



BusIndNews

E-NEWSLETTER FOR AICPA MEMBERS IN BUSINESS & INDUSTRY

March 24, 2006, No. 92

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DEAR MEMBERS**Dear Members**

The first article in this edition of *BusIndNews* is an announcement about volunteer opportunities at the AICPA and the application deadline of May 1 for appointments for next year (beginning October 2006). Let me take the opportunity to acknowledge the members our Business and Industry Executive Committee (BIEC) for this year.

The current Chair of BIEC is Stu Benton, CFO of Mac Systems, Inc., in Canton, MA. After serving a three-year term as a member of BIEC, Stu became our Chair for the next three years and will be completing his term in late October. We will not be without Stu's leadership at the AICPA however, as he was appointed to AICPA Governing Council last fall, and has been nominated to a term on the AICPA Board of Directors.

Another of our current BIEC members, Patricia Cochran, CFO of Vision Service Plan in Rancho Cordova, California was also appointed to the Governing Council last year. Kenneth Merchant, the Deloitte & Touche LLP Chair of Accountancy at the Marshall School of Business at the University of Southern California is our current member providing the academic perspective and link to the Management Accounting Section of the American Accounting Association. Nicole Franklin has been our state CPA society representative from the Washington Society of CPAs.

Other current members are: Ralph Bender, Baton Rouge, LA; Jeff Burnison, Des Moines, IA; Gary Cademartori, SeaGirt, NJ; Isaac Kaufman, Baltimore, MD; Lisa Kelley, Smyrna, TN; Donna Mackenzie, Celebration, FL; Melanie Woodard McGee, Arlington, TX; Laurie Stanek, St. Paul, MN.; K. Dwight Willoughby, Greensboro, NC.

You can read more about each of these dedicated volunteer members in the May Business and Industry Supplement to *The CPA Letter*.

There is also an announcement in Career Corner about the AICPA's new executive education program being offered in connection with the Marshall School of Business at USC. This is an initiative that we have been involved in with our Conferences team and it is very exciting to offer this high quality educational opportunity to our members in business. **During the month of April, an additional \$200 discount is being offered to *BusIndNews* subscribers**, in addition to the early bird and member discounts.

Finally, as part of our ongoing interest in collaborating with our international

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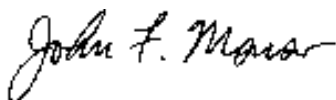
[AICPA National Conference on Employee Benefit Plans](#)

Baltimore, MD
5/8/2006 - 5/10/2006

colleagues, we are participating in an annual survey into the impact of implementation of International Financial Reporting Standards being conducted by Institute of Chartered Accountants of England & Wales (ICAEW).

If you are included in the survey sample, and are an employee of a foreign owned company, or if your company has been, or will be, impacted by IFRS for competitive or other reasons, we would encourage you to complete this survey which will be conducted in the upcoming weeks.

Best regards,



John F. Morrow, CPA
AICPA Vice President
The New Finance

TOP STORIES

Contribute to the Profession by Volunteering--Apply by May 1, 2006

If you are interested in contributing to the profession and networking with your peers, consider applying for one of the AICPA's nearly 90 volunteer groups (committees, boards, panels and centers) seeking new volunteers. To find out about the volunteer groups available--or to apply--visit the [Volunteer Services Web site](#). Applications are being accepted from now until May 1, 2006 for the next volunteer year (Oct. 2006 – Oct. 2007). If you have any questions regarding the applications process, or volunteerism in general at the AICPA, please contact David Ray at 212/596-6030 or via email at committee@aicpa.org.

Pensions: A Looming Crises?

Pension reform bills are now working their way through the House and Senate. The AICPA wants to know what CPAs in business and industry think about this pressing issue. We're sending an online survey to randomly chosen B&I members to get their opinions on the potential impact of legislation and how pension programs are faring in their own companies. If you receive the survey, please take a few minutes to complete it. We need to hear from you!

SEC Small Business Recommendations Exposed for Comment

The [SEC Advisory Committee on Smaller Public Companies](#) (ACSPC) has released its final recommendations for comment. While the ACSPC recommendations cover a range of issues of importance to small companies and their investors, the internal control recommendations are likely to be of most interest.

In summary, what has been proposed is a new categorization scheme based on market capitalization:

- **Microcap Companies**
 - Market Cap is lowest 1% (below \$100-\$125 million),

[AICPA National Banking School](#)

Charlottesville, VA
5/14/2006 - 5/19/2006

[TECH 2006: The AICPA Information Technology Conference](#)

Austin, TX
6/12/2006 - 6/14/2006

[AICPA National Not-For-Profit Industry Conference](#)

Washington, DC
6/15/2006 - 6/16/2006

[AICPA National Restaurants Conference](#)

Las Vegas, NV
6/26/2006 - 6/27/2006

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and

- Revenues < \$125 million

• **Smaller Public Companies**

- Market Cap is the lower 6% (below \$700 - \$750 million),
and
- Revenues no greater than \$250 million

• **Larger Public Companies**

- Market Cap is the upper 94% of all public companies,
or
- Revenues of at least \$250 million

And the following changes in the requirements under SOX Section:

1. **Microcap Companies** – exemption from SOX S404, subject to achieving governance standards, and subject to all other SEC rules
2. **Smaller Public Companies** - exemption from the audit requirements of S404
3. **New Auditing Standard (ASX)** - in the event that the Commission does not adopt their recommendation for exemption from the audit requirements of S404 for Smaller Public Companies, the Committee is recommending the development of a new cost effective auditing standard (ASX) for the audit of design and implementation of internal control.

For obvious reasons these recommendations have generated no small share of media attention. A recent *SmartPros* article references a letter by Representative [Oxley](#) to SEC Commissioner Cox. In the letter, Oxley and Richard Baker, chairman of a financial services subcommittee, support "the view that the Commission currently possesses the authority to provide relief from the provisions of the Sarbanes-Oxley Act." *SmartPros* also quotes a commentary by former SEC Chair Arthur [Leavitt](#) for the Wall Street Journal, in which he opposes the exemptions.

A WebCPA article points to an opinion piece by the institutional investor watchdog and research from [Glass Lewis & Co.](#) Glass Lewis argues that the frequency of restatements, especially among smaller companies, is evidence that exemptions from the requirements of SOX 404 would be ill-advised, that from the investor's perspective "much work remains to be done before they can feel confident about the accuracy of the financial statements prepared by corporate managers."

AICPA Issues Tool to Help Plan Sponsors Select their Plan Auditor

As part of the AICPA's Employee Benefit Plan Audit Quality Center's ongoing effort to raise awareness of the importance of audits performed on the financial statements of employee benefit plans covered by ERISA, the Center released a new tool to help plan sponsors select the most qualified plan auditor. [Obtaining Quality Employee Benefit Plan Audit Services](#) highlights the critical steps of the proposal and auditor evaluation process and contains a checklist of items that

should be considered in preparing an RFP.

SEC and DOL Develop Pension Consultant Conflict Questionnaire

BusinessFinanceMag.com recently reported on findings included in a report by the staff of the U.S. Securities and Exchange Commission released in May 2005 that raise serious questions concerning whether some pension consultants are fully disclosing potential conflicts of interest that may affect the objectivity of the advice they are providing to their pension plan clients.

To encourage the disclosure and review of more and better information about potential conflicts of interest, the Department of Labor and the SEC have developed a set of questions to assist plan fiduciaries in evaluating the objectivity of the recommendations provided, or to be provided, by a pension consultant that can be found at 401khelpcenter.com.

Ethics Awareness Month - Whistleblowers or Lamplighters?

A recent article on AccountingWeb.com explores the dilemma that people face when put in the position of becoming aware of unethical acts in the workplace. Citing a PwC survey statistic that 75% of people did nothing having observed unethical behavior, the article speaks to not only the fear of being labeled a snitch, but the real life consequences of retaliation, using the movie Serpico as an extreme example of the cost of doing the right thing.

Commemorating March as National Ethics Awareness Month, the article quotes Serpico as not liking the term whistleblower, preferring the term lamplighter instead – in the spirit of Paul Revere lighting the lamps in the tower, and calling on us to follow in that spirit and set an example that might inspire someone else to do the right thing.

Click on the following link to read [Lamplighters](#), and if you are faced with an ethical dilemma in your business, we will take the opportunity to remind you about our [Ethics Decision Tree](#) - guidance that we have developed for these difficult situations.

McKinsey Study on Earnings Guidance Reveals Mix of Opinions

An interesting study on the practice of providing “earnings guidance” – comments about how a company is performing, or will perform in the future, conducted by McKinsey reveals a wide range of practice and opinion about the value of issuing such guidance. While some notable companies have discontinued the practice, a large number continue to provide commentary on a periodic basis, primarily at the behest of sell side analysts, in spite of little consensus on the value of doing so, or the risks of not acceding to these requests. For the details of the study go to [Earnings Guidance](#) (you will need to register with the site to read the study).

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TECH CENTER

XBRL-US to Offer Free Coaching

For a limited time, members of XBRL-US are offering complimentary, one-on-one coaching to help companies get started with preparations for submitting into the SEC's XBRL Voluntary Filing Program (VFP).

A pool of XBRL experts from the software, accounting and consulting communities are available to provide up to four hours of free telephone or on-site consulting to explain the benefits of XBRL to public issuers and how to use the XBRL creation software to transform traditional financial reports into XBRL. For complete details on this offer for free [XBRL Coaching](#) click on the accompanying link.

SEC to Host XBRL Roundtables

The SEC has announced that it will conduct a number of roundtables to review the experiences from the first year of their pilot program to use so-called interactive data for company filings with the SEC. The roundtables will also use the lessons learned from the pilot program in order to develop new ways to get analysts and investors significantly better information.

Representatives from investors, issuers, auditors, analysts, technology professionals, regulators, and others will be invited to the roundtable discussions. The first roundtable in the series will be held on Monday, June 12, from 10:00 a.m.-noon, and will focus on how best to serve the needs of analysts and investors with interactive data. Subsequent roundtable discussions will be held later in the summer and fall. For more information go to [SEC XBRL Roundtables](#).

Rivet Software Offers SEC Package

To continue XBRL support and learning for members, the AICPA has entered into a marketing agreement with Rivet Software™. This agreement allows you to order Rivet's Dragon Tag™ and Dragon View™ via an AICPA-specific email address (aicpa@rivetsoftware.com).

As an AICPA member you receive a free support incident phone call valued at \$120 when you purchase Dragon Tag for \$295. You can also try Dragon Tag before you buy with a free, 30-day trial period. Dragon View is available in "preview" format at no charge. Free trial versions are available at Rivet's web site (www.rivetsoftware.com). When you are ready to order, please send an email to aicpa@rivetsoftware.com with your contact information.

Rivet Software also recently announced a flat-fee package which includes software and consulting services for filing financials in XBRL format, with SEC acceptance guaranteed. For details, go to [Rivet SEC Package](#).

New! Ask the Tech Expert Service

Rich Lanza has started an Ask the Expert service on the Store's home page which allows you to direct specific questions to him at rlanza@cpa2biz.com.

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CAREER CORNER

AICPA Offers Executive Education Customized for CPAs – July 12-14

The AICPA has created an executive education program in conjunction with the University of Southern California Marshall School of Business in Los Angeles.

The program, customized for executives in business and public practice, focuses on strategic planning, communication and leadership skills and offers participants a chance to return to a campus environment and benefit from a renowned faculty with real-world experience. Class size is limited and the program is intensive, in-depth and interactive. The highly participatory and dynamic learning environment uses case studies, current business models, experiential exercises and a team approach.

Registration fees are \$2,495 for AICPA members and \$2,995 for nonmembers. Those who register for the financial executives program by June 7 can save \$200. For more information, call (888) 777-7077 or visit www.cpa2biz.com/conferences. **During the month of April, an additional \$200 discount is offered to *BusIndNews* subscribers**, in addition to the early bird and member discounts. Visit CPA2Biz to learn more.

Finance and Accounting Hiring Forecasts Strong

Two recent articles in the business press point to strong hiring for finance and accounting professionals. SmartPros.com, reported recently on an up-tick in the [Robert Half International Financial Hiring Index](#), based on their survey of 1400 CFOs from US companies, citing business growth as well as compliance demands as the key drivers.

A separate report in the CIMA-UK newsletter *Insight*, focuses on the demand for qualified accountants in many other parts of the world driven by strong economies elsewhere. The CIMA article is based on the experience of a talent agency increasing ease in placing accountants in international openings – especially in Holland, Germany, the Caribbean, New Zealand and Australia. So, for those with an international bent....

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LEARNING LINKS

Financial Training Decision-Makers: For information on in-house training and tools to manage professional development, go to [AICPA Learning](#) or call 1-800-634-6780, Option 1.

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UPCOMING WEBCASTS

CFO Roundtable Series Q2 2006 – May 17 - [Financial Fraud from the Fraudster's Perspective](#)

In this live, interactive, AICPA Webcast learn about financial fraud from a different perspective – directly from those who committed financial fraud and paid dearly for doing so. Learn from their mistakes, understand their motivations and the pressures they were under and, ultimately, see what caused them to cross that line they never expected to cross. Click on the title link to register for this webcast.

SEC Quarterly Update Series 2006 -2nd Quarter–June 21, 2006

Mark your calendar for the second installment in this series – details coming soon.

All webcast information can be accessed at [AICPA Learning](#).

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CONFERENCE SPOTLIGHT

Not-for Profit Reporting and Governance Forums

These two forums being offered by the AICPA's Northstar Conferences division will be held in the AICPA Boardroom on April 27-28 and May 4-5. Seating is limited to 55 participants for each conference so register early, for one or both, to assure your place.

By attending one or both of these conferences, you will gain essential knowledge needed for your organization, board members and other practitioners to operate effectively in this environment where the focus on not-for profit organizations is increasingly strong. Join us for an opportunity to collaborate with the top minds in the nonprofit world.

To register, go to [Northstar NPO Forums](#). Early bird, group, and combined registration discounts are being offered to AICPA members.

AICPA/Balanced Scorecard - Strengthening the Finance Function

This new program jointly sponsored by AICPA and Palladium Institute (Balanced Scorecard Collaborative) will be held in the **AICPA Boardroom April 10-11**. This small forum intended specifically for CFOs, Controllers, and other finance professionals in business and industry will cover the increasing challenges and pressures of CFOs and their teams to deliver on strategic development and to equip their organizations with new and more impacting methodologies and tools to help drive those strategies. To register, click on the following link to the [AICPA/Balanced Scorecard Forum](#).

AICPA Controller's Workshop – Two Offerings in 2006

Our Controller's Workshop held in Las Vegas in July has been a sell-out for the past several years. Since it has been so well received we have decided to offer two Workshops this year. By the time this newsletter hits your desk, the 2006 Spring Controller's workshop will have been held at Disney's Contemporary Resort in Orlando.

If you missed the Spring edition, the [AICPA Controller's Workshop Conference 2006](#) will be held again in Las Vegas at The Bellagio, July 19-21, 2006. The agenda for this conference has been set and the brochure is being finalized as we go to press. Mark your calendars and register early to avoid being disappointed.

Construction Industry Executive Forum

This conference is a brand new forum for the construction industry focusing on a combination of topics for the owners, COOs and CFOs. This symposium being held at the **Hilton La Jolla Torrey Pines on July 20-21**, offers trending issues, more opportunity to network with peers and excellence of speakers in the industry. The session lengths also are a great way for allowing a more in-depth discussion of the various topics. For more details, click on [Construction Industry Exec Forum](#).

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