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## Career Corner

## Dear Members

The last month has been another intriguing and interesting time. It was great to meet many of you at the Lean Accounting Summit in Orlando and at the International Financial Executive Leadership Forum in Montreal. Both events were filled with valuable information for CPAs in Business and Industry.

The International Forum was a wonderful opportunity to learn how common the issues and opportunities are for accountants around the globe and to get some varied perspectives on how to deal with them. Next year's International Forum will be held in the US – stay tuned for details in the coming months.

We are currently in the field with our fourth quarter Business and Industry Economic Outlook Survey. Given all of the recent turbulence in the economy and markets we are especially curious to hear what you are experiencing in your companies.

I would also like to take the opportunity to thank those of you who provided input on the business and industry member survey that we conducted in connection with the other participating accounting bodies from around the globe who are part of the International Innovation Network. We expect to receive the results of that survey soon and will use the data to sharpen our focus on providing programs and services targeted for our members in business.

In the meantime, please do not hesitate to contact me directly at [cmckittrick@aicpa.org](mailto:cmckittrick@aicpa.org) if you have any questions, comments, thoughts or ideas as to how the AICPA can serve you and the profession better.

Best regards,



Christopher T. McKittrick, CPA  
Director of Members in Business & Industry

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## Free Infocast — [Managing Customer Value: Not all Customers are Created Equal](#) — Thursday **November 15** – Register Today!

Learn how to discern which customers are profitable, and which are costly. Armed with this information, you will be able to develop strategies for customer profitability, and leverage your organization's resources for maximum returns. This Infocast provides guidance for:

- measuring customer vs. product margins
- calculating customer lifetime value
- considering the value of customer impact on current and future sales

## Top Stories

### Fletchall Addresses International Conference on the Future of CFO Role

AICPA Vice-Chair Randy Fletchall addressed the International Financial Executives Leadership Conference in Montreal on October 3 on the Future of the CFO Role. Fletchall participated in a panel on the opening day of the conference with Charles Tilley, CEO of CIMA, the Chartered Institute of Management Accountants and Steve Vieweg, President and CEO of CMA Canada. The panel was moderated by former AICPA Chair Robert Bunting, who is currently serving as Deputy Director of IFAC.

Fletchall identified three major forces that will continue to impact the role of the CFO as being 1) a continued focus on governance, while at the same time, 2) a greater emphasis on delivering performance, and 3) increased demand for information and transparency. The January Journal of Accountancy will feature an article capturing the additional perspectives provided by Fletchall and the other execs on this panel, along with other key speakers at the Forum.

Presentation materials from the Forum will be available soon at the [IFELF](#) website.

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### Private Company Committee Recommends Deferral of FIN 48

On September 24, the Private Company Financial Reporting Committee (PCFRC) issued a letter to FASB recommending that the FASB delay the effective date for FASB Interpretation No. 48 Accounting for Income Taxes for privately owned companies. The PCFRC recommended that implementation be delayed until there is 1) guidance issued on FIN 48's implications for pass-through entities, and 2) further consideration is given to the usefulness of FIN 48 disclosures for private company financial statements.

[Christopher Cox to Keynote International Conference – Jan 10-11, Washington DC](#)

**Edited and managed by:**

Kenneth W. Witt, CPA  
Technical Manager  
[kwitt@aicpa.org](mailto:kwitt@aicpa.org)

Nancy-Anne Potts  
Project Manager  
[npotts@aicpa.org](mailto:npotts@aicpa.org)

A copy of the [PCFRC FIN 48 Recommendation Letter](#) is available at the link. Also available are the [PCFRC September 20 Meeting Highlights](#). The next meeting of the PCFRC is scheduled for Jan 10-11 in New York.

The PCFRC is also looking for members that are interested in working with the PCFRC on FASB 123R valuation issues, goodwill, and long-term asset valuation and impairment issues. The PCFRC seeks to better understand the costs and benefits involved with those accounting areas for private companies. The work may consist of sharing your views and experiences on these accounting areas, answering a questionnaire, and tracking your costs to comply with the related accounting requirements.

If you are interested, please respond to Sharon Macey at [smacey@aicpa.org](mailto:smacey@aicpa.org). The PCFRC appreciates your help with this project.

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### **COSO Releases Discussion Document on Monitoring Internal Control System**

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) has released a discussion document [Guidance on Monitoring Internal Control Systems](#). COSO is seeking comments that will be used in developing an exposure draft, expected to be released later this year, and will include tools, case studies and implementation guidance. Final guidance is expected to be issued early in 2008. COSO developed the discussion document utilizing a project team led by Grant Thornton LLP and a diverse task force consisting of representatives from COSO's five sponsoring organizations. The AICPA is one of the five private sector organizations that comprise COSO. Comments will be accepted until October 31, 2007.

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### **FASB Chair Calls for National IFRS Transition Plan**

FASB Chair Bob Herz, speaking at a recent FEI conference, stated his objection to providing US entities with a choice between US GAAP and IFRS, preferring a single standard. He also expressed his interest in developing a national plan to transition from US GAAP to IFRS, including timetables, tasks and educational efforts necessary to move to a single global standard. Herz declined to offer a date estimate for convergence, but cited the projected 2009 completion date of the FASB codification process as a critical path milestone. Click on the following link to access a [CFO.com](#) article reporting on the speech.

At the AICPA International Financial Executives Leadership Forum in Montreal

earlier this month, Ian Mackintosh, Chair of the UK Accounting Standards Board addressed the audience and provided his perspective on the International Accounting Standards Board (IASB) program and their efforts towards convergence with a particular emphasis on the US convergence process. Mackintosh did not offer a projection for US convergence either but did note that a number of other countries, including Canada and Japan, have announced 2011 as their target dates.

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### **Accountants Filling More Audit Committee Seats**

An Audit Committee Research Report by Huron Consulting Group shows that the number of accountants chairing audit committees of public companies has increased from less than 10% in 2002 to 23% in 2006. According the [SmartPros.com](#) summary of the report, although the number of accounting professionals on audit committees has increased to 47% in 2006, the number in the “other” category remains greater than 50% of all members.

If you would like to serve on an audit committee, the AICPA [Audit Committee Effectiveness Center](#) offers an [Audit Committee Matching System](#), in addition to the Audit Committee Toolkits for public companies, not-for-profit organizations and governmental entities, and other resources. Simply click on the Matching System link on the ACEC homepage to find out more about audit committee and board service and to register as an available committee member.

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### **Pension Protection Act of 2006 Compliance Needed Before 2008**

A recent AICPA Tax Section newsletter highlighted that the *Pension Protection Act of 2006* has numerous changes that go into effect in 2008, and plan sponsors need to prepare to comply with the new rules. For 2008, defined benefit plans will have:

- Stricter funding requirements;
- Increases in tax deduction limits;
- Lower lump-sum distribution amounts (due to changes in discount rates);
- A requirement to provide a 75 percent survivor annuity;
- Restrictions on benefits that can be provided in underfunded plans; and
- A requirement to provide an annual funding notice for plan participants.

A major change related to 401(k) plans is the availability of an automatic enrollment safe harbor designed to encourage participation in 401(k) plans by eliminating the requirement to perform nondiscrimination tests. Plan sponsors may want to consider implementing certain features, such as automatic

enrollment, that can enhance the value of a plan.

If you want a quick overview and pros and cons of some of the new features that many companies are implementing, you might be interested in this [CFO.com](#) article summarized in our April issue of BusIndNews.

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### **Well Intentioned Wellness Programs Need to Tread the Fine Line**

A recent [AccountingWeb](#) article addresses a trend towards programs to reward healthy behavior such as cash awards for weight loss and, alternatively, an increase in interest in punitive measures or “surcharges” imposed on “less healthy” employees based on blood screenings, body mass index, or other measures.

The article points out that while some of these voluntary programs are well received by employees, companies need to be cognizant of the potential for introducing bias by stigmatizing obesity, and recommends that companies steer clear of the punitive programs “unless you have a large budget for litigation.”

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### **McKinsey Study Yields “Cost Curve” for Greenhouse Gas Reduction**

In the October [McKinsey Quarterly](#) a study of the relative economics of different approaches to reducing greenhouse gas emissions offers surprising insights for policy makers and business leaders.

Rather than engage the debate about the science of climate change or the questions of whether or how countries should act to reduce emissions, McKinsey undertook the task of analyzing the costs and benefits of various emission reduction strategies in different sectors and regions of the world. Beginning with “business as usual” projections, they analyzed the costs of reducing emissions from key sectors and regions over three time horizons - 2010, 2020 and 2030.

Three of the most significant findings were that:

- In a 25-year perspective, power generation and manufacturing industry offer less than half of the potential for reducing emissions.
- Almost a quarter of possible emission reductions would result from measures (such as better insulation in buildings) that carry no net life cycle cost—in effect, they come free of charge.
- A substantial share of the overall opportunity lies in developing economies.

The potential for developing countries is attributed to three primary reasons: their large populations, the lower cost of abatement from new development as opposed to retrofitting, and a large potential to reduce emissions by protecting and replanting forests.

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### **Business & Industry Volunteers Needed for Task Force**

About two years ago, the AICPA's Accounting and Review Services Committee (ARSC) issued a survey entitled "Need for Independence in Compilation Engagements". At that time, AICPA members in business and industry were asked to respond to certain questions regarding their perceived need for their accountant to be independent when performing compilation engagements. The ARSC appreciates the input of members in business and industry as it continues to evaluate the issue. The results of that survey have triggered additional questions and considerations with respect to the current framework for attest engagements (compilations, reviews, and audits). As a result, the AICPA is launching a Task Force to explore whether an alternative framework should be considered. The alternative framework would include reliability as the foundation such that, an accountant can have his or her independence impaired but, as long as an appropriate degree of experience and expertise was included in the engagement team, the accountant would not be precluded from performing the engagement and issuing a report on the financial statements. The argument for such a framework is that certain nonattest services may impair an accountant's independence but, the performance of those services increase the reliability of the financial statements to third party users.

To ensure that members in business and industry continue to have a voice in this discussion, the AICPA is looking for volunteers to serve on the Task Force. If you are interested or want more information, please e-mail Mike Glynn at [mglynn@aicpa.org](mailto:mglynn@aicpa.org). Mike is a Technical Manager in the AICPA's Audit and Attest Standards Team and serves as the staff liaison to the ARSC. Mike is also the staff to the Reliability Task Force.

### **-----Member Benefit Spotlight-----**

#### **Accounting and Auditing Technical Hotline**

Do you have a complex technical question about GAAP, other comprehensive bases of accounting, or other technical matters? If so, use the AICPA's Accounting and Auditing Technical Hotline. AICPA staff will research your question and call you back with the answer. You can reach the Technical Hotline at (888) 777-7077, select option 5 then select option 1. You can also reach the Accounting and Auditing Hotline on the web at [aahotline@aicpa.org](mailto:aahotline@aicpa.org).

## Career Corner

### **The American Red Cross Seeks CPA Volunteers**

When hurricanes, tornadoes, fires, floods, and other disasters occur, the American Red Cross is there to help. And now, CPAs can be there too. The American Red Cross has established a new Finance Disaster Response Team to ensure proper stewardship of donor dollars during large-scale disasters. Team member requirements include experience with internal control procedures, process management and financial operations, and the ability to travel from three to five nights with minimal notice. Contact Jacob Tudor at [fdrt@usa.redcross.org](mailto:fdrt@usa.redcross.org) to learn more about volunteer opportunities.

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### **CPA Marketplace Resources Updated**

The [CPA Marketplace](#) resources on C2B have been updated along with the rest of the C2B website. If you are in the job market, seeking to hire a CPA, or looking for professional development guidance, click on the link above to access these member benefits.

## Tech Center

### **IT Section Offers Free Web Seminars on Safeguarding Information Assets**

The AICPA IT Section's is extending an invitation to all AICPA members in business and industry to participate in two critical web seminars being offered as part of their Top Ten Technologies Initiative for 2007.

In [Safeguarding Information Assets Part II](#) Thursday, November 14th at 2:00-3:30pmEST, CPA.CITP Bob Green, and attorneys Glenn Dickinson and Karen Gabler will continue their discussion of insider-borne risks to critical business information, and delve into technical and legal responses to threatened and actual workplace security breaches. Drawing on both legal and IT approaches, they map out a comprehensive strategy for managing the behavior of insiders from hire through day-to-day employment to help reduce the risk of loss, and ensure that valuable information assets are adequately secured.

You may also purchase optional CPE credit for this program for \$39.95.

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### **SEC Announces Landmark Progress on XBRL Development**

SEC Chairman Christopher Cox announced on September 25 the completion of

all work on developing data tags for the entire system of U.S. generally accepted accounting principles. The completed work, mapping every element of the entire system of U.S. GAAP to a unique data tag, means that public companies can more easily tag their financials, and brings automated financial reporting to the SEC — as well as increased usability of financial statement for investors — one step closer to reality. To view the SEC press release, go to [XBRL Milestone](#).

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## Learning Links

### **Free Test Drive for New AICPA CPEExpress**

**The AICPA's popular online learning library has a new name and enhanced functionality.**

A 30 day free trial of CPEExpress, formerly known as InfoBytes, is being offered to introduce the new features and appearance of the product. For more info click on [CPEExpress](#) and register for your free trial.

**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

### **Fall Management Accounting Infocast Series**

Again this fall we will be offering a series of free infocasts, sponsored by SAP and Robert Half, on strategic management accounting topics in collaboration with CMA Canada and CIMA. Mark your calendars today for 12pm ET for the following “third Thursday” programs and take advantage of this valuable member benefit:

- **November 15 - [Managing Customer Value: Not all Customers are Created Equal](#)**

Infocasts are free, but pre-registration is required as space is limited. Participants may opt to receive one continuing professional education credit for each infocast attended. A fee of \$29.95 will be charged per CPE credit.

Archives of the September presentation [CIMA Strategic Scorecard: Engaging Boards in Strategy](#) and the October presentation [Finance and Accounting Outsourcing: Minimizing Risks, Managing Relationships](#) are available to members at the links.

Click on [AICPA Webcasts](#) to check all upcoming webcasts offered by the AICPA.

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## Conference Spotlight

### **AICPA Controllers Workshop East – November 8-9, Kissimmee, Fla.**

Couldn't make the July Controllers Workshop in Las Vegas? No problem! The [Controller's Workshop East](#) is an encore presentation of that July 19-20, 2007 conference. There are only a few minor changes in session descriptions and speakers, and the venue is the [Gaylord Palms Resort and Convention Center](#) in Kissimmee, Florida in the heart of the Orlando attractions area. Mark your calendars and register today!

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### **AICPA National Oil and Gas Conference – November 5-6, Englewood Colorado**

The AICPA and PDI are teaming up for this exciting new conference. The [AICPA/PDI National Oil and Gas Conference](#) will delve deeply into domestic and international **accounting & financial reporting: taxation, regulations and managerial challenges** and trends facing the oil and gas industry today.

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### **National Conference on the Securities Industry – November 27-28 – New York City**

Co-sponsored by the AICPA and the FMD division of the SIFMA (Securities Industry & Financial Markets Association) the [National Conference on the Securities Industry](#) is the most comprehensive update in accounting, tax and regulatory matters — delivered by key individuals and regulators of the SEC, NYSE, NASD and FASB.

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### **AICPA National SEC and PCAOB Conference – Dec 10-12, Multi-Location**

The [AICPA National Conference on SEC and PCAOB Developments](#) on December 10-12, 2007 occurs at five sites around the country and in London for the first time this year and provides comprehensive SEC and PCAOB updates directly from the regulators. This is the biggest AICPA conference of the year, and it always sells out. You won't want to miss the latest accounting and reporting issues that affect SEC reporting entities and their auditors. Click

on the following links to register for the site most convenient to you:

[Washington DC](#)

[Chicago, IL](#)

[Houston, TX](#)

[New York, NY](#)

[San Francisco, CA](#)

[London, England, UK](#)

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### **Christopher Cox to Keynote International Conference – Jan 10-11, Washington DC**

This [AICPA International Issues Conference](#) at the JW Marriott in Washington DC January 10-11, 2008 will feature SEC Chairman Christopher Cox as keynote speaker on "International Business - An SEC Perspective." Register Today!

Topics covered include:

- Accounting for income taxes (FAS 109/FIN 48) in international operations
- Country specific issues and solutions for doing business in Asia, Canada, Mexico and the EU
- A case study on IFRS conversion
- Current developments in transfer pricing
- International application of SOX 404
- And much, much more!

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