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THE GEORGIA SOCIETY OF CPAs

Culture is Everything

How Frazier & Deeter is Changing the People Development Game

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THE GEORGIA SOCIETY OF CPAS

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The Uneasiness of Change

Boyd E. Search, CAE

Things change. For better or worse, our lives constantly take new directions. Some of us manage it with grace and ease, while others suffer more anxiety or trepidation.

Things change for a great many reasons.

You decide to move, upsizing or downsizing your home, changing for school districts, or to be closer to work. You might move because of an opportunity too good to pass up, or because life and work have forced your hand. It's an incredibly stressful thing to do, planned or not.

People come in and out of your life. Again, sometimes by design and sometimes by chance – the heartache of losing a loved one or the loneliness of having a best friend move away, physically or emotionally. Sometimes we realize we need to move on from people because they bring negativity, a decision that's right and good, but no less difficult.

We've all been inundated with opinions and "data" that show the differences and challenges of the new – and ever-expanding – generational issues in the work force, going from 1-2 to 4-5 generations all working together. We know each generation has a unique set of ideals and values. All of that creates uncertainty in the workplace. And it all means continuous change.

At GSCPA, despite being a "small business," we are not immune to those life changes and their impact. We've gone through some rather unprecedented change within our staff team over the last 18 months. Our normal attrition rate – the pace at which we turnover staff – is normally around four percent. For most organizations that is exceptionally low. Yet over the last 18 months we've turned over 40 percent of our team. That's an annualized rate of roughly 27 percent.

The reasons for the churn are as varied and unique as the people themselves. We have had to let people go for performance issues and/or gaps in skill set. We've had people grow weary of their work and choose to find a new place. But mostly we've experienced great success with talented people who have outgrown our business and the opportunities we present.

We have a philosophy when it comes to hiring; hire for attitude and train for aptitude. That's not new or unique. But overtime, the more we get that right, the more we'll see people outgrow us. That's a win for GSCPA, its members, and the profession. It also creates more change, and, at times, uneasiness.

The true magic is found when we find those great people and they stay. Our ability to impact member lives, protect the profession, and advance legislation, to name just a few things, is significantly greater when we have a bench of employees who have a great attitude backed by deep experiences and knowledge.

Change happens, and in business, one of the most routine changes is employee turnover. Yet, the routine of it does not lesson the cost or the stress. I don't have all the answers, but I do believe that a steady focus on finding good people, people with attitudes that fit your culture, is a significant driver of success. And in the moments when change seems to be at its peak, good people mitigate much of the stress and disruption that comes with it.

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We Are Smarter Together

Rodney L. Chandler, CPA

Do you hate the feeling that overcomes you when realization kicks in that you don't know as much as you should know? I have always hated that feeling. I vividly remember when I first felt it as a professional. I was in my first year as a young staff accountant trying to prepare tax returns. After Gordon Morehouse, my first boss and mentor, reviewed my work, he would sit down with me and go over each item he found. I remember seeing his comments scrawled, hardly legible, on a yellow legal pad in red pen, and double-spaced. He had to go over them with me because I couldn't really read his short-hand. I never felt bad about having a few review notes, however, the crinkling sound of him turning the yellow page to start the second page of review comments is burned into my memory!

Feeling embarrassed about making so many errors was a huge motivator for me. This was when I first pledged that one day I would try to know as much about tax as Gordon! I can still see and hear it all in my mind, even after more than 25 years! It is funny how some memories are so strong that they become foundational to who we are. I knew I didn't want to feel left behind or out of the loop. I wanted to learn more.

I also remember the second watershed moment that motivated my learning. When I first attended a Don Farmer tax seminar, I was astounded. My young mind thought, 'How could one man spout so much knowledge and information so quickly, and even cite sections from the Internal Revenue Code by number? He cites these sections as easily as if he were reciting the pledge!' I remembered thinking, 'Someday, I want to be Don Farmer!' Seeing his expertise – so far above mine – was the second time I knew I wanted to know more.

Spoiler alert! I did not grow up to be as knowledgeable as either Gordon Morehouse or Don Farmer. But those two experiences shaped who I wanted to become as a professional. In my aspirations to be like them, I learned the value of professional education. I now know a commitment to education is a hallmark of our profession. As professionals, we must dedicate ourselves to continual learning. Lifetime learning is more than a trite catchphrase. It is an ideal to which we all should aspire.

Over my career, I have continually turned to GSCPA to fill the holes in my knowledge base. I couldn't tell you how many courses I've taken with GSCPA over my career, but I can tell you many of them were core to my own professional development. I remember the importance of courses covering staff training, leadership development and communications, technology, crisis management, and numerous conferences where I learned from national speakers.

GSCPA has been, and continues to be, the provider of premier CPE events with top, national instructors. The Society can offer this level of quality because of the buying power and influence of our 14,000+ members. Just like our advocacy efforts are great because we are stronger together, our education is better because of our members. We are smarter together.

The world is changing around us. The profession is changing around us. There is a great deal of conversation about what learning is, how CPE regulations should change, and how it helps build and support a competent professional. Wherever that conversation goes, as CPAs, we must continue to serve the public trust, to stay at the forefront of technical expertise, and to expand our own personal horizons and limits; we must be lifetime learners. Education through GSCPA is the best way to do that. We are truly smarter together.

CULTURE IS EVERYTHING

How Frazier & Deeter is Changing the People Development Game by Beth Newton

At a recent all-hands meeting, Frazier & Deeter (FD) CEO, Seth McDaniel, began the meeting by openly sharing three of his backhands or weaknesses that he was actively working to improve. Several leaders who followed opened their comments by revealing their backhands and asked audience members to help them and hold them accountable when they fell short.

A few months prior, McDaniel, Jeremy Jones, partner-in-charge, audit; Terri Lawson, partner-in-charge, tax; and Beth Newton, executive director of people and culture, volunteered to make themselves available on the feedback app – a new mobile app at FD that allows anyone in the firm to anonymously or publicly provide a rating and written feedback at any time to whomever is setup on the app. As a result, each participant has received a range of ratings, accompanied by both positive and developmental feedback.

These are examples of practices indicative of an early stage Deliberately Developmental Organization (DDO) as described in An Everyone Culture: Becoming a Deliberately Developmental Organization. The 2016 Harvard Business Review book introduces the DDO concept to the business community. Frazier & Deeter, among other organizations, is highlighted in the book.

What Is a DDO?

The underlying premise of a DDO is that everyone has the capacity to grow and everyone is intentional about development every day. A DDO is a learning institution; a place where individuals utilize their everyday work, or practice ground, as prime means for learning, growing and getting better. And because an organization has been entrusted with the lives of everyone within, it is the organization's responsibility to enable every

individual to grow – not just hand-picked high potentials – through constant challenge and support, every day, at work.

"What resonated for us about the DDO concept is the idea that our day-to-day culture could serve as a catalyst for people's development. That has a lot of appeal to our firm. We want to help people be better inside and outside of the firm. We have a duty to help all of our people be their best self," says McDaniel.

In a DDO, learning, growing and getting better every day is much more than learning a new skill set, gaining additional knowledge or willing ourselves to change for the better. Real growth requires vulnerability, humility and a growth mindset in an environment that provides safety for individuals to show up completely – the good parts of them and the messy parts of them. This is a significant paradigm shift, not just for an accounting firm but for workplaces in general where the standard has always been to leave the personal stuff personal and only professional behavior is acceptable in the workplace.

Culture, continued on page 10

"In an ordinary organization, most people are doing a second job no one is paying them for. In businesses large and small…most people are spending time and energy covering up their weaknesses, managing other people's impressions of them, showing themselves to their best advantage, playing politics, hiding their inadequacies, hiding their uncertainties, hiding their limitations. Hiding. We regard this as the single biggest loss of resources that organizations suffer today" - *An Everyone Culture, Harvard Business Press*, 2016

How Does an Organization Evolve its Culture into Deliberately Developmental?

The first step was getting clear on the why. The firm planted a stake in the ground in 2011 when the partners decided FD would live on past its founders through continued growth, as merging up was out of the question. Becoming a legacy firm meant building a relationship-based culture that attracts, engages, develops and retains great talent at a faster more sustainable rate. "In a nutshell, we came to the realization that we needed to put as much attention into people development as we did into business development. In the long term, for a professional services organization, they really are the same thing," McDaniel says.

In 2013 FD hired Newton to lead its people and culture while helping to initiate its developmental journey. As a first step, with the help of Andy Fleming, CEO of Way to Grow Inc., LEAD FD was created in 2014 and introduced as an intensive year-long leadership development program for 10 FD team members across levels and service lines, selected after an application and interview process. The program, now launching its fourth cadre, teaches self-awareness, personal development and co-mentoring during the first phase, immunity to change. The second phase, optimize, focuses on improving the firm. Weaknesses are exposed first on a personal level, then as a firm with the goal of identifying and challenging underlying limitations and assumptions, broadening perspective, seeing new possibilities and learning to think in a new way – or shift mindsets. At the end of the program, participants share two presentations to the Board of Partners – what they learned and the results/recommendations of the firm-wide projects they led to improve the firm.

After LEAD FD established some traction in year one, the firm looked at how to begin weaving additional DDO practices into the fabric of the firm in conjunction with the leadership program. Through the implementation of tools like the mobile feedback app, informal feedback protocols, meeting check-ins and live 360 group discussions, FD team members are learning ideas and practices such as offering radical candor in real-time feedback; that failure is okay; being real about what's going on with you; and receiving tough feedback as a gift. The firm's Talking Partners pairs two team members together to co-mentor and to practice offering hard truths and alternative perspectives to one another. The top 10 peer recognition mobile app provides every FD team member a bank of 1,000 WOW points every month to award to their team members any time they demonstrate servant leadership. WOW points can be used on the Perks at Work website to purchase anything from movie tickets to a car. Each month the top 10 point earners are recognized firm-wide.

The Impact of Becoming a Developmental Culture

FD leaders believe the fruits of their labor will be realized over the many years to come. The short –term results are evident in FD's turnover at nine percent compared to 15 percent average turnover for firms of similar size and in the recent accolades FD has received. FD was voted a Best Firm to Work for in the U.S. by *Accounting Today* two years in a row and has been named a Top 10 firm for Women for the past two years by Project MOVE. In FD's most recent client satisfaction survey, 96 percent of the respondents said the firm exceeded their expectations.

FD Staff Respond to the New Culture

People are learning that real growth is hard. It takes a lot of practice and failure. And it's a process. We all live in a state of unfinished and in-process. For accountants, who tend to thrive on getting it right every time, relying on logic and achieving deadlines, this is a concept that requires constantly challenging one another to think differently about practice vs performance.

Real growth also fosters engagement, community and a sense of contribution and fulfillment. At the end of the day, people are coming together to challenge and support one another as they learn it's about getting better as individuals and helping others get better, which ultimately makes the firm and its clients better.

"I'm amazed by how willing everybody was to be uncomfortable and how comfortable that made me because it felt like we are all in this together. One of our firm leaders told a story about his greatest fears. You can see that partners like him have limitations that hold them back. It's very empowering to know people at the top have similar worries and struggles," Audit Senior and 2016 LEAD FD participant.

One reviewer of *An Everyone Culture* has this observation: "The premise that anyone can find reward and purpose at work by understanding themselves better in the context of that work is fundamentally democratic, in my view, and a welcome antidote to the occasionally fundamentalist cheering about 'purpose' that our culture now engages in."

Beth Newton is Frazier & Deeter's director of learning & development and is responsible for developing solutions to address business, leadership capability and cultural gaps. In this capacity, she partners with leaders to build a high performance culture that attracts, develops and retains the best talent. Through development of best-in-class, strategically aligned learning programs, she enables the firm to maximize the potential and talent of every individual.

Independent Contractor Versus Employee

Art Auerbach, CPA, CGMA

This question has intrigued employers and employees for years. Because of significant tax gap issues, particularly related to employment taxes (social security) and workers losing out on fringe benefits (medical and retirement), the issue has resurfaced.

Studies have indicated that taxable wages for worker classification and fringe benefits were among the most misreported. If employees are not classified properly, the employer obligation to withhold is not established and particularly payments to the social security system are not made. Some fringe benefits that may be taxable are not properly reported and some fringe benefits are not accounted for at all.

From an employer perspective, non-compliance can be costly, both in taxes unpaid, penalties and administrative and professional costs. Improper classification without a written contract, failure to obtain an I-9 form, failure to withhold taxes properly, and failure to include the individual in fringe benefit programs are among the many issues.

Recently, New York City (5/15/17) enacted a law, Freelance Isn't Free Act. I cite this law because it contains terms and elements to protect both parties to the independent contractor issue. This law requires a written contract for services if the payment is in excess of $800 and requires timely payment in full within 30 of completion of the work. It applies to any freelance workers hired as independent contractors to provide compensated services. While this is a New York City law, the elements are key regardless of where the potential employee or independent contractor is located. How about a Georgia resident providing services to a New York City business? Is there a written agreement? How are payments to be made?

Aside from payroll taxes, fringe benefits, particularly retirement plans, compensated leave program and medical benefits, are critical issues to discuss with the service provider. Retirement plans usually ask for coverage and whether all eligible employees are covered; how have these questions been answered? Has the calculation of highly compensated been made? For example, where hospitals today are contracting out services, whether a doctor is an employee or independent contractor is also a factor if the facility can be held liable for negligence of the individual.

Many are accustomed to using the twenty factors shown on Internal Revenue Form W-8. However, with the advent of e-commerce some of these factors may no longer be relevant. Recent cases and situations have arisen which boil down to three factors: behavioral control, financial control, and relationship of those involved.

Behavioral control involves looking at whether a business had the ability to direct and control what and how work is to be accomplished. Details who has the right to control and direct the result but also the means and details as to how the work is accomplished.

Financial control is determined if a business can control the financial and business aspects of the worker. The extent of reimbursement for business expenses, worker investment in facilities and tool, availability of the worker to other potential users of their services and whether the individual can realize a profit or loss.

Relationship, a look at the New York City law, involves written contracts between the parties. Contracts should describe the relationship, who is responsible for taxes, who is responsible for benefits (including leave, family leave, paid vacations, etc.) and how this is intertwined with the normal and regular business practices of the employer.

If an employer is uncertain about the relationship, they may wish to come under the Internal Revenue Service Voluntary Settlement Program of the Internal Revenue Service. This permit, if qualified, pays 10 percent of the immediate prior years payroll taxes and an agreement to report properly in the future. It cleans the slate for all back years. Bear in mind this does not address the related issues with Department of Labor or any state or local issues.

Recently, the Internal Revenue Service updated Publication 5146, which should be the starting point for anyone considering this issue with a client or for themselves. Also consult IRS Small Business Tax Tip 2017-02, which is a brief outline of the issues with links to other reference sources. Both were rewritten or prepared as a result of the Treasury Inspector General for Tax Administration (TIGTA) report, A More Focused Strategy Is Needed to Effectively Address Egregious Employment Tax Crimes (3/21/17).

Additional Research Items for Determining Independent Contractor versus Employee

1. GAO 17-371- Timely Use of National Research Program Results Would Help IRS Improve Compliance and Tax Gap Estimates.
2. DOL Wage and Hour Division Administrative Interpretation 2015-01 Joint Employment for FLSA and MSPA.
3. IRS Form I-9 and instructions.
4. Form W-8 and instructions.
5. New York City Law (5/15/17) Freelance Isn't Free Act.
6. Internal Revenue Manual Section 4.23.20 Voluntary Classification Settlement Program Procedures.
7. Internal Revenue Publication 5146.
8. IRS Independent Contractor? Know the Rules.
9. TIGTA 3/21/17 Report 2017-IE-R004.
10. DOL Wage and Hour Division- Misclassification of Independent Contractors. Including Fact Sheet 13 Am I an Employee and 28D Family Medical Leave Act.

Art Auerbach, CPA, CGMA is an independent tax consultant located in Atlanta, Ga., specializing in tax consulting and estate and financial planning for individuals and closely held businesses. He has served as an advisor to the District of Columbia Office of Tax and Revenue and on the Tax Commissioners Advisory Group in Virginia. He can be reached at Arthur.Auerbach@cpa.com.

ASB Closes the Loop with FASB (and GASB) on Going Concern Considerations

Jeffrey G. Olson, CPA, MTx and Matthew Katzmark, CPA

The current assurance pronouncement that covers going concern considerations and reporting, AU-C 570, The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern, will soon be superseded. The Accounting Standards Board of the AICPA (ASB) finalized an exposure draft on this topic and, in February 2017, issued, by the same name as the AU-C section it will replace, Statement on Auditing Standards 132 (SAS 132). SAS 132 becomes effective for audit reports on annual and interim periods ending after December 15, 2017 but is applicable to any earlier reporting periods in which management has adopted the related accounting standards under ASC 205-40 (effective for periods ending after December 15, 2016).

So Why are Changes Being Made to Auditor's Guidance?

AU-C 570 is being modified to re-establish appropriate responsibilities for both management and the auditor. In addition to encompassing auditor considerations and related auditor's reporting in regard to going concern, AU-C 570 also contains information about financial statement accounting and disclosure considerations in regard to going concern. But, accounting and related disclosures are the responsibility of management, not of the independent auditor. And, the FASB has purview over accounting and reporting, not the ASB. FASB recently issued ASU 2014-15 effecting Accounting Standards Codification (ASC) Section 205-40 to clarify and emphasize management's responsibility to consider going concern matters and related accounting and disclosure guidance as preparers of their entities financial statements effective for financial statement for periods ending after December 15, 2016.

The ASB's SAS 132 adopts language used by FASB and GASB in addressing going concern matters. That would be, "substantial doubt about an entities ability to continue as a going concern." However, the standard goes on to clarify that going concern considerations are not limited to apply only in audits of financial statements prepared under US GAAP. Going concern considerations for auditors will apply to all special purpose reporting frameworks on which they report. This is true even in situations in which the framework applied by management does not have an explicit requirement for management to consider going concern and related disclosures. Therefore, applying SAS 132 to an audit of financial statements prepared under the income tax basis, IFRS or another framework may require necessary adaptations to encompass going concern by both management and the auditor.

How Should Auditors Modify Their Going Concern Responses Under SAS 132?

SAS 132 lays out the auditor's responsibilities, which are likely to be similar to their responses under the current AU-C 570. Since the FASB and GASB's guidance to preparers and the ASB's guidance to auditors are more clearly distinguished from one another in new pronouncements, it will be critical for auditors to recognize these more defined roles and have their audit documentation follow the form of these new pronouncements and, of course, to have adequate documentation to support their conclusions.

During risk assessment and planning procedures, auditors should make a preliminary assessment if there are any conditions or events (individually or in aggregate) that indicate potential issues or questions about the entity's ability to continue as a going concern. This would include not only the auditor's own observations of preliminary audit data but also initial inquiries of management to ask if management is aware of any such conditions or events and, if so, if have they conducted their own assessment and the result of any such assessment. Considerations of going concern should continue throughout the audit and proceed through concluding audit steps and final reporting activities.

A key change for the auditor will be the updated definition of a "reasonable period of time." SAS No. 132 defines this as "the period of time required by the applicable financial reporting framework, or in the event that it is undefined, within one year after the date that the financial statements are released."

There is an additional key requirement on the auditor if management's plans to mitigate include financial support from a third party, or the owner. In these instances, the auditor must test the ability and intent of those parties. Written support is required with regard to intent. The auditor should also obtain audit evidence to support the ability to provide funding.

Whenever management, or the auditor, discover potential going concern matters, timely identification and communication among management and their auditors will be critical to address these matters and not overly delay issuance of the audit report (a best practice no different than under current auditor guidance).

The auditor's responsibilities under SAS 132 are summarized as:

i) determine if management has made an assessment of the entities ability to continue as a going concern and appropriately identified all relevant conditions or events pertinent to that assessment and determine the auditor's concurrence (or not) with management's assessment;
ii) consider management's plans or other intentions to mitigate factors contributing to an initial assessment that it is probable, without such plans or other attentions, that the entity would not continue as a going concern beyond a year from the financial statement issuance and assess if those plans or intentions will likely permit the entity to continue as a going concern (or not);
iii) assess completeness and appropriateness of related disclosures around such matters; and,
iv) consider the effects, if any, on the auditor's report.

The potential circumstances and impact on the auditor's report when conditions or events exist that raise substantial doubt are:

i. Use of going concern basis of accounting is inappropriate: adverse opinion
ii. Going concern basis is appropriate, but substantial doubt is not alleviated: mandatory emphasis-of-matter paragraph included in the auditors' report
iii. Going concern basis is appropriate, and substantial doubt is alleviated: possible emphasis-of-matter paragraph included in the auditors' report
iv. Adequate disclosures not made in the financial statements: qualified or adverse opinion

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Communicating Financial Information to Non-Financial People

Robert Stephens

"Make everything as simple as possible, but not simpler" – Albert Einstein

Extremely insightful wisdom from arguably the greatest scientific mind in human history. The wisdom in Einstein's words is applicable, not just to science, but any communication of technical works from technical to non-technical people.

Einstein's theory of relativity could not be simpler – $E=mc^2$. This simple equation is the foundation for understanding the physical world as we know it. The brilliance in this simple equation is that anyone with a general knowledge of physics can understand it.

Einstein wasn't trying to teach the world physics, nor was he trying to show how smart he was. His goal was to communicate what it took a genius mind to comprehend, to a world that needed to understand and apply it.

This is not unlike what we, as accountants, do with the financial information we prepare and communicate to non-accountants.

If we apply Einstein's wisdom to what we communicate about our financial information, we should focus our communication on "what does it mean to the business" and highlight the key takeaways we need our non-accountant counterparts to know.

"Make everything as simple as possible, but not simpler" became a turning point in my career as it profoundly impacted how I saw my role in business. My technical knowledge and education allowed me to understand the numbers, but I came to realize I was much more valuable to the business when I simplified what I saw in the numbers and communicated that with non-accountants in a way they would understand and use it to take decisive action.

Early in my career, I believed if I could "teach" non-accountants what I knew about accounting, they would be able to review and understand financial reports on their own. Was I wrong! The business leaders we support are not dumb, but they are not accountants, nor do they have any desire to be one. I now appreciate that while accounting is the "language" of business, not all business people understand it, or want to.

This lesson was key in changing my approach to WHAT and HOW I communicated with non-accountants.

It took several years to realize that while I was passionate about understanding the numbers and the "story" they told, not everyone else shared my passion, or ability to interpret the "story." I came to appreciate the real value I could bring to the business was not in preparing the reports, but in understanding the "story" from the numbers and communicating that to the business. What

I needed to learn now was HOW to communicate the "story" to non-accountants.

My formal education did not provide much instruction on HOW to communicate with others. I learned all the hard (technical) skills to be an accountant, but not much at all when it came to the soft (communication) skills. However, it most certainly has been the soft skills that have propelled my career.

The biggest lesson I learned about communication is that not everyone receives or processes information the same way, so we should not expect to communicate with others in the same way we like to be communicated with. This lesson was driven home the first time I took the DISC assessment (DISC is a personal assessment tool to understand the four different communication types and how each prefers to receive information). I won't go into the assessment here, but if you are not familiar with it, I encourage you to research it.

As an example of how DISC improved my communication, I learned the "typical" DISC profile of an accountant is C, which is compliance (not all of us, but the majority, myself included). However, the "typical" profile of a CXO or other business leader is D, dominance (again, not all, but in my experience, most). Ds are the polar opposite communication style from C. Individuals who are D like direct and brief communication, the bottom line, just the facts ma'am. C individuals communicate with details, bottom up, step-by-step, linearly, with little regard for brevity. These differences are why many CXOs and business leaders get frustrated when communicating with accountants.

With this new understanding that most business people I communicate with do not prefer to receive information the same way I do, I was able to tailor HOW to best communicate with them. I don't need to know their exact type, but by observing how they interact and communicate with others, I can eliminate several types and at least come closer to their preferred communication style. If their preferred style is the same as mine, well then, we'll get along just fine, otherwise, I'll adjust to their style.

The combination of Einstein's wisdom to simplify the numbers and the perspective of differing DISC communication styles, had a profound impact on how I perceived my role in and value to the business. The perception of myself changed from that of a "bean counter" who simply reported on the past, to that of a "business navigator" who helps the business navigate the future through communicating what the numbers mean and how to use them to make better decisions moving forward.

I encourage each of you to make the extra effort in simplifying what you see in the numbers, and continually work to improve your communication skills by first understanding your personal style and becoming more aware of the styles of others. If you are successful in applying these two things in your communications with non-accountants, you will be amazed at how your perceived value to the business is amplified.

Robert Stephens (robert@cfo-navigator.com) is managing partner of CFO Navigator. Having a passion to share his lifelong learnings and experiences developing his soft skills, Robert founded ALDO, the Accountant's Leadership Development Organization, whose mission is to help accountants strengthen their communication and leadership skills. For more information, visit www.ALDOLeaders.com.

Time for Collaboration

Calvin J. Wong

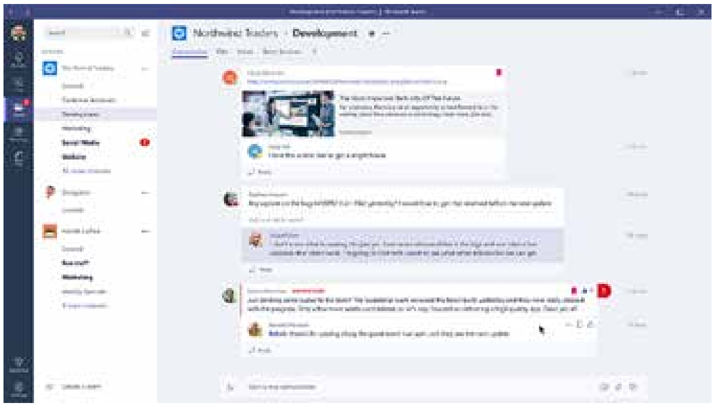
Trendy tech buzzwords in business include mobile, robots, and AI. However, in 2017, no other words are making an impact to everyday culture of organizations more than collaboration. With major developers from Microsoft to Facebook working on their own versions of collaborative services, ranging from enterprise social platforms to unique workflow-oriented communication groups.

Collaboration is about changing the way people currently work, which for the most part is individualized with a sprinkle of communication from supervisors or project leaders via emails and meetings in person. The new tools built for collaboration are created for the elimination of emails and update meetings to produce a different work style that will encourage a constant form of communication where everyone involved will be updated as you progress through the project or clients. We are going to analyze and compare four collaboration services and how they would fit into certain organizations.

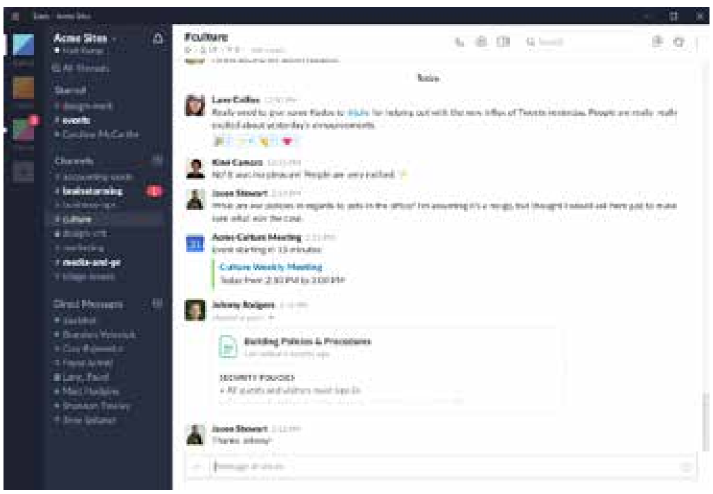
Microsoft has been not so secretly trying to break into the collaboration market for the past few years. Yammer, a Facebook-like social media for the workplace, has been out for a few years to a mixed reception and a lesser adoption rate. Energy has since been refocused to other projects including Microsoft Groups, which has now evolved into Microsoft Teams. If your organization has Office 365, chances are you have access to all the previously listed Microsoft apps. Teams focuses on a chat-based approach to communication, but at its core everything in Teams is connected to SharePoint, which is exciting news. As you chat with your team, you can attach files, start video or audio conferences, share thoughts and assign tasks. All of this is available for everyone who joins your team after posting. No more time spent on updating newly-appointed staff on a project mid-way through; just add them to the team and let them see the progress from day one.

What's great about Teams is the connected feel with the rest of Office 365. Files uploaded to teams are backed up through the SharePoint server, which can also help with versioning in file types. Skype for business is built-in for easy video meetings and conference calls. There are dozens of integrations already available including other Microsoft applications and some workflow and project management services, and it seems that more are added daily. Microsoft Teams is a solid option with it being a free add-on to anyone who has business class Office 365, and even a noteworthy reason to switch to Office 365 for those who don't currently have it.

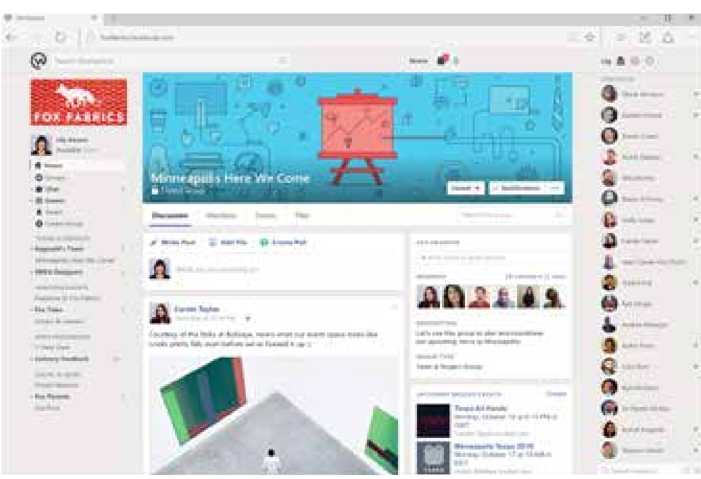
Slack is not new to the market, and Slack heavily influenced Microsoft to adopt a similar look and feel. A great collaboration service with the ability to create channels for every sub team within projects and a plentiful set of tools and options for customization. With a clean and easy-to-use interface, and a pretty good customer support backing it, Slack gives Microsoft a bit to worry about. Sure, there is a learning curve to the initial setup and the actual adoption of using a collaboration service, but after a hour of adjustments most testers got the hang of it. At first, Slack was a communication tool and lacked the robust project management that Asana and Wrike project management services are built to do, however in recent months, Slack has taken steps to improve project management with



Microsoft Teams User Interface



Slack User Interface



Workplace by Facebook User Interface

updates to the service. Try out Slack for free and see if it fits your needs. Though the actual service gets pricey in the long run.

Workplace by Facebook is the attempt to make the familiar Facebook interface and implement a private version for business use. Everyone knows how to use Facebook, but Workplace adds the functionality of file sharing, bots, and compliance and governance tools. Integrations include Box, Microsoft OneDrive, Dropbox and Quip/Salesforce. Apply bots to your Workplace to work through IT issues with the @repairbot, which was showcased on Facebook's developer site. Customize your own bots and have workflows automated through a series of templated interfaces. Of course, like the other two options, Facebook will be using its Facebook Live API to provide video and audio communication. Workplace is also free to try for smaller groups and becomes a paid service when you want higher end services.

As you can see, all three of the services we examined are all building towards the same goal they may each have a different feel, but in the end choosing a collaboration service is all about the end users and if they will use it. For the Society, Teams seems to be a good fit with the organization being an Office 365 environment and there won't be additional costs on a new technology tool. We will integrate the platform slowly into a test group to see if this dramatically decreases the tremendous amount of emails that go between team members and use it as a centralized storage of all communications and a one stop shop for all files and project plans. These services need 100 percent buy-in to implement, and will take change in culture and workflows to adopt, but many experts believe that the improvements in communication, data, and organization will outweigh those costs of change.

Calvin J. Wong, director, information technology, plans and executes information technology for The Georgia Society of CPAs, overseeing new technology integration, infrastructure maintenance and updates. He is the correspondent between third party technology vendors of the Society.

The Changing Partnership Landscape

Cynthia F. Phillips, CPA

As summer 2017 is fading to a close, we are watching and waiting for the much-anticipated tax overhaul yet to be determined under the current administration. When that change will occur and to what degree it will reduce tax have yet to be determined. Nevertheless, borrowing words from Grammy award winner Sam Cooke, “A Change Is Gonna Come” for sure, at least in the partnership landscape in the next several months.

What Is Changing?

With the dual goals of raising revenue and streamlining the collection process, a new partnership audit regime will be mandated for tax years beginning after 12-31-17. This new regime will dramatically change the “pass-through” landscape by making the partnership, rather than the partners, potentially liable for the payment of tax assessed from an audit. Moreover, absent certain elections, audit adjustments will be taxed at the highest rate of federal income tax in effect under Sec 1 or 11 (individual or corporate rates) in the year the audit is finalized rather than the year being reviewed.

What Were the Old Rules?

Existing audit rules, enacted in 1982 under TEFRA, authorized the IRS to perform one audit at the partnership level. Any adjustments passed through to the partners’ returns, shifting the collection process to the partner level. Collecting revenue on adjustments passed through to partners proved costly and inefficient for the IRS, particularly in the case of multitiered structures. In 1997, Congress created an elective regime allowing large partnerships (with 100 or more partners) to pay tax, interest and penalties on adjustments on the partnership return. Despite the explosive growth in the number of large partnerships over the past two decades, a very small percentage have elected to participate. The resulting low overall audit rate for large partnerships as compared to similarly sized corporations prompted Congress to enact these proposed regulations under the Bipartisan Budget Act of 2015.

Who Pays the Tax?

One unfair issue involves who will bear the burden of the additional tax from audit adjustments under the new rules. Partners in place during the year under examination (Reviewed Year) may no longer be partners during the year of assessment (Adjustment Year) or vice versa. Therefore, if partners have changed, those who ultimately pay the tax due on reduced deductions may be very different from those who reaped the benefit of those deductions. Under the proposed rules, once a notice of proposed partnership adjustment (NOPPA) has been issued, there are options for modifications to be made within 270 days via the filing of amended returns by each partner. Partners who have exited the partnership after the reviewed year might not necessarily agree to amend their return, barring any mandating provision in the operating/partnership agreement.

What About the Tax Matters Partner?

Under TEFRA, the partnership identified a Tax Matters Partner to represent the partnership before the IRS in an audit. The new rules create the position of Partnership

Representative who bears sole responsibility for acting on behalf of the partnership and its partners before the IRS. The IRS is not obligated to provide notice to any other person and the representative does not have to be a partner. This position carries the responsibility of making elections that may or may not be favorable to some partners over others. The Partnership Representative is granted broad authority to resolve any partnership audit and the resolution would be binding on all partners. Thus, it would be prudent for the partnership to also amend their operating agreements to identify the Partnership Representative and specify their duties to the partners and the partnership.

How Do You Opt Out?

There is good news for many partnerships with 100 or fewer partners. An annual election will be available for the partnership to "opt out" of the new audit rules. The election to "opt out" is only available if each partner is an individual, a C corporation, an S corporation, an estate of a deceased partner or a foreign entity treated as a US Corporation. Therefore, a partnership with partnership partners (multi-tiered partnerships) and those with trust partners, including those with grantor trusts, will not be allowed to opt out. Special rules determine the number of partners when a partner is an S corporation. The number of S Corporation shareholders is taken into account in determining the 100 or fewer threshold.

Be Cautious About Accidental Partnerships

Now, more than ever, it is important to educate clients against unknowingly forming a partnership and setting themselves up for substantial tax liabilities under these revised audit rules. A partnership is defined under IRS Code Section 761 as a syndicate, group, pool, joint venture or other unincorporated organization through or by means of which a business, financial operation or venture is carried on that isn't a corporation, trust or estate. The default business classification for any entity of two or more owners, unless the entity elects otherwise, is a partnership.

When two otherwise separately owned and managed companies share costs (such as employees, leased space or specialized equipment) or profit centers (such billing and collection offices or shipping and distribution centers) and absent clear evidence to the contrary, a partnership may have been formed. In light of the new partnership audit rules, there is greater potential for the IRS to shift income, deductions and the resulting tax implications to different "partners" than originally anticipated and assess tax at the highest rate.

What's more, the IRS intends to carefully scrutinize whether two or more partnerships that have opted out should be recast as having formed a partnership and, therefore be subject to the audit regime simply because no partnership return was filed to include the election out.

Planning Ahead

Although the January 1, 2018 start date is right around the corner, there is time to consider some planning strategies. It is important to identify clients that will qualify to opt out of the rules, make the annual election and monitor any potential partner changes to ensure no non-qualifying partners are added. And for most partnerships, it would appear the most significant task at hand would be the modification of existing operating/partnership agreements.

Cynthia (Cindy) Phillips, CPA is a director in the Savannah tax department of TJS Deemer Dana where she enjoys developing strategies and providing proactive tax advice to businesses. She is also engaged in overseeing the trust, gift and estate department of the Savannah office.

Financial Fraud and Elder Abuse: What Can a CPA Do to Help?

Chris Baker, CPA

For most of us who are healthy both physically and mentally, we can handle managing day-to-day financial tasks such as mail review, bill pay, and overall financial organization. But what happens when something happens to our health? What do we do then? For example, consider the following three scenarios:

- A man in his mid-80s who is for the most part healthy. He is a little forgetful sometimes, and with all the changes in technology, has a tough time keeping up with his finances online. He frequently gets upset trying to keep up with day-to-day financial matters.
- A woman in her early 70s whose husband recently passed away. He used to handle all the finances. She is in the initial stages of Parkinson's, which is affecting her mobility and cognitive function.
- A man in his mid-60s who suffered a stroke and has short term memory loss. In normal day-to-day conversations, he sometimes forgets what he is talking about or the reasons for the conversation.

How would these three individuals manage their day-to-day finances? In each of these unique cases, it is virtually impossible for them to properly monitor their day-to-day financial affairs. Unfortunately, this is a problem facing many seniors who suffer from physical or cognitive impairments. Many time with these cases, it is the children who take over. But what if they are too busy in their own lives to keep up with everything or live far away? When these kinds of situations are not addressed soon enough, we start to see cases of financial fraud and elder abuse. CPAs are uniquely positioned and qualified to recognize signs that elder abuse is occurring or there is an added need of some assistance with daily finances.

The Issue

As mentioned in the President's Council of Advisors on Science and Technology report, "Independence, Technology, and Connection in Older Age," due to changes in mental ability, older adults are frequently targets of financial fraud. Whether victims are people who have spent their lives saving for retirement or older adults with little savings and working to make ends meet, fraud can be devastating. A 2010 study gauged it as $3 billion a year, and a 2015 study suggested annual losses to be as high as $36 billion. When these losses occur, family or public sources of funds often have to support day-to-day expenses and medical care.

How Do CPAs Recognize the Issue?

Using the cases above, let's look at some potential red flags CPAs may see with clients, friends and/or family members.

- As you work with our senior clients, do you see unusual changes in their spending patterns?
- Does the individual complain about keeping up with maintenance of their home or have you noticed utilities being cut off?
- Have you noticed any new unusual relationships, signatures, or documents that might seem suspicious?

- Individual's diagnosed with Alzheimer's, Dementia, or Parkinson's disease. In addition, those who have suffered from strokes, arthritis, or vision impairment should all be considered for help.

How Can CPAs Be a Solution to this Problem?

Many times it's tough for the senior to know when they need help because their decline in financial capacity happens gradually. It can also be tough to broach the subject. Thankfully for the CPA, family members, and the senior, there is guidance and help available. Some common ways CPAs can help:

- Firm Solution - CPA firms can expand lines of service to include daily money management services to take on the role of daily money manager for their graying clients.
- Family Solution – If your client does not have the means to pay for your firm's fees, have the client include family in conversations so they might be able to take a lead role in completing daily money management services for the senior.
- Collaborative Solution – Does the senior need help coordinating with other financial professionals like their financial planner, insurance agent, or tax advisor? You can help coordinate and connect these various professionals.
- Referral Solution – If you do not offer daily money management services, network with other CPAs and firms that do provide this service and be ready to refer to them when your client needs assistance.

Whether large or small, the elderly generally have a nest egg that needs watching over, but they may have a tough time doing so on their own. They are often targets for people who may not have their best interests at heart. Sadly, people they know are typically the perpetrators. Besides the financial repercussions, proper financial help could be the difference between a senior aging on their terms with dignity and respect, or being taken advantage of, losing their personal and financial freedom, and having to rely on the help of family and/or the government to support them in the final chapters of their lives. We should all be vigilant in helping seniors get the appropriate financial assistance they need and deserve. It really does take a village to make a difference in the world of senior care.

Additional Resources

AICPA Elder Planning Services
http://www.aicpa.org/INTERESTAREAS/PERSONALFINANCIALPLANNING/RESOURCES/ELDERPLANNINGSERVICES/Pages/default.aspx

PCAST – The White House Office of Science and Technology Policy
https://obamawhitehouse.archives.gov/sites/default/files/microsites/ostp/PCAST/pcast_independence_tech__aging_report_final_0.pdf

Department of Justice – Elder Initiatives
https://www.justice.gov/elderjustice

Chris Baker, CPA formed Baker DMM, LLC in 2012 as a full service daily money management firm providing daily money management services to seniors, busy professionals, and young adults. Preceding Baker DMM, Chris spent six years as a Sarbanes-Oxley consultant working for fast-growing private and middle market public companies. He can be reached at chris@bakerdmm.com.

Members Unwind in Sunny Florida at the 2017 Annual Convention

The Florida sunshine and unique accommodations of One Ocean Resort welcomed about 120 CPAs, family and friends for the 2017 Annual Convention.

Attendees had the opportunity to network with one another during the tropical-themed Opening Reception and Dinner on Sunday evening where a steel drum duo entertained both young and old. CPAs earned up to 12.5 hours of CPE on topics such as professional issues, leadership development and technology. Current AICPA Chair, Kimberly Ellison-Taylor, CPA, presented a professional issue update on Monday.

The Annual Business Meeting on Monday signaled the change in leadership with Barbara Evans passing the gavel to Rodney Chandler to start the new governance year. During the meeting, the Outstanding Member in Industry award was presented to Cromwell Baun, CPA and the Distinguished Member Award was given to William Minch, CPA. New board members and council members-at-large were officially elected and attendees received an update about the various initiatives that had taken place over the last year and what to look forward to in the upcoming year.

Kicking off Tuesday evening, guests enjoyed a cocktail hour featuring special treats of cheese and passed hors d'oeuvres. As the cocktail hour was winding down, guests reconvened in the ballroom for a delightful dinner and presentation. During the Chair's Banquet on Tuesday evening, Barbara was celebrated for her service during her year as chair of the Society. In addition, the Meritorious Service Award was presented to Jim Underwood, CPA.

It was an exciting convention for CPAs and their families. GSCPA hopes you will join us June 24-27, 2018 at the beautiful Rimrock Resort in Banff, Canada.

"This year's annual convention was a highlight of my family's summer. We enjoyed the beautiful ocean views, kayaking through the salt marsh, walking the safari at Jacksonville Zoo, and the many personalized resort amenities. In addition, as a CPA, I appreciate that the society offers engaging continuing education and opportunities to network with fellow society members. We are already looking forward to next year's annual convention."

Kathryn Fletcher, CPA

SAVE THE DATE FOR 2018 ANNUAL CONVENTION

June 24-27, 2018

Rimrock Resort | Banff, Alberta, Canada

WHO SHOULD ATTEND:

GSCPA members in all stages of their careers

GSCPA members interested in meeting GSCPA leadership

GSCPA members seeking to become a GSCPA leader

The Individual CPA License Renewal Window Opens October 1, 2017

It's time to renew your Georgia Certified Public Accountant license. Your individual license will expire on December 31, 2017. The window for renewing your individual CPA license opens on October 1, 2017 and will remain open through December 31, 2017. You will receive an email notification for renewal from the Georgia State Board of Accountancy around October 1. This email will contain information on how to renew.

The Georgia State Board of Accountancy is conducting blind CPE audits after the 2017 renewal season. CPAs will be notified they are being audited after they renew. Notifications of audits should go out from the State Board of Accountancy in early 2018.

Please note: The Georgia State Board of Accountancy will accept your GSCPA CPE transcript that contains all your successfully completed events as an official record of the CPE you have completed. Your CPE transcript can be found under "My GSCPA" at www.gscpa.org.

Renewing Your Individual CPA License

To renew your individual CPA license online visit: gsba.georgia.gov. If you choose not to renew online and would like a paper renewal application, please send an email request to the Georgia State Board of Accountancy at gsba@sao.ga.gov. Make sure to include your CPA license number on all correspondence to the Board office.

Please note: Renewing by mail may take up to four weeks to process after the completed renewal application is received. A late fee will be imposed if you renew after the expiration date of your license.

You are not permitted to practice as a CPA after your license expiration date. To avoid additional delay and late fees, renew your individual CPA license early!

QUESTIONS?

The Georgia State Board of Accountancy
Mailing Address: 200 Piedmont Avenue, Suite 1604 West Tower, Atlanta, GA 30334
Email Address: GSBA@sao.ga.gov
Telephone: 404-463-0365
Website: gsba.georgia.gov

Help Us Help You!

At GSCPA our number one priority is serving our members. And we need your help! As a member of the profession, you are familiar with the needs of CPAs in our state—and you probably have some fantastic ideas about how current needs can be better met and how to best anticipate and prepare for future needs in an ever-changing environment.

A great way to help shape GSCPA policy and programming is to serve on one of our committees, task forces, advisory councils, or chapter officer roles. A variety of opportunities are available, for those who can give only a small amount of time, as well as those who can give more. With many meetings held via teleconference, we make it easy for members throughout the state to participate. If you are interested in possibly serving the Society at a higher-level governance capacity in the future, membership on a committee, task force, advisory council, or serving as a chapter officer, is a great place to start.

Serving in a GSCPA volunteer capacity is also a good way to network with professional colleagues and to learn from the inside about the operation of a statewide 501C-6 nonprofit organization. Share ideas and best practices and further your professional development.

GSCPA has a committee to suit almost any interest and skill set. If you are thinking about volunteering for a specific committee but would like more information, we can put you in touch with the staff liaison to, or a current member of, that committee.

If you are interested in learning more about the Society's volunteer opportunities, please visit our website at www.gscpa.org/content/volunteer.aspx and fill out a volunteer interest profile. If you have further questions, contact Missy Smith, assistant manager, member relations at msmith@gscpa.org.

Member News

PROMOTIONS & NEW POSITIONS

Smith & Howard added **Randy Shrum, CPA** as principal, and as a member of our Assurance Services Group and nonprofit team.

Bennett Thrasher LLP, has promoted to partner: **Townsell G. "Tigger" Marshall III**, in the Personal Financial Services practice, and **Jennings P. Pitts**, in the Corporate Tax practice.

Hancock Askew & Co., LLP, is proud to announce the promotion of **Allen Akins** and **Greg Ameden** to partners at the firm. In addition, the following staff promotions:

Savannah, Georgia Office

- **Brian Prevatt, CPA** to tax senior manager
- **Kate Haslam, CPA** to audit manager
- **Aya Maeda, CPA** to tax senior accountant
- **Heather Fields, CPA** to tax senior accountant

Atlanta, Georgia Office

- **Robert Faust, CPA** to audit senior manager
- **Josh Colsson, CPA** to tax manager
- **Rebecca Mowen, CPA** to audit manager

Draffin & Tucker, LLP is pleased to welcome two new partners to the firm, **Jeff Askey, CPA**, and **Sarah Dekutowski, CPA**, effective July 1, 2017. Jeff is based in the Albany office and Sarah in the Atlanta office. In addition, they would like to announce the following promotions:

In the firm's Albany office:

- **Shawn Boltin** promoted to supervisor in the firm's healthcare practice.
- **Merritt Smith Garnto** promoted to supervisor in the firm's commercial practice.
- **Misty Williamson** promoted to senior in the firm's healthcare practice.

In the firm's Atlanta office:

- **Robert Cook** promoted to supervisor in the firm's healthcare practice.
- **Curtis Cook** promoted to senior in the firm's healthcare practice.
- **Nia Erikson** promoted to senior in the firm's healthcare practice.
- **Sarah Sellers** promoted to senior in the firm's healthcare practice.

FIRM NEWS

CoNexus CPA Group, an award-winning, Atlanta-based Certified Public Accounting (CPA) firm, was recently named as one of the 2017 Best Places to Work in Georgia by Georgia Trend magazine.

HONORS & AWARDS

A.J. Hurst, a senior manager at **Frazier & Deeter**, has been honored by the American Institute of CPAs (AICPA) as a member of the Leadership Academy's ninth graduating class.

Aprio, LLP is pleased to announce that **Theodore (Teddy) Brown**, a manager in Aprio's Litigation Support and Forensic Accounting group, has been recognized as one of the top 40 professionals under 40 by the National Association of Certified Valuators and Analysts (NACVA).

IN MEMORIAM

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

Cynthia L. Anderson, Kite, Ga.
John F. Beilsmith, Atlanta, Ga.
Gary W. Cavanaugh, Griffin, Ga.
Jack F. Gamel, Douglasville, Ga.
James M. Grant, Milledgeville, Ga.
Pamela L. Smith, Sharpsburg, Ga.
Ashley I. Tewell, Decatur, Ga.

The Importance of Promoting Yourself as a CPA

Glenda Hicks, 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 day before I was invited to write this article, I received the July 2017 edition of the Georgia State Board of Accountancy newsletter. Included in the issue was an article titled, "The Demise of the Certified Public Accountant," written by Ken L. Bishop, president and CEO of the National Association of State Boards of Accountancy. The title grabbed my attention and made me wonder what he was talking about, as the demise was news to me. Granted, I am not readily aware of the national statistics concerning the number of students majoring in accounting, the number of students graduating with an accounting degree, or the number of graduates pursuing licensure as a CPA. Yet, something inside was telling me this cannot possibly be true.

Mr. Bishop spoke about the rumblings he has heard around the country from a variety of sources about the impending demise. When I went to college, I knew in my freshmen year I wanted to major in accounting. I also knew I wanted to become a Certified Public Accountant, even before I knew what that was. I just knew that a CPA license was the highest credential one could obtain, for serving the public in matters of accounting and business, so I wanted "that!" The well-respected reputation was also appealing to me.

Well, the article was not as much about an actual demise as it was about a perceived one based on behaviors. Mr. Bishop stated, "It seems that some organizations are now purposely removing the term 'Certified Public Accountant' from their titles, business cards, PowerPoint presentations and published materials, and replacing it with other words that use the same acronym."

Reading that article was perfectly timed, given GSCPA's subsequent request of me. It gave me a perspective of why this is an issue. Mr. Bishop's article alerted me to the debate in my profession, as no one within my circle had shared such feelings. I believe there is a level of experience, education, training, expertise, and knowledge that only a CPA possesses. I am not saying that other professions, disciplines, or even credentials do not bring value to their clients or employers. Ideally, we all bring value. However, I firmly believe there is a unique combination of talent that CPAs bring to the business community. For this reason, we should always promote that value and designation. Some of my clients have shared that my license and credential was an important factor to them when choosing a CPA.

My firm's services have evolved over these seventeen years and I have sometimes debated over changing the name of the self-titled firm to a name that more accurately reflects the niche in which I serve clients and the services themselves. The sole factor that has kept me from making the change is the brand recognition associated with the CPA credential, and the related sense of competence and confidence it evokes.

Let people know your value! Display the designation in your public profiles, such as LinkedIn, on your marketing materials, and even in your authored presentations. If you need a reminder of what CPAs bring to the table, read the article "Make Sure Your CPA Traits are Assets and Not Liabilities," that appeared in the AICPA's CPA Insider on July 31, 2017, by Beth A. Berk, CPA, CGMA. Evidently, Ms. Berk and I are kindred souls in that the "unique combination of talent" mentioned above is expertly defined in the article as her eight positive traits of a CPA.

Glenda Hicks, CPA is a consultant and trainer to nonprofit organizations and operates a firm, Glenda Y. Hicks, CPA, in Marietta, Ga. Utilizing her credentials as a BoardSource Certified Governance Trainer and a Certified Public Accountant, Glenda serves nonprofit organizations in the areas of board development and governance, financial management, and financial leadership through training, consulting, executive coaching, and assessment services utilizing her nearly 30 years of professional experience. Glenda's mission is to provide organizations with "Best Practices for Becoming the Best Nonprofit."

Audit Staff Essentials: 2 Day Training Events

Audit Staff Essentials - New Staff: Core Concepts (2 Day)**

October 11-12, 2017 | **Event Code:** 10001

Instructor: Thomas E. Newell, Jr.

Location: GSCPA Learning Center

In this, the first of five comprehensive Audit Staff Essentials courses, first year staff will be provided with the foundational knowledge they will need to be successful, not only on their first few engagements, but throughout their careers. The information presented in this course will plant the roots of a successful auditor and member of the firm. From introducing the audit from the perspective of the firm, rather than the classroom, to understanding the dynamics of in-firm and client relationships, this course stresses the core knowledge that an auditor will need for life. Along with preparing an auditor to have early success with the firm, this course introduces concepts that auditors will need to successfully for successful career progression. With this knowledge, and the information found in our New Staff: Practical Application offering for new staff, first year audit staff will possess the skills they will need to perform functions common to their level.

NEW Audit Staff Essentials - Seniors/In-Charge Staff (2 Day)

December 11-12, 2017 | **Event Code:** 12033

Instructor: Anne Marchetti

Location: GSCPA Learning Center

This, the fourth of five comprehensive Audit Staff Essentials courses, focuses on the more advanced areas of the audit for new senior/in-charge staff and to provide guidance, examples and exercises to build the skills to successfully obtain the audit evidence necessary in these areas. In addition to the technical knowledge necessary, this course provides an overview of the common responsibilities of new senior/in-charge staff, including a deeper discussion of the audit process, highlighted by discussions on materiality, review of risk assessment, understanding the entity, opening balances, group audit considerations, and review of interim financial information. In addition, the course will look more closely at the risk assessment process. This course will provide discussion, examples and exercises that focus on the increasingly advanced topics that /senior/in-charge staff members will commonly be tasked with, including contingencies, revenue recognition, investments, intangible assets and financial reporting topics.

***Qualifies for $30 AICPA discount*

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Event Code: 13020 | **LS13020**

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Who Should Attend: CFOs, controllers, sole practitioners, and financial managers in business and industry, as well as fraud and litigation practitioners and business valuation analysts.

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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.

The January/February 2016 self-study test will be available until February 28, 2018. 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.

July/August 2016 - Self-Study Test # CA60708

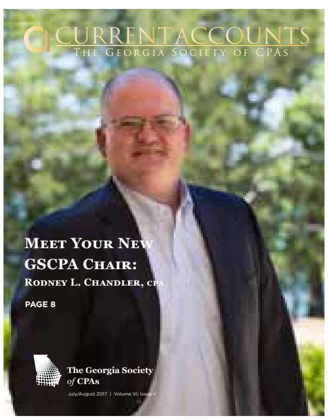
September/October 2016 - Self-Study Test # CA60910

November/December 2016 - Self-Study Test # CA61112

January/February 2017 - Self-Study Test # CA70102

March/April 2017 - Self-Study Test # CA70304

May/June 2017 Issue - Self-Study Test # CA70506



< July/August 2017 Issue
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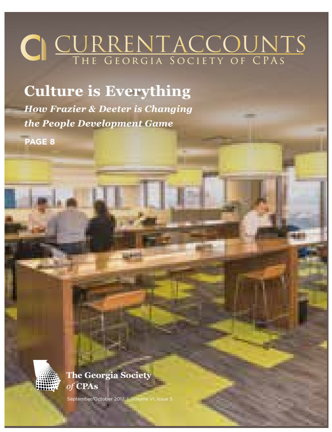

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Available Live Streams

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.

NEW! Integrating Audit Data Analytics into the Audit Process**
October 10, 2017 | Event Code: LS09017

NEW! Education: 2017 A&A Risks and Fraud Cases (Yellow Book Credit)
October 11, 2017 | Event Code: LS10024

Process Improvement for Financial Managers: Enhance Your Bottom Line
October 12, 2017 | Event Code: LS10009

Metrics Management: Choose and Use Key Performance Indicators
October 17, 2017 | Event Code: LS09021

Advanced Critical Tax Issues for S Corporations (CFP Credit)
October 23, 2017 | Event Code: LS10021

NEW! Cybersecurity Advisory Engagements Essentials
October 23, 2017 | Event Code: LS10044

NEW! Coaching Skills for CPAs, Controllers & Financial Managers
October 24, 2017 | Event Code: LS10008

Advanced Individual Income Tax Return Issues
October 24, 2017 | Event Code: LS10023

The Lean Office, Process Improvement, and Doing More with Less (NEW)
October 26, 2017 | Event Code: LS10010

Restaurant Accounting and Controls
October 26, 2017 | Event Code: LS10035

Excel Power Tools (Bring Your Own Laptop)
October 30, 2017 | Event Code: LS10041

Advanced 1041 Boot Camp (CFP Credit)
October 30, 2017 | Event Code: LS10042

Complete Trust Workshop (CFP Credit)
October 31, 2017 | Event Code: LS10043

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OLC.GSCPA.ORG

BUSINESS SERVICES

Firm-on-firm reviews: Fowler, Holley, Rambo and Stalvey, PC is interested in performing your firm's peer review. Personnel have 35 years review experience. Contact Richard Stalvey for qualifications, references, and a proposal. PO 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 Steven Rea, Kilpatrick, Rea & Associates, Inc., 100 Crescent Centre Parkway, Suite 660, Tucker, GA 30084. 770-455-8706, steve@kilpatrickcpa.com, www.kilpatrickcpa.com.

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September/October 2017 | Test No. CA70910

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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:
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   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

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Signature _______________

ATTRIBUTION

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

Culture is Everything: How Frazier & Deeter is Changing the People Development Game

1. Select the INCORRECT statement concerning a DDO:

A. The underlying premise of a DDO is that everyone has the capacity to grow and everyone is intentional about development every day.
B. A DDO is a place where individuals utilize their everyday work as the means for learning, growing and getting better.
C. A DDO establishes an environment that provides safety for individuals to show up both their good parts and their not-so-good parts.
D. A DDO helps staff keep personal stuff personal and display only professional behavior in the workplace.

2. Which of the following was cited by FD as a benefit of the firm's DDO program?

A. High employee satisfaction
B. Lower turnover
C. High client satisfaction
D. All of the above

Independent Contractor versus Employee

3. When addressing the independent contractor versus employee classification question, the author recommends focusing on all of the following EXCEPT:

A. Financial control
B. Behavioral control
C. Administrative control
D. Relationship

ASB Closes the Loop with FASB (and GASB) on Going Concern Considerations

4. For many, many years, auditing standards have required that auditors assess the entity's ability to continue as a going concern. The FASB recently issued a standard that:

A. Emphasizes management's responsibility to consider going concern matters as well since it is management's responsibility to prepare the financial statements.
B. Exempts going concern considerations from statements prepared under special purpose reporting frameworks.
C. Exempts going concern considerations from statements prepared under IFRS.
D. All of the above.

5. The article discussed several key changes that auditors must make in their going concern responses under SAS 132. Which of the following is NOT required when a client's management plans to mitigate going concern risks with financial support from a third party?

A. The auditor must test the ability and intent of the third party to provide support.
B. Third parties must provide a written statement confirming their intent to provide support.
C. The auditor should obtain audit evidence to support the ability of the third party to provide support.
D. The third party must not have a financial interest in the client company.

Communicating Financial Information to Non-Financial People

6. When communicating with non-financial people, the author recommends all of the following EXCEPT:

A. Require that clients complete the DISC assessment so that you can determine how they prefer to receive information.
B. Simplify what you see in the numbers and communicate in a way clients will understand and can use to take decisive action.
C. Communicate the "story" that the numbers tell.
D. Make the numbers as simple as possible, but don't change their meaning.

Time for Collaboration

7. The article reviewed three digital collaboration tools that are designed to reduce significantly the amount of emails and meetings required to get work done in an organization. However, to be successful, the author argues that the three tools require all of the following EXCEPT:

A. 100 percent buy-in to implement
B. a change in corporate culture about the way employees accomplish their work
C. Microsoft Office 365
D. changes in workflows and other office procedures

The Changing Partnership Landscape

8. Select the CORRECT statement from the following:

A. The author is confident a new partnership audit regime is going to be mandated for tax years beginning after December 31, 2017.
B. The partnership, rather than the partners, may now be liable for the payment of tax assessed from an audit.
C. Absent certain elections, audit adjustments will now be taxed at the highest federal income tax rate in effect under Sec 1 or 11 (individual or corporate rates) in the year the audit is finalized rather than the rates in effect the year being reviewed.
D. All of the above

9. Which of the following entities will be able to elect to "opt out" of the new audit rules?

A. Partnerships in which each partner is an individual, C corporation, S corporation, an estate of a deceased partner, or a foreign entity treated as a US Corporation
B. Partnerships with partnership partners (multi-tiered partnerships)
C. Partnerships with trust partners, including those with grantor trusts
D. All of the above

Financial Fraud and Elder Abuse: What Can a CPA Do to Help?

10. Which of the following clients is the least likely to be a victim of financial fraud or elder abuse?

A. An elderly client mentioned that she had recently had problems with online access to her bank account but "a nice young man" was able to take care of it.
B. A retired client decided to make and sell wooden Christmas tree ornaments as a way to supplement his retirement income but he failed to keep records of the money he spent and received.
C. A client who is retired called her CPA to ask questions about her investment accounts saying that a friend wanted to make sure she wasn't losing out on the booming stock market.
D. An elderly client asked his CPA, "Can you recommend a lawyer who can help me with a Power of Attorney form, whatever that is?"

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