan's financial statements appropriately reflect the reporting and disclosure requirements of the Employee Retirement Income Security Act (ERISA).

The report indicated that audit quality has declined over the periods studied by the DOL. It also showed that historical initiatives of the profession to improve this statistic have not yielded the improvement needed or expected given the CPA profession's commitment to quality.

While there have been no plan failures or material financial restatements to date affecting plan assets or benefits, anticipated commentary on the report is potentially damaging to the CPA profession.

As a steward of integrity and quality for the accounting profession in Georgia, The Georgia Society of CPAs (GSCPA) is committed to enhancing the quality of all audits, including those of employee benefit plans.

GSCPA has been and will continue to assist its members in achieving the highest level of quality in their performance of independent audits by providing educational guidance and monitoring and enforcing compliance with technical and ethical standards set by the American Institute of CPAs (AICPA).

GSCPA's overarching goal has been – and continues to be – helping individuals and firms perform the highest quality employee benefit plan audits possible. We recognize that there is work to be done to improve the quality of employee benefit plan audits. We are committed to addressing issues identified in the study, and will continue to work with all stakeholders and interested parties to do so.

GSCPA will continue to support the CPA profession as it takes steps to enhance audit quality. Please read and familiarize yourself with the full report and the issues surrounding audit quality and let us know your thoughts and perspective. Here is a link to both the press release and full report:

DOL Press Release

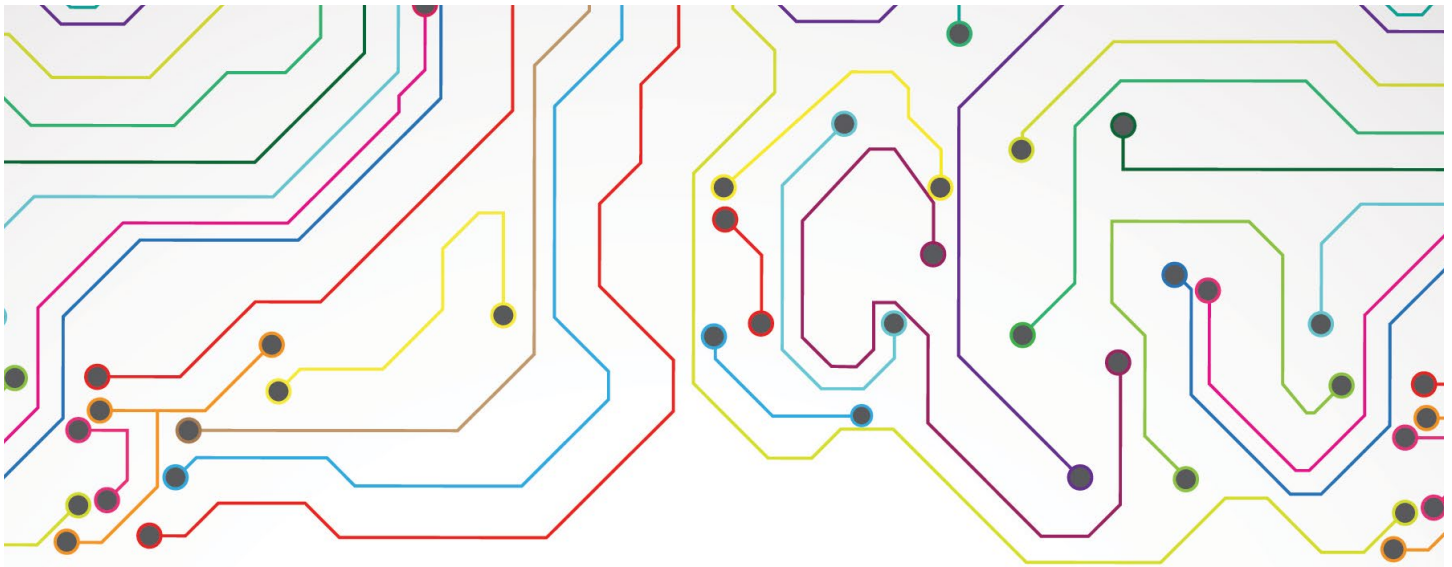
www.dol.gov/ebsa/newsroom/2015/15-1000-NAT.html

DOL Study

www.dol.gov/ebsa/pdf/2014AuditReport.pdf

For an in-depth look at the report turn to page 12 in this issue of *Current Accounts* and read the great article by Melissa Herbert and Heidi LaMarca.





TECHNOLOGY CONFERENCE

July 23, 2015 | GSCPA Learning Center, Atlanta, Ga.

Event Code: 13040 | Live Stream Code: LS13040

Technology is changing how CPAs strategize and is a significant element of business as clients expect continual, customized service and content. In a more mobile workforce, security and data confidentiality are critical components.

Are there adequate regulations in place to protect clients in an ever-changing, technology-based world? What can you do to protect your clients while also embracing new and more convenient ways to conduct business?

The 2015 Technology Conference will discuss these questions, and many others. Brian Tankersley, CPA, from K2, will discuss online security and regulations affecting CPAs in a technology-driven environment. Hear all about cyber security from the Secret Service and how you can protect yourself and your clients.

Who Should Attend: CPAs at all levels and from all areas of the profession, as well as firm administrators and IT professionals associated with CPA firms.

PROGRAM TOPICS

- Rise of the Online Accountant
- What's New in the Regulatory Environment and What are the Effects to You and Your Audit Clients?
- Cybersecurity
- Software Solutions for Accounting Firms
- Data Security
- Business Continuity
- Tech Talk with a Tech Ninja



**Live Stream
Available!**

olc.gscpa.org

To register visit www.gscpa.org or call 404-504-2985 or 800-330-8889, Opt. 3

Soaring

J. Lowell Mooney, Ph.D., CPA



Greetings from the storied halls of academia! For only the second time in the 110 year history of the Society, you have elected an academic to serve as chair. This is a tremendous honor in its own right but to follow in the footsteps of the other academic, Dr. John Cook, who is a dear friend and mentor to us all, well I'm

humbled beyond description. I simply can't thank you enough for the trust you have placed in me. In case you are apprehensive, perhaps you will breathe easier if I share the "encouragement" that several colleagues have given me: "Don't worry; the Society staff is so good that there's absolutely no way you can screw this up!" That's good news for us all!

I am writing this letter during the spring commencement season. As many of you know, the mascot for our athletic teams is the eagle. An electrifying moment occurs near the end of our spring ceremony when the graduates are singing the alma mater. Just as they reach the final chorus a majestic eagle suddenly emerges from the shadows high atop Paulson Stadium, makes several broad and graceful turns around the stadium, and then swoops down just over the heads of the graduates and onto the outstretched arm of its handler. It's an exhilarating moment. As I watched that soaring eagle the other day it reminded me of The Georgia Society of CPAs.

First, eagles sit at the top of their food chain. An important part of our preparation to become chair is service on AICPA Council. After extensive interactions with the other societies, let me assure you that our society is at the top of its food chain. GSCPA is innovative, has cutting edge technology, and is highly respected.

Second, eagles have amazing vision. They can spot a tiny mouse from three miles away. The Society also has great vision thanks to the leadership of its talented and diverse board of directors,

executive management team, and staff. So what is our vision and how will we achieve it? Simply put, our vision is to enhance the accounting profession and we are doing that by providing superior advocacy, leadership, service, lifelong learning and personal and professional development opportunities. So no matter where your career path takes you, The Georgia Society is prepared to support you.

A third fact about eagles is that they are family oriented. Though known for their aggression, research has shown that no member of the bird family is more gentle and attentive to its young ones. GSCPA is no different. Only three state societies have a larger percentage of student members and I doubt any state has more or better student programs. Furthermore, in the last five years alone, our Educational Foundation has awarded almost three quarters of a million dollars in scholarships. Pictured with me on the cover are four young men and women who represent the best the millennial generation has to offer. Unfortunately, only two of the students have decided to major in accounting despite all my efforts to recruit them. I share this disappointment for a reason. Recent AICPA research revealed that the factor having the strongest influence on students wanting to become CPAs is recruiters. The competition for the brightest students is intense so we need you on campus on a regular basis. Please contact the Society if you are willing to help.

Finally, congratulations and thanks to Terry Parker for an outstanding year. He strengthened chapters and laid the foundation for our response to one of our most pressing challenges: maintaining high quality in our services in the face of mindboggling advances in technology and business complexity. We will also continue the work Terry began on the future of learning and diversity and inclusion.

In closing, I consider myself a team player and enjoy working with others. Sometimes I have to remind students that learning is a participant sport, not a spectator sport. GSCPA already has a great team, but imagine the heights to which we can soar if more members move from the bleachers to the playing field. We have plenty of open positions. Help us keep our team soaring!



MEET YOUR NEW GSCPA CHAIR:

LOWELL MOONEY, PH.D., CPA

by Natalie Rooney

If hearing that the new GSCPA chair's last name is Mooney gives you a case of déjà vu, don't worry; you're not losing your mind. For 2015-2016, we welcome Lowell Mooney, whose year as chair will be a notable first for GSCPA – the first time a husband and wife will have both served in the top spot for the Society. As an educator, Mooney brings a unique perspective, enthusiasm and a pretty darn good sense of humor to the job.

Natalie Rooney



An Unlikely CPA

Lowell Mooney, Ph.D., CPA, will be the first to say it's surprising he ended up as a CPA. And a CPA educator, no less. For starters, he was the first person in his family to attend college. His dad was a truck driver and his mom was the lunch room manager at the local elementary school. But Lowell decided college was a good path for him, so he went. He got his Bachelor's degree in accounting. Then his Master's in accounting. To really put the icing on the cake, he went back for his Ph.D. in accounting, as well. Now, he is a professor of accounting at Georgia Southern University and has enough education to make up for an entire clan of Mooneys.

A native of Gainesville, Ga., and a history buff who enjoyed long haul driving trips with his father, Mooney says he'd find local landmarks – courthouses, historical markers – on maps as they passed through small towns. "I'd take a paper map and trace my finger along it as we drove," he reflects.

A student who avoided math, which he says, "Came back to bite me big time," Mooney took a circuitous route to the accounting profession. His thoughts of a career in history evaporated when someone pointed out his career options were teacher or park ranger. He loved to draw, so he next set his sights on architecture. "I went from one bad

situation to another," he laughs. "A mentor pointed out I'd need to move to New York, Los Angeles or Chicago. And that scared the beejeebers out of this Georgia boy!"

A relative encouraged Mooney to consider accounting. Not happy with his own choices, he decided to give accounting a look and took a course his first quarter at college and loved it. Later, he began keeping the books for the ice cream shop where he worked, and that was it.

As a Bulldog fan, Mooney didn't consider any other colleges. He stayed at the University of Georgia for both his Bachelor's and Master's degrees. When he decided to pursue his Ph.D. he spoke with an influential professor who wanted Mooney to stay at Georgia, but Mooney, who had heard you should never get all of your degrees from the same institution, was hesitant. After hearing the professor's pitch, however, he decided to return. "It's a good thing," Mooney says. "I came away with a Ph.D. but, more importantly, with Paula!"

Landing that First Job

Mooney actually took a break between getting his master's degree and his Ph.D., but he says, as a first-generation college student, he had no idea how the accounting

Mooney continued on page 10

profession's recruiting process worked. "When I got my job at the ice cream shop, I applied one day, and I dipped ice cream the next day," he says. "I assumed accounting was the same way." He missed out on the fall recruiting season and just before graduating, was wondering what he was going to do for work.

Fortunately, Dr. James Don Edwards, one of his professors, was on the advisory board at South Carolina's Presbyterian College, and the school just happened to need someone for a one year teaching appointment. Mooney figured since he needed to study and pass the second half of the CPA exam anyway, what better way was there to learn the material than by teaching it?

"I took exams as a grad student and two weeks later, I was in front of a class as the instructor" Mooney says. "Moving that six feet was a heck of a change!"

While going through some paperwork recently, Mooney says he came across his original teaching notes. "I opened them up and just died," he laughs. "I must have been so nervous. I wrote out every word including, 'Good morning, class. My name is Lowell Mooney.'"

The one year teaching assignment turned into two years. "I figured I'd spent so much time writing those lecture notes that I needed to amortize the time over at least two years," he laughs again. "And I still have vivid memories of saying to the class, 'Gang, remember what I told you yesterday about X? Tear those pages out!' It was an opportunity to clean up my act and do it better the second time."



What he discovered during those first two years of teaching was that students tired of book work. They wanted real world stories. Mooney worked to bring in professionals from public accounting and industry into the classroom. Eventually, one of those professionals recruited Mooney into the corporate world, which began a five year stint in telecommunications. But he missed teaching so much that

he began teaching part time at a local community college. Eventually, seven years after leaving the University of Georgia, he returned.

Getting Involved With GSCPA

Fast forward a few years and three kids later, Lowell and Paula were rolling along in their careers. Paula, a very bright woman, was heavily involved

in GSCPA, serving on committees and the Board, and eventually serving as president in 2007-2008. Mooney says for years, he was the spouse watching the kids on the playground while Paula participated in GSCPA functions. "I joined GSCPA when I got my certificate in 1987, but that was pretty much it," he says. "At some point, I realized that I was missing out and so I decided I might as well join the fun."

"The thing I reflect on more than us being the first husband and wife team to lead is that I'm only the second academic to serve as chair," Mooney says. "To represent my colleagues in academia is an awesome opportunity."

Mooney says three big things are on the national agenda during his year as chair: practice monitoring, diversity and inclusion, and the future of learning.

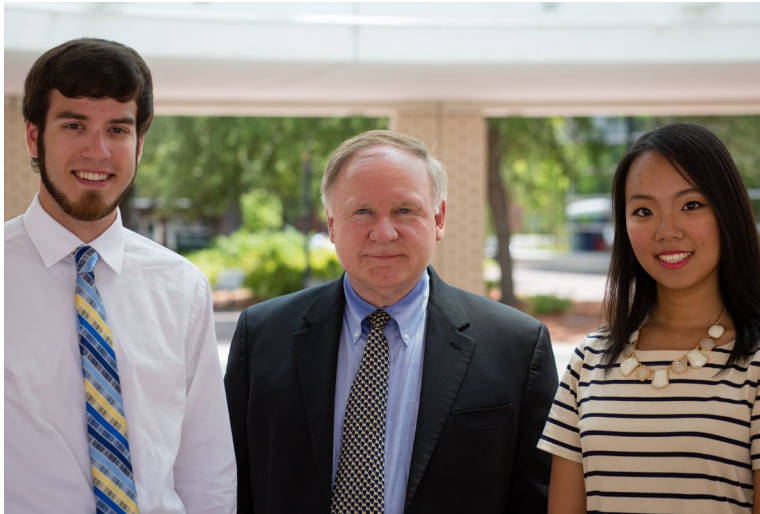
But he would also love to use his insight as an educator to get more of his colleagues involved in GSCPA and see the organization sponsor more activities for educators. "It's

“I feel so blessed to have this opportunity. I have a real passion for mentoring and helping young people succeed. Some of the most influential people in my life were teachers.”

Lowell Mooney, Ph.D., CPA, GSCPA's 2015-2016 Chair

helpful and enriching to them and they take that back to their students.”

Lowell and Paula have three children: Jessica, who recently completed graduate school in journalism at NYU; Sarah, who is majoring in public relations at Georgia Southern University; and Christopher, who just graduated from high school. “I’ll be an empty nester soon,” Mooney says.



of credentials, starting with the CPA and keep them up to date. It’s all about life-long learning in a quest to stay relevant in today’s highly complex and dynamic business environment.

2. Get involved. Never stop building both your professional and personal networks. The adage is true: It’s not what you know, but who you know,’

so get to know lots of people.

The Mooneys love to travel and look forward to new things. “I’m hoping one day I’ll do a sabbatical and teach for a semester overseas,” Mooney says. He also enjoys woodworking in the woodshop he built at the house. “Students don’t always appreciate what you’re trying to do until sometimes years later,” he says. “Shaping wood gives me immediate feedback.”

The Future of the Profession

Mooney has a few words of advice for those new to the profession:

1. Be flexible. Take steps to ensure you’ll always have options down the road. Get your graduate degree - it will help you stand out. Build a full set

3. Give back. I am confident the accounting profession is going to be good to you so remember that to whom much is given, much is required. My parents always said to leave things better than when you found them. Support people. Get to know them. Figure out ways to help them. Indirectly, at some point, you’ll get more out of it.

For someone who had trouble deciding what he wanted to do when he grew up, it is obvious that Mooney found his calling as a teacher. “I feel so blessed to have this opportunity. I have a real passion for mentoring and helping young people succeed. Some of the most influential people in my life were teachers. I can call them by name. What an honor to be remembered in that way.”



A Deeper Look into the Recent Report on the Quality of Employee Benefit Plan Audits

Melissa Herbert, CPA and Heidi LaMarca, CPA

On May 28, 2015, the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) released the results of its most recent study on the quality of employee benefit plan audits performed by Certified Public Accountants (CPA). The report titled "Assessing the Quality of Employee Benefit Plan Audits" outlines significant deficiencies in 39 percent of the audits reviewed.

The scope of the study included a review of the Form 5500 annual report filings and related audit reports for the 2011 filing year. The report notes that in 2011 there were approximately 81,100 filings which contained plan financial statements audited by 7,330 different CPA firms. The EBSA selected 400 plans audited by 232 different CPA firms and divided the firms into six strata based on the number of plan audits that the CPA firm performed.

EBSA's review found that 61 percent of audits fully complied with professional auditing standards or had only minor deficiencies under professional standards. The remaining 39 percent of the audits contained major deficiencies. Of the 39 percent, the results indicated that one or more relevant Generally Accepted Auditing Standard (GAAS) requirements were not met and, therefore, would lead to the rejection of the plan's Form 5500 filing, if not corrected.

Who should be concerned with the results of this report?

The result of the study should be concerning to both CPA firms and plan sponsors. In the event a Form 5500 filing is rejected, the plan sponsor may be assessed a fine of up to \$1,100 per day. Plan sponsors should understand

their fiduciary responsibility to the plan participants when selecting a CPA firm and ensure that such firm has the requisite depth and skills to conduct plan audits. In addition, CPA firms should consider the results of the study. Employee benefit plan audits are a specialized industry and CPA firms should ensure all team members who work on plan audits are well-trained and provided the necessary tools to conduct a quality audit.

What were the significant findings and conclusions reached?

Based on the information in the report, EBSA reached the following findings and conclusions:

- The "smaller the firm's employee benefit plan audit practice, the greater the incidence of audit deficiencies". The report indicated that firms that audit 1 -2 plans had a deficiency rate of 76 percent; while those firms that audit over 100 plans had a deficiency rate of 12 percent;
- Audit areas unique to employee benefit plans, including contributions, benefit payments, participant data and party-in-interest/prohibited transactions were among the areas of highest audit deficiencies;
- Firms that were members of the AICPA's Employee Benefit Plan Audit Quality Center (EBPAQC) had fewer audits containing multiple GAAS deficiencies;
- Employee benefit plan industry specific training may contribute to better audit results. As the level of industry specific training increased, the number of audit deficiencies decreased. Firms who failed to comply with professional standards did so because they had insufficient information about employee benefit plan audits or did not adequately use available

technical materials; and

- The accounting professions peer review efforts should be enhanced to improve the identification of deficient audit work. The AICPA is addressing this through their Six-Point Plan to Improve Audit Quality. Specifically as it relates to peer review, the AICPA is going to have an increased focus on risk areas, more significant remediation including pre-issuance reviews and aggressive follow-up; root cause analysis (for poor or good quality); and, termination from peer review after repeat quality issues.

What questions should Plan sponsors and CPA firms be asking as a result of this study?

Plan sponsors should perform the appropriate due diligence to assess whether the CPA firm that audits its benefit plans have the necessary skills and qualifications to perform a high-quality audit. Some questions to consider include:

- How many plan audits does the firm conduct on an annual basis?
- Is this a focus industry for the firm or is this an ancillary practice?
- Are they members of the AICPA Employee Benefit Plan Audit Quality Center (EBPAQC)?
- What are the firm's training requirements for practitioners that perform audits of employee benefit plans?
- What technical resources are made available to such practitioners?

CPA firms should ask themselves similar questions:

- Is this a specialized industry to which the firm is committed?
- Do we have the necessary resources and technical capabilities to perform employee benefit plan audits?

- Do we have an appropriate level of training for our practitioners?
- Should we join the EBPAQC (if not already members)?

What changes should we expect regarding the enforcement of employee benefit plan audit quality?

As a result of the study, the EBSA recommends a number of regulatory and legislative measures which it believes would contribute to enhanced audit quality, including:

- Continue and expand EBSA's outreach activities to plan sponsors and CPA firms to discuss results of this report;
- Amendment of the ERISA definition of "qualified public accountant" to include additional requirements and qualifications necessary to ensure the quality of plan audits;
- Amend ERISA to repeal the limited-scope audit exemption; and
- Amend ERISA to permit the Secretary of Labor to establish accounting principles and audit standards to protect the integrity of employee benefit plans and the benefit security of participants and beneficiaries.

Where does that leave CPA firms and Plan Sponsors today?

Based upon the results of this study, CPA firms and plan sponsors should expect continued scrutiny on employee benefit audits and, perhaps, greater regulatory oversight in the future. Certain things are, however, indisputable takeaways from this study. CPA firms that perform plan audits need to be committed to the employee benefit plan audit industry and provide the appropriate training, technical resources and tools to its practitioners. Plan sponsors need to critically evaluate the skills, qualifications and experience of the CPA firm that audits its plans. Both parties play an important role in protecting plan assets, plan participants and beneficiaries.

Melissa Herbert, CPA is an audit partner in the Employee Benefit Services group at Babush, Neiman, Kornman & Johnson. She has performed and consulted on over 800 different employee benefit plans during her career. She has served on GSCPA's Employee Benefit Plan Conference Task Force and the Peer Review Committee.

Heidi LaMarca, CPA is the partner in charge of the employee benefit plan practice area for Windham Brannon, PC. She is currently the chair of the planning committee for the AICPA National Conference on Employee Benefit Plans and has recently completed a three year term on the executive committee of the Employee Benefit Plan Audit Quality Center.

Georgia: More Captivating Than Ever

J. Scot Kirkpatrick and Christopher A. Steele

Many business owners are utilizing the benefits of captive insurance companies. These benefits include managing the risk of related businesses, including otherwise uninsurable risks, access to reinsurance markets and reducing outside premium costs. Since 1986, Congress has induced businesses to better manage their property and casualty risk through this form of “self-insurance” by creating a small captive insurance company, which elects to be governed by Section 831(b) of the Internal Revenue Code.

With the increased focus on captives for owners of small- to medium-size businesses, many states have been updating and improving their captive insurance statutes. Georgia held off on this for a long while, and that put the state at a competitive disadvantage with virtually all Georgia businesses setting up their captives in other jurisdictions.

This year, however, Georgia became the latest state to make improvements to its captive laws.

Although Georgia has been a captive domicile since 1988, the current number of licensed captives in the Peach State has been negligible. That soon may change. On May 5, Gov. Nathan Deal signed House Bill 552 into law, ushering in a new era in captive insurance companies within the state. House Bill 552 is a significant improvement in the laws that govern captives in Georgia, and will likely be the beginning of a revival of this risk management tool.

Effective July 1, 2015, the new law lessens several substantial burdens to forming and managing captives in Georgia. The changes include:

- Reducing the amount of minimum capital surplus for pure captives to \$250,000, from the previous amount of \$500,000;
- Reducing the tax rate of Georgia captives to 0.4 percent on the first \$20 million of direct premiums collected and 0.3 percent on each dollar of direct premiums collected above \$20 million;
- Reducing the tax rate of Georgia captives to 0.225 percent on the first \$20 million of assumed reinsurance premium, 0.150 percent on the second \$20 million of assumed reinsurance premium, 0.050% on the next \$20 million and 0.025% on any dollar above \$60 million;
- Reducing the aggregate maximum premium tax to \$100,000;
- Clarifying when two or more captives will be considered part of the same controlled group rules; and,
- Requiring that the board of directors (not less than three) of the captive hold at least one meeting per year in Georgia, and contain at least one director that is a resident of Georgia (reducing this from one-third of all directors).

In addition to House Bill 552, the Georgia General Assembly will consider a second bill in the 2016 session, House Bill 703, which allows for the creation of protected cells, segregated cells and special purpose vehicles. This second bill and the regulations currently being drafted to implement House Bill 552 are the next steps in making Georgia a competitive captive insurance state.

Small captive insurance companies are those eligible to elect to be taxed only on investment income and with

net written premiums not exceeding \$1.2 million in a tax year, provided that the company also makes an affirmative election under Section 831(b). The Section 831(b) election requires tax to be paid only on investment income at corporate rates. However, net operating losses do not offset investment income, and cannot be carried to or from any tax year for which the company has made an election under Section 831(b).

One of the Congressional inducements to make the election to be a “small” property and casualty captive is that the operating company (i.e., the insured) deducts the premiums, and those premiums (up to \$1.2 million) are effectively tax-exempt income to the captive. Specifically, the business would receive a deduction for premiums paid to the captive under Section 162, and up to \$1.2 million of those premiums would be exempt from income tax at the captive level under Section 831(b).

Despite the benefits of creating a captive, it is important to recognize the risks and responsibilities that accompany them. There are opportunities for the Internal Revenue Service to challenge captives; therefore, proper formation and ongoing administration is essential. The captive must be a legitimate business entity and be in compliance with the law.

For example, a captive must write “insurance” in the traditional sense including adequate risk shifting and risk distribution, and the captive cannot be the recipient of excessive premiums.

While captives may be popular with the IRS, the Tax Court has defeated several IRS challenges to adequate risk shifting and risk distribution in *Rent-A-Center, Inc. v. Commissioner*, 142 T.C. 1 (Jan 14, 2014), and *Securitas*

Holdings, Inc. v. Commissioner, T.C. Memo. 2014-225 (October 29, 2014).

Despite these defeats, the IRS is still examining captives on a case-by-case basis, and it is important that a captive be formed properly and for the right reason—to manage risk.

If a business owner is considering a captive insurance company, it is important that they work with an advisor who understands the various risks and responsibilities that accompany these types of structures. A qualified attorney and CPA are essential in guiding a client through the process, including the formation of the captive. It also is critically important that the client be connected with a good captive manager who can evaluate the business’ needs and make recommendations related to the proper structure.

With the continued scrutiny by the IRS, there are potential pitfalls to forming a captive into which a business can stumble. However, those who enter the world of captive insurance companies with their eyes wide open and with the right team will discover that a properly structured captive insurance company can be an invaluable business tool.



IN BRIEF

This year, Georgia became the latest state to make improvements to its captive laws.

The new law lessens several substantial burdens to forming and managing captives in Georgia.

It is important to recognize the risks and responsibilities that accompany captives.

J. Scot Kirkpatrick and **Christopher A. Steele** are attorneys in the Trusts and Estates Practice at Chamberlain Hrdlicka (Atlanta). They counsel clients in a variety of tax and estate matters including planning for business owners. Scot Kirkpatrick, a shareholder in the firm, may be reached at 404-658-5421 or by email at scot.kirkpatrick@chamberlainlaw.com. Christopher Steele may be reached at 404-658-5464 or by email at christopher.steele@chamberlainlaw.com.

Best Practices for Enhancing and Improving Audit Quality

Gregory M. Clark, CPA, CGMA

CPAs have always provided a wide range of services, but auditing remains a fundamental service offering of our profession. Client management, lenders, investors, regulators and other stakeholders continue to rely on the CPA's audit opinion when making business decisions and deciding whether financial information can be trusted.

Most auditors who perform quality work continually seek opportunities to enhance their skills, knowledge and experience in an effort to continue performing quality audits. However, based on information from current peer reviews, regulatory audit quality studies and other industry oversight assessments, audit concerns have arisen as to the quality of the work produced by some firms. Deficient audit work may arise from inadequate education or training, noncompliance with certain aspects of auditing or quality control standards, or a lack of experience working in specialized areas.

On May 28, 2015, the U.S. Department of Labor released a sharply critical study of employee benefit plan (EBP) audits that reflects a need for significant improvement in that specialized industry group. The AICPA is developing similar competency assessment tools for single audit, another area identified by peer review for additional focus.

Audit Quality Best Practices

Based on the current environment and ongoing initiatives

there are some common straightforward best practices that firms can design and employ that can and will serve to encourage and enhance audit quality.

1. Client Engagement Acceptance

One key to any quality audit is obtaining a thorough and comprehensive understanding of both the client and the client industry. Recent audit quality studies indicate audit quality suffers when the practitioner performs only a limited number of engagements in a particular specialized industry or group. In the recently discussed Department of Labor Audit Quality Study, firms performing one or two employee benefit plan audits were deemed to have performed deficient audit work in 75.8 percent of the engagements reviewed. Audit quality is enhanced when firms choose particular areas of practice specialty and develop and train team members within that industry genre. Audit quality always starts and ends with the client, whose acceptance is a critical decision point for the practitioner.

2. Effective Audit Planning and Risk Assessment

Planning an audit involves establishing the overall audit strategy for the engagement and developing an audit plan. Adequate planning benefits the audit of financial statements in several ways, including the following:

- Helping the auditor identify and devote appropriate attention to important and high risk areas of the audit.
- Helping the auditor identify and resolve potential

problems on a timely basis.

- Helping the auditor properly organize and manage the audit engagement so that it is performed in an effective and efficient manner.
- Facilitating the direction and supervision of engagement team members and the review of their work.

Clear planning and risk assessment drives audit quality from the beginning of the audit engagement. Firms should strive to enhance and augment firm procedures and protocols governing audit planning, risk assessment the impact on the audit strategy to ensure complete and quality audit results and engagements.

3. Effective Engagement Performance and Documentation

Audit quality is driven by effective engagement performance and documentation standards and expectations. Establishing and maintaining complete and concise audit documentation is paramount when a firm desires to produce a quality audit engagement product:

- Plan all engagements to meet professional, regulatory, and the firm's requirements.
- Perform work and issue reports and other communications that meet professional, regulatory, and the firm's requirements.
- Require the engagement team to complete the assembly of final engagement files on a timely basis.
- Establish procedures to maintain the confidentiality, safe custody, integrity, accessibility, and future access of engagement documentation.
- Require the retention of engagement documentation for a period of time sufficient to meet the needs of the firm, professional standards, laws, and regulations.

- Consistent documentation of audit procedures performed, judgements required and the results of testing contributes to and enhances audit quality and aids in ensuring that the audit strategy employed is complete, concise and sufficient.

4. Develop and Train the Audit Team

Ongoing continuing education training is required for CPAs to maintain their professional competence and provide quality professional services including auditing. Accountants are responsible for complying with all applicable Continuing Professional Education (CPE) requirements, rules and regulations of state boards of accountancy, as well as those of membership associations and other professional organizations.

The firm's training and professional development program should be structured to address both general and industry specific standards and best practices. The development program should be annual, ongoing, recurring and comprehensive. Clearly current knowledge of professional standards, issues and best practices facilitates the performance of quality audit work and effective and efficient audit engagements.

Among the most challenging private entity audits are those in specialized industries, including employee benefit plans and governmental entities. More than 10 years ago, the Governmental and Employee Benefit Plan Audit Quality Centers were established. Firms that are members of the centers demonstrate a commitment to audit quality and best practices.

Best Practices continued on page 18

5. Augment Review and Oversight

Ongoing, timely and consistent review of audit work performed during the engagement is fundamental to audit quality. The audit review process is multilayered and by design brings input from many different levels of firm administration. The primary levels of review within the audit engagement process are:

- Team Leader Review
- Supervisory/Manager Review
- Partner/Director Review
- Engagement Quality Control Review

Engagement Quality Control Reviews (EQCR) - On certain engagements the firm may require an engagement quality control review. The areas reviewed are similar to those in the partner/director review with the advantage of bringing in an experienced professional with no engagement responsibilities for that client who can bring a fresh, fully objective perspective.

Clearly the review of the audit product by the experienced team members is essential to ensuring audit quality. Audit quality will also be enhanced for high risk or specialized audit engagements by increasing the number and scope of the EQCR reviews performed as an additional safeguard.

6. Enhance and Embrace Peer Review

The Peer Review Program monitors the quality of firms' accounting and auditing engagements and evaluates the systems under which those engagements are performed and is now required for licensure in nearly all states. Participation in the Peer Review Program enables a firm to enhance its quality control policies and procedures, enables

a firm to assess how it compares to other firms and learn from other firm's practices. The selection of a peer reviewer is critical to receiving the full benefit of your peer review. Ideally, a firm should match the reviewer's experience to the firm's experience for maximum efficiency and insight. An effective peer review process and commitment to such enhances overall audit quality and serves as a resource for improvement and monitoring.

Summary

While employing these best practice strategies will not guarantee absolute success in achieving audit quality, the audit product that will be produced will address the majority of pertinent engagement risks. Audit quality is not magic; it is achieved through a rationale systematic approach throughout the engagement continuum utilizing professional tools and expertise. What is required is a commitment to quality, continuous improvement and a willingness to change when necessary.



IN BRIEF

Audit concerns have arisen as to the quality of the work produced by some firms.

Among the most challenging private entity audits are those in specialized industries.

Audit quality is driven by effective engagement performance and documentation standards and expectations.

On certain engagements the firm may require an engagement quality control review.

Gregory M. Clark, CPA, CGMA is a principal with the Business Compliance & Controls Group (BCCG), an accounting consulting firm specializing in technical accounting and auditing, employee benefit plan audits and compliance, internal controls auditing, consulting and assessments, and accounting training and consulting.

Estate Planning Conference

July 30 - August 1, 2015 | Event Code: 13000

The Ritz-Carlton Lodge, Reynolds Plantation, Greensboro, Georgia

16 hours of CPE credit | CFP®: 16 hours (applied for)

CLU: 16 hours (applied for) | CLE: 12.5 hours (applied for)

The Georgia Society of CPAs Estate Planning Conference is a unique event featuring sessions and updates led by national experts on the hottest topics in estate planning including foreign assets or beneficiaries, state taxation of trusts, special needs planning, and estate planning for non-traditional families.

Relax with a round of golf or at the cocktail reception in a family-friendly environment full of networking opportunities with your peers.

WHO SHOULD ATTEND: CPAs, financial advisors, and anyone looking to further their estate planning knowledge to best advise their clients.

Program Hot Topics

- Estate Planning for Families Who Aren't the Cleavers
- Federal Estate Tax Update for Estate Planners
- Planning for Beneficiaries with Special Needs
- We're Not in Kansas (or Georgia) Anymore! U.S. Estate Planning for Foreign Clients and Assets
- Paying for Long Term Care: Knowing and Using the Right Tools

To register visit www.gscpa.org or call 404-504-2985 or 800-330-8889, Opt. 3

The “Four Ts” for Managing Local Government Performance

Metropolitan areas continue to grow and increasingly impact the global economy. Are their local governments up for the challenges ahead?

In today’s global marketplace, closer alignments between businesses and local governments have never been more critical. But the often uneasy alliance between the two continues to be hampered by what businesses feel they need versus what governments are prepared to provide.

While the majority of business leaders feel their local governments understand their needs for zoning, waste, technology and infrastructure, 70 percent do not think their efforts in service transformation, online processes or improved transparency add any value to their business. They believe government fails to recognize the investment opportunities that will support them.



Finance management can change the status quo, creating new opportunities between businesses and governments. Success will require careful planning, execution,

monitoring, and analysis of results. Yet despite the obvious need, finance currently plays a limited strategic role in many local governments.

The “Four Ts” necessary to change the dynamic

New research by the AICPA and CIMA shows effective performance management and strong financial leadership will reverse the stagnation of local governments, and create sustainable public service delivery. There are

four key areas where government leaders need to focus. Dubbed the “Four Ts,” they are: transformation, technology, transparency, and talent.

The good news is that 70 percent of local governments are already undergoing or have recently gone through

organizational transformation of their public services. Another 20 percent said they plan to do so within the next year and a half. They know the need for change exists. But does transformation add immediate value? So far, a third of government leaders report difficulty quantifying the financial benefits of such change.

Adoption of technology is central to improving these transformation efforts. Technology quickly improves the communications, efficiencies and decision-making of local governments. Still, 40 percent struggle to manage data and share insights, and only 57 percent of them say they have the proper budget to execute their technology strategy, making it underutilized as an agent of change.

Today, society demands much greater openness. As a result, local governments are making their operations more transparent. It's a win-win for all involved, as it enhances both business and citizen trust while improving internal collaboration and organizational effectiveness. Over three-quarters of local government leaders believe transparency improves the quality of public service delivery.

Unfortunately, an ongoing challenge for local governments is the recruitment and retention of top talent. While most believe they have a well-defined talent management strategy in place, almost half struggle to compete with

their private sector rivals.

The Four Ts can help finance leaders manage the forward accounting capabilities so necessary in today's global marketplace. Working together, the four key areas help implement future-focused, evidence-based and agile decision-making, creating stronger alliances between businesses and their local governments.

Learn more by viewing the infographic or downloading the full report at cgma.org/FourTs.

Not a CGMA designation holder? Find out how to become one at CGMA.org.



IN BRIEF

Finance management can change the status quo, creating new opportunities between businesses and governments.

The four key areas where government leaders need to focus are transformation, technology, transparency, and talent.

These four areas can help finance leaders manage the forward accounting capabilities necessary in today's global marketplace.

Together the "Four Ts" help implement future-focused, evidence-based and agile decision-making, creating stronger alliances between business and their local governments.

Beware: Ransomware Threatens to Hold Your Data Hostage

Thomas G. Stephens, Jr., CPA. CITP, CGMA

A particularly insidious form of malware is spreading rapidly and could potentially jeopardize your ability to access your data files. Ransomware – as it is known – is a form of malware that can infect your computer and prevent you from accessing your data unless you pay the cybercriminal a ransom. Learn about how you can reduce the likelihood that someone takes your data hostage.

Ransomware Basics

Microsoft defines ransomware as:

A kind of malware that criminals install on your computer so they can lock it from a remote location. Ransomware generates a pop-up window, web page, or email warning from what looks like an official authority. It explains that your computer has been locked...and demands payment before you can access your files...

In most cases, those affected by ransomware must pay the ransom within a specified period or they will permanently lose access to their data. Further, the cybercriminals responsible for ransomware attacks typically demand payment in some form of untraceable currency, such as BitCoin, to reduce the likelihood that they are caught and brought to justice.

Two major forms of ransomware exist: 1) *encrypting ransomware* and 2) *non-encrypting ransomware*. Encrypting ransomware examines your computer

and encrypts data files – often PDF, Excel, Word, and PowerPoint files – so that their rightful owner can no longer open them. If the owner chooses to pay the ransom, typically in the range of \$500 to \$1,500, the cybercriminal will provide the encryption key to the owner; otherwise, the files are forever locked and inaccessible.

Non-encrypting ransomware does not affect the data on the computer, but rather, affects access to the computer itself. Non-encrypting ransomware often will cause pornographic images to display on the computer screen until the victim pays the ransom. Upon paying the ransom, the cybercriminal deactivates the ransomware on that computer and it returns to normal operation.

The most common method by which cybercriminals install ransomware onto their victims' computers is by sending emails with attachments that contain the malware. When a recipient of a message clicks to open the attachment, the malware installs and the crime begins. Other methods used to infect computers with ransomware include causing users to click on malicious links in email messages or websites and through instant messages transmitted over social networks.

How to Reduce the Threat

As with all security threats, the best approach to minimizing the threat of ransomware infecting your computer is to apply common sense and exercise sound, professional

judgment. Each of the following actions will help to reduce your exposure to ransomware.

- Do not click on email attachments from unknown or untrusted sources.
- Be very judicious about the websites you visit and the hyperlinks in email messages on which you click.
- Additionally, know that all of your social network “friends” might not really be your friend after all; therefore, be discerning about what links you click on when participating in social network mediums.

From a technical perspective, again common sense is the best protection against ransomware. The following measures will help to minimize the threat that ransomware infects your computer.

- Install a strong anti-virus program on your computer and update the anti-virus definitions daily.
- Ensure that you install anti-malware software and that you update its security definitions on a daily basis.
- Keep your firewall turned on.
- Consider adopting a “white-listing” approach and controlling which applications can run on your computer via Group Policy settings in the Windows operating system.

What to Do if You Are the Victim of Ransomware

Notwithstanding the above, the possibility will remain that ransomware could infect your computer. This is where the importance of daily backups comes into play. If you are the victim of a ransomware attack and refuse (rightfully so!) to pay the ransom to recover your data, it is altogether likely that your only alternative to reclaim your data will be to recover it from a backup. Note that you should not leave the

backup device connected to your computer after the backup completes as the data on the device could be taken hostage in a ransomware attack. Instead, disconnect the backup device from the computer after the backup completes; alternatively, consider using a cloud-based backup service so that your data is stored offsite.

Summary

The threats emanating from ransomware are real and growing on a daily basis. In addition to potentially affecting your computer, ransomware now also threatens mobile devices such as smartphones. The best means of reducing these threats is to adopt a three-pronged strategy that includes 1) avoiding opening email attachments and clicking on suspicious links from unknown sources; 2) ensuring appropriate anti-virus, anti-malware, and firewall security is in place and working as intended; and 3) creating daily backups of critical data files and storing them in locations that are not connected to your computer. By implementing this strategy, you can minimize the threat of your data being held hostage.



IN BRIEF

Ransomware is becoming increasingly more prevalent and holds your data hostage.

Two major forms of ransomware are encrypting and non-encrypting.

Taking precautions to protect your devices and backing up data will help minimize the effects of an attack.

Improv Your Way to Success in the Workplace

Peter A. Margaritis, CPA

Improvisation isn't about being funny.

That's a surprising statement for many, but it's true.

Improvisation is a series of tips that you can follow to help you overcome natural reluctance and self-consciousness

in everyday interactions and conversations –

funny or not. Overcoming those barriers

to meaningful conversations –

conversations that lead to better

relationships and increased

trust – is a challenge many

in the workforce face.

No matter what line

of business you are in,

engineer, sales manager,

lawyer, or accountant like

myself, networking can be

a chore and small talk can

seem draining. That's where an

understanding of improv can help.

The principles of improvisation, as I've been

exposed to it, are respect, trust, support, listening, focus,

and adaptability. And the glue that holds those together is

the principle of "yes, and..." Ultimately, these principles

allow you to go with the flow, accept inevitable change, and

adapt quickly all while perpetuating a positive intelligent

outlook. You have a wealth of knowledge already that

allows you to adapt to a variety of situations. Without that

knowledge, you have nothing. It's the same in the business

world. You have to have knowledge and experiences in

order to improv your way to success.

Here's how:

Replace negative "yes, but" with successful "yes, and"

"Yes, and..." are words that keep conversations going.

They inspire people and spur creativity. They

help to overcome resistance and lead to

a meeting of minds, and as such they

are valuable words to use during

negotiations. "Yes, and..." is

about being agreeable. It's not

about agreeing, rather finding

a point of agreement and then

moving onward from there. For

example, if a colleague suggests

an idea, you might say, "Yes,

and we could explore that idea

and see if we could get it in the

budget next year," rather than "Yes,

but there's just no money to do that."

With that one small word, you have shifted

the conversation from halting creativity and ideas

to supporting them and building a positive atmosphere

amongst your team.

Listen to understand

Think about the difference between listening to respond and listening to understand. (There is a difference, I promise.)

Listening to understand requires you to park your agenda and really hear your client. This practice demonstrates respect and genuine interest, which cultivates deeper more



trusting relationships. This is both about listening with your ears and also with your eyes. Look for details that can become points of connection or visual signals and cues from the person with whom you are engaged in conversation.

Focus on relationships

This applies to both new relationship opportunities and growing established ones. For current coworkers or customers, build relationships beyond numbers to build rapport, comfort and trust. For new relationships, you need to step out there into new territory and get to know people. And don't forget to smile.

Make mistakes

If you expect perfection, you are likely to be disappointed. Yes, you will make a mistake; probably more than one, and most of the time, unless it's a real blooper, the only person who knows about it is you. It boils down to what you have probably heard many times since childhood – every mistake is an opportunity to learn and do even better next time. Train yourself to silence your inner critic and allow yourself the confidence to try with less fear of making a mistake.

Commit

In the world of improv, people talk a lot about commitment. You need to be fully committed to your character. If you're going to be the tree, be the best tree that you can be. If you're going to be a crazy game show host, be the craziest. Be fully committed to that character. That's a lesson for businesses, too. If you don't have the passion for what you're selling, then you're not going to sell it.

Every single one of these actions takes practice. By embracing this outlook you will sharpen your creativity and communication skills, the business success skills that accountants, bankers, and other financial professionals often consider secondary. You will find that opportunities will start to arise that wouldn't have before, you may notice reduced stress at work and a more positive, collaborative, and creative work environment.

So even if you don't think you're funny, remember comedians aren't the only ones mastering improv to elevate their success. When applied in any business setting it's a valuable training tool that can make anyone a more effective business professional. Employ improv until it becomes second nature. Put it into constant practice to the point where you can't stop doing it. Pretty soon you will believe in yourself and your abilities, and that confidence will propel you to even greater excellence.



IN BRIEF

Improv can help you overcome reluctance and self-consciousness.

It's not about being funny, rather it's about overcoming barriers to have meaningful conversations.

Incorporating improv into your daily interactions will make you a more effective professional.

Peter A. Margaritis, CPA is a speaker, educator, trainer, humorist, and self-proclaimed chief “edutainment” officer for The Accidental Accountant™. His firm helps accountants and other business leaders to increase their profitability by strengthening their business success skills and improving morale through better communication. He is a member of the American Institute of CPAs, The Ohio Society of CPAs, The Georgia Society of CPAs, and the National Speakers Association. Peter is also the Author of *Improv Is No Joke: Using Improvisation to Create Positive Results in Leadership and Life*. www.theaccidentalaccountant.com.

What the Transportation Bill Means for Georgia

Michael Bell, CPA and Don Cook

Transportation in Georgia launched its way to being a top legislative priority in this year's legislative session. After much discussion and deliberation, on May 4, 2015, Governor Nathan Deal signed House Bill 170 (The Transportation Funding Act of 2015) into law. This new law will increase funding to the Georgia Department of Transportation by over \$900M, which will be directed towards repairing the deteriorating roads and bridges throughout the State as well as prioritizing any new projects to provide congestion relief and connectivity.

While the \$900M annually will not be sufficient to fix all of Georgia's transportation needs, it signifies the first major increase in infrastructure investment by the State in decades. The last adjustment to the state motor fuel tax was done in 1971. To understand what the additional \$900M will mean to the State you have to realize that from 2010-2014 the GDOT bid solicitation for construction projects averaged just over \$1B per year, which included Federal funds as well as State motor fuel tax. This additional \$900M in State funds almost doubles the funds available to the GDOT for construction. With these funds originating from the State much of the red tape associated with Federal funds can be avoided, providing even more value for the citizens of Georgia.

The conversation around transportation is one that has been taking place for a number of years, especially with economic development being a top priority of legislative leadership. The conversation on transportation funding certainly picked up pace over the summer of 2014 with the Joint Study Committee on Critical Transportation Infrastructure Funding

meeting on six separate occasions. They had expert speakers discuss the existing transportation related issues in Georgia, what other states funding streams looked like, and what it would take for Georgia to get back to a level playing field. In the end, the question was not if Georgia needed additional funds for transportation, but how these new funds should be raised.

Whether or not you agree on how the Georgia General Assembly decided to fund this need for additional transportation dollars, it's important to understand this new Act and what it means for the businesses and general public here in Georgia.

This law reads exactly how it read when the Georgia General Assembly passed HB 170 (The Transportation Funding Act of 2015) on Tuesday, March 31, 2015 (Day 39 of Georgia's Legislative Session). Prior to passing through both houses of the General Assembly, this bill had numerous changes made to it and even wound up in conference committee where three members of the House and three members of the Senate met to come up with a compromise bill that both houses could agree to.

Here are the highlights of HB 170 as provided by the Georgia Transportation Alliance.

Sales Tax vs. Excise Tax

- Currently, Georgia's state funding mechanism is a combination motor fuel sales tax and excise tax. This legislation converts that mechanism to an excise tax

only funding model. The current four percent state sales tax paid on the total purchase of gas at the pump is eliminated. Instead, the four percent sales tax and 7.5 excise tax is replaced with a single \$0.26 per gallon excise tax (\$0.29 per gallon for diesel).

- This change closes a loophole that currently allows one percent of state sales tax, or the “fourth penny”, to be diverted the general fund for other purposes.
- Moving forward, all excise taxes collected from motor fuel will be used only for transportation, as stipulated by the state constitution.
- The excise tax will be pegged to both the Consumer Price Index (CPI) and fuel economy standards.
- Indexing for inflation and fuel economy will begin July 1, 2016 but CPI indexing will no longer be in effect after July 1, 2018.

Alternative Fuel Vehicles

- Currently, drivers of alternative fuel vehicles do not contribute to transportation funding though they do use Georgia roads, bridges and highways. This legislation ensures all drivers contribute their share through a new user fee.
- The fee is \$200 annually for personal use vehicles and \$300 annually for commercial vehicles.
- This fee is intended to mirror what the average driver of a gasoline-powered vehicle pays in motor fuel taxes each year and is adjusted for inflation and fuel efficiency. Indexing for inflation and fuel economy will begin July 1, 2016, but CPI indexing will no longer be in effect after July 1, 2018.
- The \$5,000 tax credit for electric vehicle purchases will be repealed on July 1, 2015.
- The \$2,500 low-emission tax credit will be repealed on July 1, 2015.

Trucks

Recognizing that heavier vehicles create more wear and tear to roadways, a new annual fee for trucks will be imposed. The fee is \$50 or \$100, based on weight. This fee is not indexed to inflation. Revenue generated by the fee is to be dedicated to transportation purposes.

Hotel Motel Tax

A \$5 per night fee on hotel and motel rooms is created. It does not apply to extended stay rentals longer than 30 days. This fee is not indexed to inflation. Revenue generated by the fee is to be dedicated to transportation purposes.

Aviation Fuel

- This legislation sunsets the current one percent sales and use tax exemption for aviation fuel. It also requires local sales tax on aviation fuel to be at or below levels levied prior to January 1, 2014.
- In accordance with federal law, this bill requires that all revenue derived from aviation fuel be spent on aviation purposes beginning July 1, 2017.

Modifications to the Transportation Investment Act of 2010

- This bill amends TIA to allow individual counties, not currently in a region with an approved TSPLOST, to impose their own county TSPLOST.
 - ◊ A county TSPLOST may be imposed at a fractional rate up to one percent in .05 percent increments. However, if a county does not reach an intergovernmental agreement with its respective municipalities, the maximum rate of tax for the county TSPLOST cannot exceed 0.75 percent
 - ◊ Counties that participate in a regional mass transportation system may impose a county TSPLOST beginning July 1, 2016. All other counties may begin July 1, 2017.

Transportation continued on page 28

- ◊ County TSPLOSTs may not exceed five years. All revenue must be dedicated to transportation and at least 30 percent of estimated revenue must be spent on projects in the State Transportation Improvement Plan (STIP).
- ◊ Voters must approve the county TSPLOST through a referendum.
- TIA regions with a current regional TSPLOST in place may renew that levy at the expiration of its 10 year term, without General Assembly authorization. All other TIA requirements for reauthorization of a regional TSPLOST are still in effect.

Local Taxes

This new funding model has minimal impact on existing local sales taxes (HOST, LOST, MOST, SPLOST and ESPLOST). These taxes may continue to be imposed at a rate of one percent of the retail sales price of motor fuels, not to exceed \$3.00.

Governor's Authority

- This legislation prohibits the Governor from suspending the collection of motor fuel or aviation fuel taxes, unless a state of emergency has been declared.
- Any suspension of those taxes will only be in effect until the next legislative session and requires approval by two-thirds of the General Assembly for the suspension to remain in effect.

Special Joint Committee On Georgia Revenue Structure

- A special 14 member Joint Committee on Georgia Revenue Structure is created consisting of:
 - ◊ The President Pro-Tempore of the Senate
 - ◊ The Speaker Pro-Tempore of the House
 - ◊ The Majority leaders of the House and Senate
 - ◊ The Minority Leaders of the House and Senate
 - ◊ The Chairpersons of the Senate Finance Committee and the House Committee on Ways and Means

- ◊ Three at large Members (two Republicans, one Democrat) from both the House and Senate appointed by the President of the Senate and the Speaker of the House.
- The Special Committee shall introduce legislation in the 2016 session of the General Assembly relating to tax reform. This legislation will be referred directly and only to the Special Committee on Georgia Revenue Structure.
- A do pass, or do pass by Committee substitute will proceed directly to the floor of the House of Representatives for an up or down vote, without Amendment.
- If approved by the House, the measure then moves to the Senate for an up or down vote, without amendment.
- This special committee and floor consideration procedure will sunset on July 1, 2016.

10 Year Strategic Plan

- Annually, The Department of Transportation is required to prepare and submit to the House and Senate Committees on Transportation a 10 year strategic plan that outlines the use of department resources.
- The House and Senate Committees on Transportation must approve these plans and may make recommendations to the House and Senate Appropriations Committees for their consideration in developing the budget.
- At a minimum, the 10 year strategic plan should address construction of new highway projects, maintenance of existing infrastructure, bridge repair and replacement, safety enhancements and administrative expenses.
- Priority is to be given to maintenance, expansion and improvement in the areas of the state most impacted by traffic congestion and to highway infrastructure that would aid in attracting economic development.
- Finally, the plan should bring forward all efficiencies



found within the bureaucracy and address how those funds can be redirected to road construction.

Georgia Transportation Infrastructure Bank

- Under this Legislation, preference for loans may be given to eligible projects in Tier 1 and Tier 2 counties.
- Preference for grants and other assistance may be given to projects that have local financial support

While this bill is not perfect, it provides needed funding for transportation from a variety of different sources and includes indexing to keep the funding sources from stagnating in the future. It's the belief of many that this bill is long overdue and will do nothing but help the state of Georgia become more competitive when it comes to attracting new businesses and improving the economy for those of us who call Georgia our home. For more information on the newly signed Transportation Funding Act of 2015, visit www.gachamber.com/tfa2015/



IN BRIEF

The Transportation Bill will increase funding to the Georgia Department of Transportation by over \$900M.

It will be directed towards repairing the deteriorating roads and bridges throughout the State as well as prioritizing any new projects to provide congestion relief and connectivity.

Additional \$900M in State funds almost doubles the funds available to the GDOT for construction.

It's important to understand this new Act and what it means for the businesses and general public here in Georgia.

Michael D. Bell is a licensed CPA in the state of Georgia, a member of The Georgia Society of CPAs, and is the executive vice president and chief financial officer for C.W. Matthews Contracting Co., Inc. located in Marietta Ga. He is very active in his community, including a position on the Executive Committee of the Georgia Transportation Alliance.

Don Cook is the vice president of legislative affairs at The Georgia Society of CPAs. He is responsible for legislative advocacy on behalf of the CPA profession in Georgia. Don is a registered lobbyist in the state and works on the grassroots training of GSCPA members while providing education on why members should strongly consider supporting the GSCPA-PAC.

GSCPA Recognizes Member Excellence

Outstanding Member in Industry



On April 24, 2015, The Georgia Society was honored to present the 2015 Outstanding Member in Industry Award to **Lisa Killinger-Farmer, CPA** at the 2015 Spring Decision Makers Conference. The purpose of the award is to recognize members in industry

who have made significant contributions, both professional and civic, that reflect the values and ideals to which CPAs in industry should aspire.

As a CPA working in business and industry, Lisa has over 20 years of experience and believes in honesty, integrity and ethics. A graduate from the University of West Florida in Pensacola, Florida, her professional recruiting experience began with a national search firm specializing in the placement of accounting, finance, and IT professionals. Prior to recruiting, her Big Four experience with KPMG and PWC included both audit and tax. As a current professional recruiter she is very experienced in placing top talent in accounting and finance and has recruited for Atlanta's top companies including Coca-Cola, AT&T/BellSouth, and Cox Enterprises, just to name a few.

Lisa is a long-standing member of The Georgia Society of CPAs, having most recently served as the chair of the CPAs in Industry Section. Her past volunteer history includes GSCPA's Leadership Council as well as the Spring Decision Makers Conference Task Force. She regularly gives back to her profession by mentoring collegiate accounting and business students, and has voluntarily provided career coaching for years.

Public Service Award



The Georgia Society recently awarded the 2015 Public Service Award to **Mark Wyssbrod, CPA** at the 2015 Spring Leadership Council meeting. The award recognizes a GSCPA member who has made significant contributions in public service activities at the

local, state, regional, or national level.

A long-standing GSCPA member, Mark is an award winning professional who regularly gives back to his community. Mark has been honored as a Small Business Person of Excellence in 2012 and 2013 by the Greater North Fulton Chamber of Commerce. He has been recognized by Atlanta Magazine as a Five Star Wealth Professional for six years in a row, and he is the 2013 Greater North Fulton Chamber of Commerce Small Business Person of the Year. Mark also reached the pinnacle of scouting by earning and becoming an Eagle Scout. The scout motto, "be prepared" and volunteering has critically shaped his life.

As a CPA, Mark has a successful business history due to being a visionary. A graduate from the University of Kentucky, he has founded many business ventures, including the award winning Pro@ctive CPA. Being "proactive" has been the foundation of his success.

Most recently, Mark sold his tax firm in order to increase his time with his family and community.

Meritorious Service Award



On June 23, 2015, The Georgia Society awarded the Meritorious Service Award to **Ronald Bobo, CPA** at the 86th Annual Convention in Clearwater Beach, Florida. The Meritorious Service Award recognizes individuals who have shown extraordinary

dedication to the public or the profession from an accounting perspective.

Those who know Ron Bobo are aware of his devotion to The Georgia Society of Certified Public Accountants, the CPA profession and his community. Through his involvement with GSCPA, he stands out as a member who goes above and beyond the call of duty. He is known for his warmth, sincerity and kindness in the professional community. Ron is recognized as a consummate professional who, over the years, has remained involved in civic service as well as the accounting arena.

Ron graduated from the University of North Carolina in 1968 with a Bachelor of Arts in economics. He then served from 1968 to 1974 in the U.S. Navy as an officer and naval aviator and remained in the U.S. Naval Air Reserve through 1980, rising to the rank of lieutenant commander. He obtained his Master of Business Administration from Emory University in 1976 with a concentration in accounting and finance. While at Emory, he had the honor of receiving the Haskins and Sells Award for Excellence in accounting. Upon graduation, he became affiliated with Arthur Andersen & Co. as a manager in the tax department until 1982, obtaining his CPA certification in 1978.

In 1982, Ron left Arthur Andersen to join a firm he helped to create, Pinehill Investments Inc. Having served in nearly every capacity for Pinehill Investments Inc., he has remained a partner and principal in virtually

every investment they have made over the last 30 years. Ron's other professional affiliations include serving on the advisory councils of Croft & Bender and Cordova Intellimedia Ventures, LP.

With more than 37 years of public accounting experience, Ron has a solid record of giving back — whether it is to his local community or his profession. During his career, Ron has been active with The Georgia Society on multiple levels. He served as GSCPA's president from 1998-1999. During this time he worked to raise the level of value and awareness of CPAs and GSCPA in particular as an active participant in GSCPA's local and national lobbying activities. Currently Ron is a member of GSCPA's Key Person Program and Leadership Council.

The Georgia State Board of Accountancy has also benefitted from Ron's devotion to the profession. His skill at applying the Georgia State Board of Accountancy's laws, rules and policies led to his appointment to chair of the Board's Enforcement Committee in 2013, where he diligently applied regulatory mandates to protect the public interest while providing constructive guidance to CPAs who violated the mandates. He is currently serving as the vice chair of the State Board.

Ron's servitude extends into his community. He is a trustee for the Fernbank Museum of Natural History and currently serves as chair of their Endowment Committee. He is also a board member for the Howell Fund, Inc., which is a foundation that makes grants to Georgia-based charities in religious, education and cultural endeavors. Finally, he is an active member of both Trinity Presbyterian Church in Atlanta and First Presbyterian Church in Highlands, North Carolina, also serving as a member of their Endowment Committee.

Join the Georgia Accounting Food Fight August 17-28, 2015

The Georgia Society of CPAs and Georgia's top accounting firms are using their one voice to create a friendly food and fund drive competition among Georgia accounting professionals to support the eight regional Georgia Food Banks that comprise the Georgia Food Bank Association.

To reach our goal of \$125,000 and 12,500 pounds, we need each and every accounting firm in greater Atlanta and throughout Georgia to participate.

Specifics

Conduct a food and fund drive at your office between August 17 and 28. Food items will be weighed at the food bank. Each pound of food will count as one point. Each dollar contributed will count as four points. The firm with the

most points wins bragging rights and special promotion. Firms who sign up before the drive starts on August 11 will receive bonus points to their overall total.

Awards are based on points collected per employee. When registering, count each person working at your firm, regardless of position.

The Georgia Accounting Food Fight will make a tremendous impact on the lives of families, children and individuals struggling to make ends meet.

Questions and Registration

Contact the Atlanta Community Food Bank at 404-892-9822 x1227 or fooddrives@acfb.org or engage.acfb.org/foodfight.



“Food is one of our most basic needs. And yet, too many families struggle to know where their next meal is coming from. By joining the Georgia Accounting Food Fight, we can demonstrate the strength, commitment and care of our profession while making an incredible impact in our community. We can use our one voice to give hope to so many in need.”

Boyd Search, CEO, The Georgia Society of CPAs

GSCPA Welcomes New Board Members

GSCPA welcomes two new members to the Board of Directors - Scott Collins and Tom Harrison



Georgia native, **Scott Collins, CPA**, is the owner of Collins/Moody & Company, PC and Collins/Moody Financial Services, LLC in Athens, Ga.

Scott began working for the firm as a staff accountant a year after graduating from college and over the years became partner and eventual owner.

He was drawn to accounting due to his experience with bookkeeping as a teen. “The career path provided financial security and it made sense to continue what I enjoyed doing,” said Scott.

As a Board member, Scott’s goals are to foster an environment where the exchange of ideas will address the needs of the CPA profession and continue to move it forward.

Outside of the office, he enjoys running and horseback riding, as well as working with the Sons of the American Revolution, the Athens Youth Symphony, and Sandy Creek Nature Center.

Scott and his wife, Beth, have three children and reside in Athens.



Tom Harrison, CPA is a partner with Lanigan & Associates, PC in Thomasville, Ga.

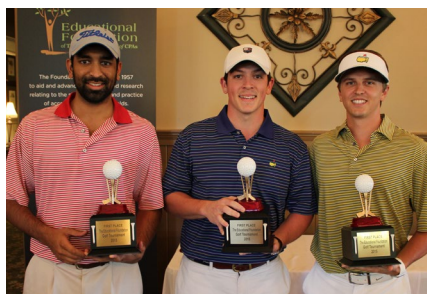
While in college, Tom worked as a governmental accountant and life insurance intern. He started with Lanigan & Associates as a staff accountant in 1997, working with the audit and tax teams. Over the years he worked his way through staff levels gaining experience in a variety of areas, such as like kind exchanges, real estate and timber related tax issues.

In 2000 he earned his CPA license, and in 2002 obtained the CFP designation. As partner of the firm, Tom works with multiple clients, as well as with firm recruitment, retention and mentoring.

As a Board member, Tom’s goals are to help guide GSCPA towards being a model nationwide for advocacy and member services.

Outside of the office, Tom plays tennis with his family, as well as feeds his passion for renovating and restoring historic commercial and residential properties.

Tom and his wife, Holly, have two children and reside in Thomasville.



Educational Foundation Golf Tournament Raises Scholarship Funds

On May 21, 2015, the Windermere Golf Club in Cumming, Georgia hosted golfers who spent the day networking and enjoying the warm weather while raising money for The Educational Foundation (Foundation) of The Georgia Society of CPAs (GSCPA). The tournament raised over \$24,000 for scholarships and programming that will assist Georgia college students. This brings totals to over \$63,000 raised by the Tournament over the past three years.

A putting and chipping contest kicked off the festivities, followed by a standard scramble start to the tournament. The day concluded with a lively 19th hole party at the clubhouse. GSCPA Past President and Tournament Chair, Stewart Carlin, presented prizes to the top three scoring teams, as well as the two individuals who were closest to the pin. Prizes were also awarded for the putting and chipping contests.

The Foundation Cup competition, or a “tournament within the tournament,” allowed sponsors coming in at the Birdie, Eagle, Double Eagle and Title levels to compete for bragging rights and a trophy to display in their office for a year.

The Foundation, established in 1957, helps students achieve their goals of becoming CPAs by identifying the best and brightest individuals entering the profession and providing those individuals with the help needed to complete their education.

If you would like to make a donation to the Foundation, please visit foundation.gscpa.org or call GSCPA’s Member Services Department at 800-330-8889 ext. 2986. The Foundation is a 501(c)3 organization and all donations are tax deductible.

Winning Teams

First Place - Frazier & Deeter

Josh Wilson, Reid Blalock,
Kavi Bhai, Spencer Hughes

Second Place - ADP

Jonathan Cox, Scott Gardner,
Anthony Jennings, Jordan Wilson

Third Place - Capital Directions

Richard O'Donnell, Josh Podczervinski,
Scott Pritchard, David Thomason

Additional Winners

Putting Contest

Scott Pritchard

Chipping Contest

Josh Wilson

Longest Drive

Jonathan Cox

Closest to Pin

Marshall McComb



< Foundation Cup Winner

Bennett Thrasher PC

Jeff Call; David Dlugolenski;

Ricky Novak; Dom Verdi



DOUBLE EAGLE SPONSORS



EAGLE SPONSOR



BIRDIE SPONSORS



THIRST QUENCHER SPONSOR



HOLE SPONSOR

CAMICO Mutual Insurance Co.

FRIENDS OF THE FOUNDATION

Burgess Pigment Company
Collins/Moody + Company, PC
Frances and Julian Deal, CPA
Georgia Southern School of Accountancy
Kennesaw State University - Brad Schafer

Holly McDowell, CPA
Martha H. Merritt, CPA
Lowell and Paula Mooney, CPA
Harvey Tarpley, CPA

The Future of Practice Monitoring

Rodney Chandler, CPA



Please Note: The views and interpretations reflected below are those of the author and do not necessarily reflect an expression of opinion on the part of The Georgia Society of CPAs.

The Department of Labor (DOL) recently released a study that should be of concern to

all of us in the profession. The report shows audit quality continues to decline – its focus is Employee Benefit Plan audits, but within the report it is implied there are quality issues in the general audit practices.

The AICPA has been implementing initiatives over the course of the last year to help increase audit quality and recently released a concept paper on revamping the current Peer Review Program into a Practice Monitoring Program of the Future.

I applaud the AICPA for developing and implementing ideas for the betterment of the profession. The short term solutions the AICPA has presented for enhancing audit quality have been much needed and I think are a great start to turning audit quality around. However, this new concept of active practice monitoring is, in my opinion, a step too far and is not guaranteed to improve audit quality in the long term. It reminds me of grade school, when one person did something wrong and the whole class got punished for that person's misbehavior.

The new active practice monitoring concept is geared towards implementing software that all firms will use to have their audits constantly monitored. If a deficiency is found while an auditor is doing the work a flag will pop up that the firm must address before they can move forward

with the audit. Failure to respond to the flag, will result in AICPA engaged practice monitors coming in and working with the firm to clear the flag. Dashboards and seals will be used to notify firm management of the firm's status and outside parties will be able to see how well the firm performs in the audit arena by viewing seals and certain information that can be made public via privacy settings and standard requirements. I have several concerns with the proposed concept in regards to the punitive nature of the recommendation, cost of implementation and data security and would suggest a blend of the proposed concept with traditional peer review might be a better way to go.

Instead of forcing all firms into active practice monitoring, enhancements should be built into the current peer review process that identifies when firms have deficiencies in audits, especially in highly specialized areas such as Employee Benefit Plans. Once those deficiencies are noted then the proposed real-time monitoring system should go into effect and active practice monitoring should begin for firms identified through the standard peer review process as doing deficient work. Real-time monitoring can be a costly process, especially to smaller firms, and should not be used on firms that are performing adequately.

Our team at GSCPA, including the Peer Review Executive Committee and the Board of Directors, has been on top of it and provided thoughtful comments on the paper.

Visit the AICPA website at www.aicpa.org/InterestAreas/PeerReview/Pages/EAQ.aspx for the latest information on this important topic.

While I recognize the need for enhancements to our profession's current peer review program, I believe our profession's response should be carefully targeted.



Rodney Chandler, CPA, serves as a managing partner for the Athens office of Smith Adcock and Company, LLP. He graduated from Berry College with bachelor's degrees in accounting and political science and currently serves as treasurer on GSCPA's Board of Directors. Rodney can be reached at rchandler@smithadcock.com.

Member News

Warren Averett, LLC, Certified Public Accountants and Advisors, is pleased to announce that **Kim Hartsock, CPA**, was accepted as a member of the Leadership Atlanta Class of 2016. Hartsock was 1 of 85 selected for this honor from over 400 nominations.

CohnReznick LLP, announces it has created a collaborative market solution with **Frier & Levitt**, a national boutique healthcare law firm providing regulatory, transactional, and litigation advice, and **CSI Specialty Group**, a globally recognized industry thought leader that provides innovative specialty pharmacy consulting, workforce planning, and talent acquisition solutions. The alliance will provide a comprehensive array of services tailored to the specialty pharmacy industry.

IN MEMORIAM

We sincerely regret the loss of the following members and extend deepest sympathy to their family and friends.

Lorain J. Arnold, Jr., Lawrenceville, Ga.

Denise S. Saturna, Macon, Ga.

Chas G. Thompson, Melbourne, Fla.

James M. Treadwell, Jr., Madison, Ga.

William M. Winn, Jr., Covington, Ga.



North Atlanta Chapter President, Patrick McNabb (l), presents a \$4,955 donation to Kennesaw State University School of Accountancy. Associate Director, Richard Clune (r), accepts on behalf of the school.



Russ Goldman (l), chair of the Scholarship Committee, and Patrick McNabb (r), North Atlanta Chapter president, present scholarships to the following students (l-r): Enrolled Graduate, Samantha Cowell; New Graduate, Stephen Petillo; Undergraduate, Christopher Andrews.

Are You Up-To-Date? Check In with Upcoming Update Seminars

July 14, 2015 / August 20, 2015

A&A for Tax People Who Hate A&A

Event Code: 07005 | Central Georgia Technical College, Macon

Event Code: 08026 | The Graduate Inn, Athens

Designed for tax practitioners who primarily prepare income taxes, focus will be placed on current events and changes coming from the FASB, ASB, ARSC and other accounting and auditing standard setting bodies. Emphasis will be placed on presenting these topics in such a way as to make them understandable, informative and meaningful. At the end of the day, participants may actually decide A&A is not so bad.

 **July 15, 2015**

Affordable Care Act: Tax Favored Health Care Plans After the ACA

Event Code: 07009/LS07009 | GSCPA Learning Center, Atlanta

Tax-favored health care plans are one of the major fringe benefits offered by businesses to their employees. After the enactment of the Affordable Care Act (ACA) the requirements to offer employee health insurance, as well as maintaining group health insurance plans, were significantly modified. The cornerstone of this seminar is the comprehensive discussion of the different tax-favored health care plans available and how they are affected by the ACA.

July 17, 2015

How to be a More Intelligent Investor

Event Code: 07013 | Doubletree Hotel, Augusta

Successful investing is a substantial undertaking and the amount of information that must be reviewed and evaluated can be daunting. Gain valuable insights into roles of investment professionals, best sources for information, which investors are successful, fixed income investing, mutual fund tax strategies, and tracking of performance.

July 23, 2015

Annual Update for Compilation and Review Engagements**

Event Code: 07021 | Central Georgia Technical College, Macon

A go-to reference for training staff and managing your preparation, compilation, and review engagements, this course will enable you to be in compliance with all of the professional standards surrounding engagements performed in accordance with Statements on Standards for Accounting and Review Services (SSARS). The course covers the entire spectrum of

practitioner concerns and introduces the new requirements applicable to engagements to prepare financial statements contained in SSARS No. 21, Statements on Standards for Accounting and Review Services: Clarification and Recodification, released in connection with the Accounting and Review Services Committee's SSARS Clarity project.

August 3, 2015

Annual Accounting and Auditing Update

Event Code: 08001 | UGA Campus Conference Center, Tifton

Designed for accounting and auditing practitioners at all levels in both public accounting and business and industry, this seminar provides a comprehensive review of recent standard setting activities of the FASB, PCC, ASB and ARSC. Not only will the material bring you up-to-date on the requirements, it also provides you with many hands-on examples and illustrations to help you apply the guidance in practice. You'll learn about the latest standards, exposure drafts, and guidance focusing on issues applicable to accountants and auditors in public accounting and private industry.

August 14, 2015

Annual Update for Controllers**

Event Code: 08018 | The Busbee Center, Lawrenceville

Strengthen your abilities as a controller and help your management team understand current economic issues through the latest trends in accounting, finance, human resources, treasury management, and business systems. In this seminar you will discuss leading-edge topics in managerial accounting and finance in a session that is packed with useful tips and practical guidance that you can apply immediately.

**Qualifies for \$30 per day AICPA discount

SEMINAR FEES - Member vs. Nonmember**

(One Day Fee/Two Day Fee)

	Early	Standard	Late
Members	\$255/\$365	\$315/\$425	\$355/\$465
Nonmembers	\$355/\$465	\$415/\$525	\$455/\$565

**Exceptions apply. See specific event information for more details.

To Register: Visit www.gscpa.org or call 404-504-2985 or 800-330-8889, Opt. 3

Current Accounts Self-Study

The self-study tests in the back of every issue of *Current Accounts* are a quick and easy way to earn two hours of CPE, and each test is available for two years.

For example, the January/February 2014 self-study test will be available until February 29, 2016. Take each test as you receive the issue or wait and take them all at one time. For more information on how to take a test, see page 36.

May/June 2014 - Self-Study Test # CA40506

July/August 2014 - Self-Study Test # CA40708

September/October 2014 - Self-Study Test # CA40910

November/December 2014 - Self-Study Test # CA41112

January/February 2015 - Self-Study Test # CA50102

March/April 2015 - Self-Study Test # CA50304



< **May/June 2015 Issue**
Self-Study Test # CA50506

July/August 2015 Issue >
Self-Study Test # CA50708



Available Live Streams

Live stream allows you to attend the conference or seminar from your home, office, or anywhere you can access the Internet. You view the sessions in real-time as part of the audience and have interaction with other attendees via chat areas.

Surgent's Individual and Financial Planning Tax Camp
July 14, 2015 | LS07008

Affordable Care Act - Tax Favored Health Care Plans After the ACA
July 15, 2015 | LS07009

Identity Theft: Preventing, Detecting, and Investigating
July 22, 2015 | LS07018

2015 Technology Conference
July 23, 2015 | LS13040

Compliance Auditing: Questions from the Field
July 27, 2015 | LS07023

Revenue Recognition: Mastering the New FASB Requirements
July 29, 2015 | LS07025

IFRS Standards: Financial Reporting in a Global Environment
July 31, 2015 | LS07030

QuickBooks for Accountants
July 31, 2015 | LS07031

Basic Accounting and Auditing Issues for the Construction Industry
August 5, 2015 | LS08004

Tax Reporting for Contractor and Homebuilder
August 6, 2015 | LS08006

A Practical Approach to Deferred Income Taxes Under FAS #109
August 7, 2015 | LS08007

REGISTER AT
CASELFSTUDY.GSCPA.ORG

REGISTER AT
OLC.GSCPA.ORG

BUSINESS SERVICES

CPA available to assist in the preparation of your extended income tax returns using Lacerte or Ultra Tax software. Also can assist in General Ledger and Depreciation Schedule reconciliation and maintenance. Call Alan 678-480-1831

Local northeast Atlanta CPA firm with international affiliations has an immediate opening for a Senior Tax Associate or Tax Manager.

We offer a diverse client base and challenging work, including several niche practices. We have a reputation for providing the highest quality service to our clients. Our firm environment is professional and balanced, providing immediate opportunities for the right candidate. We offer an excellent compensation package commensurate with experience. Candidate should be a CPA with a minimum of 4 years' experience. Submit resume's to flywheelmatt@gmail.com

International Tax Services. Specialist available for expert review of your firm's individual/business international filings and tax returns. Experienced international tax planner/preparer/reviewer. Consulted major tax software provider on the implications of international tax laws on tax forms and calculations. Contact Anthony Malik, Point Square Consulting; 770-845-9289; tony@pointsquaretax.com.

Firm-on-firm reviews: Fowler, Holley, Rambo and Stalvey, PC is interested in performing your firm's peer review. Personnel have 32 years review experience. Contact Richard Stalvey for qualifications, references, and a proposal. P.O. Box 1887 Valdosta, Ga. 31603; 229-244-1559.

Peer reviews for sole practitioners and small firms. We have the client base, technical skills, plus the understanding, to help your firm. Fifteen years of peer review experience with 150 firms ensures efficient work on engagement reviews. Contact Joe W. Kilpatrick or Steve Rea, Crescent Centre, Tucker. 770-455-8706 or jwkilpatrick@kilpatrickcpa.com, www.kilpatrickcpa.com

Business Valuations: Formal valuations, consulting services for CPAs/clients. Areas: Estate & Gift Taxes, Family Limited Partnerships, S Corp conversions: built-in tax gains, SBA 7(a) Valuations, Acquisition/Sale/Merger of Business. Contact Marvin T. Brown, CPA/ABV, CVA, Brown Valuation Group, for qualifications, references, and a proposal. 706-254-3134 or 770-447-1300.

IRS and State Representation. Attorney & CPA available to consult with your firm or your clients on IRS and state matters. Audit, appeal, collection or criminal matters including offers in compromise, bankruptcy discharge of tax and non-filers. Practicing in Atlanta since 1982. Call Jeffrey S. Gartzman, The Gartzman Law Firm, PC; 770-939-7710; jeff@gartzmantaxlaw.com.

POSITIONS AVAILABLE

Holland Shipes Pennix, LLP is a fast growing CPA firm in the Atlanta area that provides high quality financial, tax and controllership services to a diverse and affluent client base. The firm seeks a motivated candidate to join the team as a Senior Accountant. Responsibilities include preparing corporate, partnership, and federal and state individual income tax returns; performing fieldwork on engagements, preparing GAAP financial statements; understanding all areas of general public accounting. Requires 2-5 years of public accounting experience, a B.B.A. in Accounting and a CPA license. Candidate must have strong communication, analytical and problem-solving skills. The firm offers competitive salaries that is commensurate with experience, health insurance, HSA Plan, 401(k) Plan with matching benefits, 20 PTO days plus standard holidays, and an ideal work-life balance. HSP also celebrates the hard work of its members through various outings and events throughout the year. Email resumes to naema@hsp LLP.com.

North Atlanta/Perimeter Area CPA firm looking for an established audit manager/partner to take over and grow our audit practice. The firm currently performs approximately 25 audits. Need to have audit experience at the partner or manager level and preferably a client base which can be brought into the firm. Please respond to: lori@frickecpa.com or 770-216-2226.

Come join us at Roberts DeWitt LLC. We are seeking to expand our team of CPAs, Accountants and Business Advisors with experienced tax professionals committed to client service and team work. We offer a pleasant, fun and dynamic work environment. Interesting, high-level, complex clients. Very competitive compensation package. Opportunities for advancement. Emphasis on professional education, training and self improvement. Flexible work schedules. An environment that fosters professional growth and technical expertise. And, we are centrally located near historic downtown Roswell. Positions currently available: Tax Senior; Tax Manager; Senior Tax Manager; We can be reached at 678-352-8258 (contact Marc Fialdini) or www.robertsdewitt.com. Resumes can be emailed to marc@robertsdewitt.com or faxed to Marc Fialdini at 678-278-1223.

OFFICE SPACE/ACQUISITIONS

We are an established North Atlanta CPA firm growing through the merger or acquisition of accounting/audit/tax practices. Owner of the acquired firm may continue to work during and after a transition period. We are also interested in acquiring practice segments. Please respond to GSCPA File Box 456.

Multi-office Greater Atlanta CPA firm seeks to purchase practices of retirement-minded colleagues. Practices located in the Gwinnett, Dekalb, Henry and Fayette County areas are preferable. Our well-established firm is skilled at assimilating smaller CPA practices. Please respond to GSCPA File Box 121.

Perimeter/Sandy Springs area CPA firm interested in acquisition/merger opportunities with established CPA firm. Ideal candidate \$400k – \$750k in annual billings with emphasis in taxation. Please respond to info@kstepca.com with any interest.

Dame, Walker, Hughes & Co., LLC, with an office in South Georgia, looking to continue growth through acquisition and/or merger opportunities. We are looking for firms ranging in size from \$100,000 to \$2,000,000, with a South/Southeast Georgia presence a PLUS. To confidentially discuss how our firms may mutually benefit, please contact Tim B. Dame, CPA at timdame@southeastcpas.com or (229) 259-0909.

Established North Atlanta CPA firm with experienced staff and great GA-400 location, wishes to expand through acquisition of accounting/tax practice of retirement minded CPA practitioner.

Ideal practitioner will have revenues of \$250,000 to \$550,000. We offer the opportunity to sell your practice and continue working with our firm assuring a smooth transition period. Your existing staff will be encouraged to join our firm. Please respond to GSCPA File Box 125.

Established CPA firm located in north Metro Atlanta area. Annual gross receipts approximately \$700,000. Over 65% of revenues are tax related with other non-audit services accounting for the remaining income. Experienced staff in excellent facility in prime location. Call David Akins, CPA at 877-277-0272. Visit our website at www.kinsprofessionalbrokerage.com

PRACTICES FOR SALE

North Atlanta CPA firm with revenues exceeding 1 million looking for a smaller established CPA firm interested in an upstream merger and eventual acquisition over three to five years. The ideal situation is a one or two owner firm with revenues of \$200,000 to \$600,000 which would merge, and after a transition period, buy out the current sole equity owner. Please Respond to GSCPA File Box 456.

Savannah CPA \$500,000+ Atlanta North Perimeter area \$675,000 Marietta \$350,000+ North GA-Chattanooga area \$485,000 North Perimeter I-75 CPA Firm \$1,500,000+ Canton I-575 area CPA \$600,000 Lenox-Buckhead CPA \$1,500,000 Asheville NC \$350,000 Chattanooga Downtown area \$550,000+ Jacksonville \$500,000+ Many others! Contact Leon Faris, CPA at Professional Accounting Sales. 770-859-0859 or 800-729-9031, or visit our website at: www.cpasales.com. Let our 30+ years of experience work for you.

Mail File Box Responses to:

GSCPA File Box _____

Six Concourse Parkway, Suite 800
Atlanta, GA 30328

Contact Us:

To place a classified ad, please contact Andrew Lloyd, assistant manager, strategic relationships at alloyd@gscpa.org.

Current Accounts Self-Study Test

July/August 2015 | Test No. CA50708

How do you earn a quick two hours of CPE? Take the self-study test provided in each issue of *Current Accounts*. Simply answer the 10 questions based on content in *Current Accounts* and submit your answers to GSCPA. Receive a grade of 70% or better and earn two hours of CPE credit.

**Please Note: All Current Accounts self-study tests are available for two years from the issue date.*

PRICING

	Online	Print
Members	\$25	\$30
Nonmembers	\$50	\$60

ONLINE INSTRUCTIONS

1. Go to caselfstudy.gscpa.org.
2. Click on "Register Here" for the appropriate issue.
3. After registering, you will receive an email confirmation with a link to the self-study test. Look for "CURRENT ACCOUNTS SELF-STUDY TEST" in the body of the email.
4. Complete the test and click "Submit" when you are finished.
5. Print the confirmation page for your records.

PRINT INSTRUCTIONS

1. Detach the test insert from *Current Accounts*.
2. Take the test, recording your answers on the answer sheet by filling in the appropriate circle.
3. Complete the registration and payment information. Payment must be submitted with the test. Print clearly.
4. Mail this page, along with your payment, in an envelope to:
The Georgia Society of CPAs
Current Accounts Self-Study Test
Six Concourse Parkway, Suite 800
Atlanta, GA 30328
OR Fax to the CPE Department at 404-237-1291.

TEST RESULTS

Upon completion of the test, your answers will be graded and within two business days you will either receive an Event Acknowledgement stating you passed the test along with certificate of attendance or an email stating you did not pass along with a link to retake the test.

QUESTIONS

If you have any questions about this test, please contact the CPE Department at 404-504-2985.

ANSWER SHEET

- | | |
|--------------------|---------------------|
| 1. (a) (b) (c) (d) | 6. (a) (b) (c) (d) |
| 2. (a) (b) (c) (d) | 7. (a) (b) (c) (d) |
| 3. (a) (b) (c) (d) | 8. (a) (b) (c) (d) |
| 4. (a) (b) (c) (d) | 9. (a) (b) (c) (d) |
| 5. (a) (b) (c) (d) | 10. (a) (b) (c) (d) |

REGISTRATION INFORMATION

Full Name _____ Member # _____

Company/Firm Name _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____ Email _____

PAYMENT INFORMATION

☐ Check for \$_____ made payable to
The Georgia Society of CPAs

☐ Amount to charge to credit card \$_____
☐ Discover ☐ MC ☐ AmEx ☐ Visa
☐ Personal OR ☐ Company Card

Card Number _____ Exp. Date (required) _____

Name as it appears on card _____

Signature _____

ATTRIBUTION

The Self-Study Test is developed and written by **Lowell Mooney, Ph.D., CPA**, professor of accounting at Georgia Southern University.

Meet Your New GSCPA Chair: Lowell Mooney, CPA

1. Which of the following will not likely be one of the major issues on the national agenda during Lowell Mooney's year as chair

- A. Practice monitoring
- B. Diversity and inclusion
- C. CPA mobility
- D. The future of learning (CPE)

2. Mooney urges those new to the accounting profession to

- A. be flexible.
- B. get involved.
- C. give back.
- D. all of the above

A Deeper Look into the Recent Report on the Quality of Employee Benefit Plan Audits

3. Which of the following was NOT a significant finding by the EBSA review?

- A. Firms that were members of the AICPA's Employee Benefit Plan Audit Quality Center had fewer audits containing multiple GAAS deficiencies.
- B. The larger the firm's employee benefit plan audit practice, the greater the incidence of audit deficiencies.
- C. Audit areas unique to employee benefit plans were among the areas of highest audit deficiencies.
- D. As the level of industry specific training increased, the number of audit deficiencies decreased.

4. The EBSA recommended a number of regulatory and legislative measures to enhance audit quality. Which one of the following should concern the profession most?

- A. Expand EBSA's outreach activities to plan sponsors and CPA firms to discuss results of this report.
- B. Amend the ERISA definition of "qualified public accountant" to include additional requirements and qualifications necessary to ensure the quality of plan audits.
- C. Amend ERISA to permit the Secretary of Labor to establish accounting principles and audit standards.
- D. Amend ERISA to repeal the limited-scope audit exemption.

Georgia: More Captivating Than Ever

5. If Georgia is truly to become a competitive captive insurance state, then the state must

- A. provide for the creation of protected cells, segregated cells, and special purpose vehicles.
- B. pass HB 552 to lessen the burdens of forming and managing captives.
- C. outlaw captive insurance companies in Georgia.
- D. make it illegal to self-insure property and casualty risks.

Best Practices for Enhancing and Improving Audit Quality

6. Select the INCORRECT statement from the following:

- A. Audit quality always starts and ends with the client.
- B. Planning and risk assessment drives audit quality.
- C. When training focuses on industry specific audit standards, training on general standards is not important.
- D. Ongoing review of work is fundamental for delivering high quality audit services.

The "Four Ts" for Managing Local Government Performance

7. Research by the AICPA and CIMA concluded that local governments can achieve effective performance management and strong financial leadership by focusing on four key areas. Which of the following was not one of the four areas?

- A. Talent
- B. Transportation
- C. Technology
- D. Transparency

Beware: Ransomware Threatens to Hold Your Data Hostage

8. If ransomware infects your computer and prevents you from accessing your data files, it is best to

- A. Attempt to recover the data from uninfected backup files.
- B. Pay the ransom and install a better anti-virus program.
- C. Attempt to negotiate with the criminals by threatening to report them.
- D. Forget you had those files.

What the Transportation Bill Means for Georgia

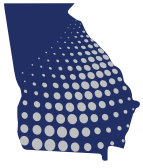
9. The 2015 transportation bill revised previously passed legislation in several key areas including:

- A. Drivers of alternative fuel vehicles must now contribute to transportation funding.
- B. Now all excise taxes collected from motor fuel must be used only for transportation.
- C. Since they create more wear and tear to roadways, truck owners must now pay a fee based on vehicle weight.
- D. All of the above.

Improv Your Way to Success in the Workplace with These Five Simple Tips

10. Which of the following was NOT suggested as a way to better relationships and increase trust?

- A. You can disagree without being disagreeable.
- B. Don't say "yes" when you really mean "no".
- C. Listening without understanding isn't really listening.
- D. Although no one is perfect, don't expect to be successful unless you demand of yourself absolute perfection.



**The Georgia Society
of CPAs**

Six Concourse Parkway
Suite 800
Atlanta, GA 30328

PRE-SORTED
STANDARD
U.S. POSTAGE PAID
ATLANTA, GA
PERMIT NO. 6495

Tired? Over-worked?
Ready for a Change?

PRACTICE SALES

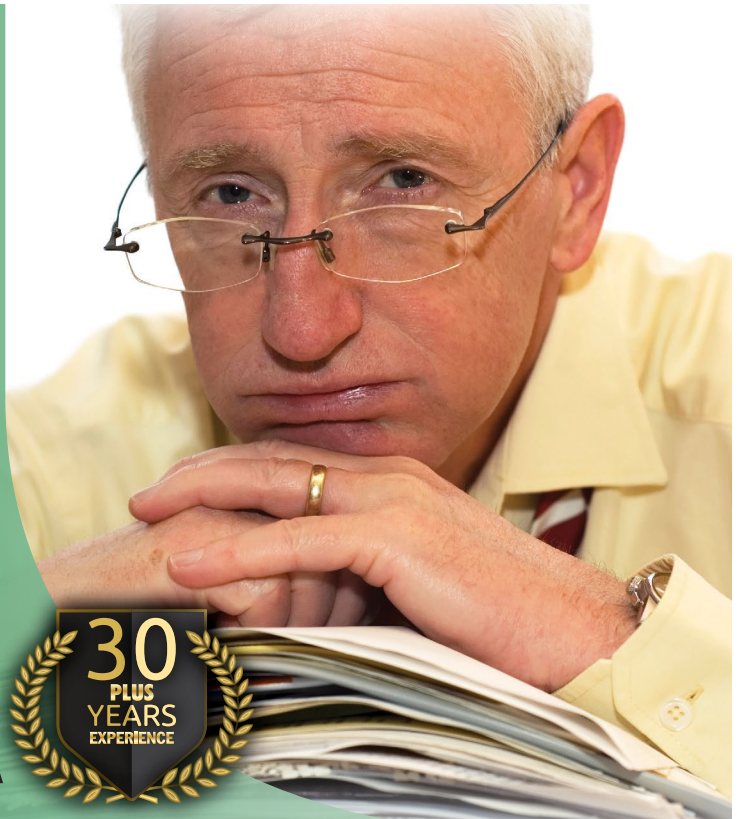
Buy / Sell / Merge

Confidential / Prompt / Professional



**Cash Buyers
Waiting!**

Contact:
Leon W. Faris, CPA



770.859.0859 • www.cpasales.com