

 **State of the Profession**


 **Richard J. Caturano, CPA, CGMA**
Georgia Society of CPAs, July 2, 2013

 **CPA: Stable and steady**

7.6%
Current U.S. unemployment rate

3.5%
Unemployment rate among accountants

16%
Projected growth in accounting jobs by 2020



 **CPA: Satisfying and rewarding**

CPA firm: Among most profitable small businesses

Yahoo! Business: Top 10 happiest careers

U.S. News: Top 3 business career




CPA Trends facing profession

International → Unstable global economy

Technology → Interconnectivity (ripple effect)

Regulatory

Human capital



CPA Trends facing profession

International


Technology → Security

Technology → Privacy

Technology → Cyber attacks

Regulatory → Opportunities for CPAs

Human capital



CPA Trends facing profession

International


Technology → New players

Regulatory → Uncertainty


Regulatory → Gridlock


Human capital → Government spending




 Trends facing profession

International
Technology
Regulatory
Human capital → Demographics change
Use of talent
Business shift towards measurement



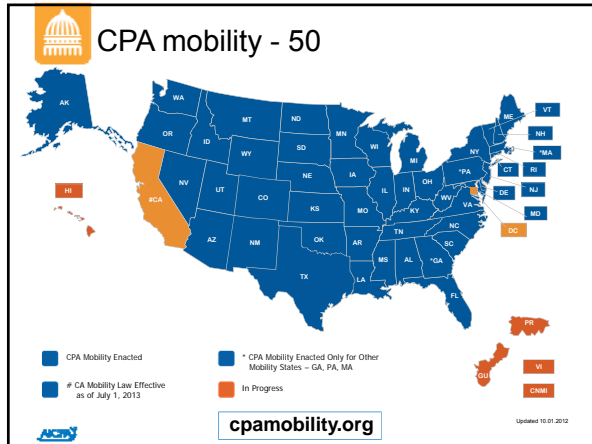
 Legislative & Tax


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 Mandatory audit firm rotation










Attest


Definition of "attest"

Public's reliance on CPA audit/attest services


Issuance of reports reserved for licensed CPAs in a CPA firm who demonstrate competence and qualifications

AICPA, NASBA to pursue revised language for UAA







Mobile workforce taxation




41 states
impose a personal income tax




 **Advocacy**


National issues


- Digital Accountability and Transparency Act
- Investment Adviser Oversight Act
- Registration of municipal advisors



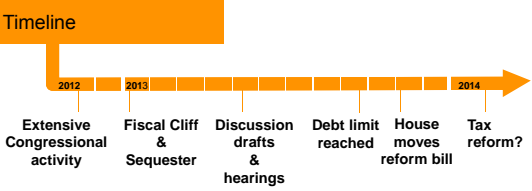
 **Advocacy**


Regulatory issues	Other issues
SOX	Tax return due date simplification
Dodd-Frank	DOL fiduciary rule
FASB	
PCAOB	




 **Tax reform**

Timeline









Tax


Other issues

- PTIN (IRS regulation)
- ITIN
- Circular 230
- Identity theft – \$5.2+ billion







Financial Reporting



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FRF for SMEs framework



#MainStFinancials

- Non-GAAP reporting option
- Free download of framework
- Free toolkits
 - CPAs
 - Clients/small biz
 - Users of F/S
- Targeted education campaign
- CPA/Firm involvement key



FRF for SMEs framework

Released June 10

Traditional and proven accounting methods

Targeted disclosure requirements

Historical cost measurement basis

Optionality so financial statements can be targeted to users' needs

Uncomplicated and principle-based

Simplified consolidation model and no concept of variable interest entities



ACPA

Private Company Council

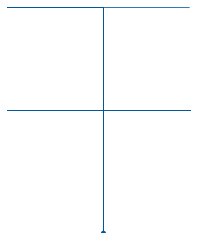
Three meetings

Variable interest entities

Goodwill in business combinations

"Plain vanilla" interest rate swaps

FASB endorses PCC proposals



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GAAP/IFRS convergence

Convergence and IFRS

2013

Leases re-exposure

Revenue recognition standard

2014

Financial instruments

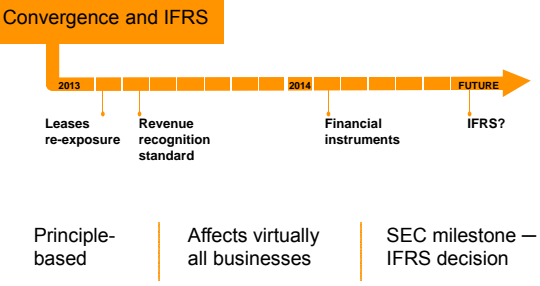
FUTURE

IFRS?

Principle-based

Affects virtually all businesses

SEC milestone — IFRS decision





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 **IFRS Foundation's ASAF**


IASB	
Africa	FASB 
North & South America	  
Asia-Oceania	  
Europe (including non-EU)	  
World-at-large	 





 **Integrated reporting**



<IR> Framework
Consultation Draft –
released April 16



 **Supporting CPAs**

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CGMA

38,000 U.S. CGAs June 2013

128,000+ CGMAs worldwide June 2013

88% of 500 largest U.S. corporations have a CGMA

Global perspective

International registered advisor

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New standards in PFP


- Influencing factors
- Value to CPAs
- Services covered
- Persons covered
- Exposure period

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Firm Issues


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 **Succession**

46% of firms have a formal succession plan – up from 35% in 2008	44% of firms say M&A talks are on table	50% of practitioners expect 1x revenues for their practice, but in reality often less
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AICPA Source: 2012 PCPS Succession Survey

 **SOC reports – market penetration**

#1 AICPA SOC webpage tops Google search	4x Internet ads: four times the average click-through rate	5.6 MILLION Ads were exposed to target audience more than 5.6 million times
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Build trust in your service organization's systems

AICPA

 **Technology**

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