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Career Corner

Dear Members

“Where did 2007 go?” I have heard that question uttered by just about everyone I know ... and I have wondered that myself! It is now time to take stock of the past and plan for the future that will be 2008. Change will continue and probably accelerate as XBRL implementation continues, Fair Value becomes more prevalent and the movement toward global accounting standards marches onward. All this brings new challenges and new opportunities for CPAs practicing in Business & Industry.

I recently read about the results of a survey of over 3,000 members of the Institute of Chartered Accountants in England & Wales (ICAEW) who work in business. This survey was done by the ICAEW and Robert Half Finance & Accounting. When asked to rank the skills and competencies they believe are most important for someone to be able to effectively fill a role like theirs, overall the respondents ranked commercial skills (23%), communication skills (22%) and technical ability (20%) most highly. However CEOs and Managing Directors focused more on leadership skills (79%), strategic vision (57%), commercial skills (56%) and communication skills (54%). Fewer at this senior level mentioned technical ability as a key requirement. In contrast, CFO’s and Finance Directors thought commercial skills (73%) and leadership skills (61%) were crucial.

One interpretation of these results concludes that while industry knowledge, experience and expertise is important, financial leaders need the right mix of technical know-how combined with the ‘softer’ skills including vision, communication and leadership ability.

So in that regard ... did you know that our Financial Management Center website offers a treasure trove of information that can help you enhance your management and leadership skills? That is why you need to take a few minutes to explore this “free to members” resource for articles, tips and ideas that could help you advance your organization ... and equally important ... your own career! For example, take a look at the [Management Accounting Guidelines](#). Covering topics such as Strategy Mapping, Customer Value, Risk Management and Investment Evaluation they are MUCH more than “accounting”.

The Business and Industry Team is working to reorganize and improve the FM Center over the next few months. We are striving to realign the content to make it easier to find information that is important to you. We are also updating the content. While we always welcome your feedback, it is particularly important to us during this time. Tell us what you like, don’t like or think could

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be improved. Email your comments to Fmcenter@aicpa.org. YOUR needs and views are important to the AICPA. You can help influence the future. So please keep your e-mails coming to let us know what is on your mind!!! I am always available at cmckittrick@aicpa.org.

Best wishes to you this holiday season and for a great '08!!!

Best regards,

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

----- Don't Miss!

**FASB Webcast on Global Reporting System –
Jan 8, 10:30 – 11:30am**

The FASB has announced the launch of a series of periodic webcasts focusing on topics of importance to its constituents. The first FASB webcast is scheduled for Tuesday, January 8, 2008, and will feature a panel of experts discussing international convergence of accounting standards. The live webcast is offered free of charge. Viewers will have the opportunity to email questions to panelists during the event. The webcast will be archived on the FASB website for access by the public. To register for the live and/or archived webcast, follow the audience URL at [FASB Webcast](#)

Breaking News

AICPA Offers Assistance to Members Impacted by Southern California Fires

AICPA members experiencing hardship as a result of the Southern California fires are invited to apply for a grant from the AICPA Benevolent Fund. To request assistance, please download and fill out the application and submit to the AICPA. [Download the Application](#).

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Top Stories

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Global Standards Main Theme of AICPA SEC Conference

Convergence to “a single set of high quality global accounting standards” was the dominant theme of the AICPA 2007 National Conference on Current SEC & PCAOB Developments held Dec 10-12 in Washington DC and simulcast to several cities around the country and to London.

The recent SEC decision to eliminate the requirement of reconciliation to US GAAP in filings by Foreign Private Issuers and the issuance of the SEC Concept Release seeking comments on whether to allow US issuers the option of filing using IFRS set the stage for much discussion.

AICPA Chair Randy Fletchall expressed AICPA support of eventual convergence to one set of standards in his opening [keynote speech](#) and outlined the necessary conditions and prerequisites for convergence identified by the AICPA Board in its recent meeting. Fletchall also commented on the major supporting themes including the need for increased transparency, greater reliance on professional judgment, and less regulatory and legal “second-guessing” which he cited as creating risk for all.

FASB Chair Robert Herz, in his [speech](#) reiterated the need for a US “roadmap” and declared this to be a “threshold issue” for the US reporting system that the SEC Advisory Committee on Improvements to Financial Reporting (CIFiR) will be looking at. Robert Pozen, chair of the Committee, also addressed the conference and confirmed convergence as one of five key issues on the CIFiR agenda.

Herz broadened the scope of the discussion stating that the real goal is not simply a single set of standards, but a global reporting system that had “common, high-quality financial reporting” as a central element. Herz identified other key elements as being:

- Consistency in application and interpretation of a single set of standards
- Common disclosures and MD&A
- Common high-quality auditing standards and practices
- Common approach to regulatory review and enforcement
- Education and training of market participants
- Common delivery mechanisms (e.g. XBRL)

He added that a “common approach to corporate governance and legal frameworks would also be nice (but not likely soon)”.

Herz, and others, also underscored the importance of the language used by the SEC in its decision to allow “IFRS, as adopted by the IASB”. This language is viewed as being critical to addressing one of the key concerns about “national flavors” of IFRS due to inconsistent application of principles.

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World Leaders: Convergence Key to Economic Development

IFAC, the International Federation of Accountants, in connection with its [30th Anniversary](#) celebration and World Accountancy Forum held in New York December 4, released the results of the first annual [Global Leadership Survey](#) of the Presidents and Chief Executives of its members, associates and regional accountancy bodies.

As summarized in a joint IFAC/AICPA [press release](#), 89% of the 143 respondents from 91 countries indicated that convergence to international financial reporting standards was “important” or “very important” for economic growth in their countries. Only 1% said it was not important.

In response to other issues covered by the survey, 80% expressed optimism about the prospects for economic growth and development in 2008, and most also cited staffing shortages as an issue for the profession, although in varying degrees relative to geographic location.

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Cox to Seek Delay in Audit Requirement of SOX 404 for Small Companies

At a recent House Committee on Small Business Hearing, SEC Chairman Cox indicated that he would ask his fellow commissioners to grant an additional one-year deferral of the auditor attestation requirement for internal control. According to a [CFO.com](#) article, Cox is sympathetic to the position that this requirement should not be imposed prior to the completion of an SEC study on the costs of 404. That study will not be completed until June 2008.

Non-accelerated filers are being required to complete for the first time this year their own assessment of internal control following [SEC interpretive guidance](#) issued in June 2007. The audit requirement is currently slated to be effective for most companies 2008 annual reports.

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IRS Releases 2008 Mileage Rates, Inflation Adjustments, and Form 1040

Courtesy of our AICPA Tax Section – the IRS has released [Form 1040](#), [instructions](#), [standard mileage rates](#), and [inflation adjustments](#) for exemptions, standard deductions, tax bracket thresholds and an array of other items subject

to annual limits. The 2008 mileage rates have been set at 50.5 cents for business miles, 19 cents for medical and moving miles, and 14 cents per mile driven for charitable service.

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Political Wrangling over AMT Relief Continues; Processing Delays Likely

In the meantime, [AccountingWeb.com](#) reported last week the continuing struggle in Congress to come up with AMT relief. Although members of both parties in both chambers of Congress have agreed that an AMT fix is imperative a stand-off continues over the details of how to provide relief. Without the AMT fix, the federal government would enjoy an additional \$50 billion in revenue in 2008 with the AMT set to affect over 20 million taxpayers with income in the \$75,000 to \$200,000 range with an average expected increase in 2007 taxes of \$2,000 per family.

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Ethics Survey Reveals High Levels of Misconduct

The Ethics Resource Center (ERC) has released its 2007 National Business Ethics Survey (NBES). The study looked at ethics risk, defined as the incidence and reporting of misconduct. More than half of employees witnessed an act of misconduct in their company within the past year. The most prevalent forms of misconduct were conflicts of interest (putting one's own interests above the organization), abusive or intimidating behavior, and lying to employees. Key take-aways from the 2007 NBES as summarized in the survey report:

- Misconduct in companies is very high —more than half of employees see misconduct.
- Employees are fearful of retaliation and skeptical that their report will make a difference.
- The quality of your ethics and compliance program matters. Ethics and compliance programs yield positive results if they are well-implemented.
- Coupling a strong ethical culture with a strong ethics and compliance program is the path to the greatest reduction in ethics risk.
- The reward to your company, employees, and stakeholders can be quantified.

To download a copy of the report, [please click here](#) or visit www.ethics.org.

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Environment and Climate Change Top List of Issues to Impact Value

According to a recent [McKinsey Quarterly](#) research study, executives have placed environmental issues, including climate change in a “class of their own” when evaluating the impact of social issues on shareholder value. Nearly nine of ten executives indicated that they themselves worried about global warming and their concern now exceeds that of consumers.

Corporate political influence and involvement, health care and other employee benefits, and job losses from off-shoring also rank high on the sociopolitical agendas of business leaders. In the 2005 survey, loss of jobs to off-shoring topped the list of sociopolitical issues of greatest concern at that time; environmental issues were ranked third.

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-----Member Benefit

Spotlight-----

Business and Industry Ethics Decision Tree

The [AICPA Business and Industry Ethics Decision Tree](#)

was developed in consultation with the Business and Industry Executive Committee to serve as a guide for members presented with challenging ethical situations. This resource provides a number of points to think about when faced with a situation that you consider to be ethically challenging and a decision tree to help step you through this difficult decision making process.

The AICPA Professional Ethics Team also maintains a hotline referenced in the Decision Tree for members to make inquiries about the Code of Conduct, and for advice when facing situations that challenge their professional ethics. To access the Ethics Hotline dial 1-888-777-7077 and follow the prompts to be routed to the Ethics team.

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Career Corner

Volunteer for the American Red Cross New Finance Disaster Response Team

The American Red Cross invites CPAs to join its new Finance Disaster Response Team to ensure proper stewardship of donor dollars during large-scale disasters. Current members of the FDRT include more than 90 Red Cross employees and partnership organization volunteers. These individuals are trained in the key internal control procedures that must be in place during a disaster relief operation. The Red Cross pays trip expenses including flight, hotel, rental car, food, etc. CPAs have recently been deployed to the Calif. wildfires and the severe flooding in Tex., Okla. and Kan. As members of the FDRT, these CPAs have helped set up and implement financial controls at Red Cross service centers where financial assistance has been disbursed to clients. For more information, e-mail Jacob Tudor at FDRT@usa.redcross.org.

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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.

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Tech Center

Join Accounting Software Study! Get the Benchmarks

With only one in 10 fully satisfied, they want a lot more than they're getting. New study surveys CPA satisfaction, key purchase criteria, pinpoints buying plans. [Join the Study! Get the Benchmarks](#)

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Learning Links

Free Test Drive for New AICPA CPExpress

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

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

FAS 157 Web Seminar

Fair value measurement continues to evolve as a critical issue in today's financial reporting environment as accounting and valuation converge. The Financial Accounting Standards Board's (FASB) recent one year deferral of SFAS 157 for non-financial assets and liabilities provides an excellent opportunity to get ready in advance.

Register today for this [FAS 157 Webcast](#) . Cost for this program being presented by our BVFLS Section is \$149 for two CPE credits.

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

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Conference Spotlight

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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[Fair Value Measurement Workshop](#)

February 28-29, 2008

AICPA Boardroom

This workshop will provide detailed examples of measuring the fair value of individual assets, especially as prepared by a valuation specialist. It will provide members in industry as well as their outside auditing firms the information necessary in confronting the challenges in making and attesting to fair value measurements.

[The Audit Committee's Role in Risk Oversight: Taking a Strategic View of the Enterprise](#)

March 27-28, 2008

New York, NY

AICPA has partnered with the Enterprise Risk Management Initiative faculty at North Carolina State University to offer this 1 ½ -day workshop to help audit committee members understand emerging expectations for greater risk oversight. This high-level forum — limited to 60 participants — offers attendees an interactive setting for dialogue with leading experts on emerging trends related to the intersection of ERM and audit committee governance and strategic planning, in addition to providing an opportunity for the exchange of ideas among other individuals currently serving in audit committee roles.

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[AICPA Controllers Workshop West](#)

July 17-18 2008

Las Vegas, NV

Mark your calendars now for this always popular conference designed by Business & Industry members for Business & Industry members. Whether you're a CFO, a Controller, a Financial Manager or Staffer you will find many informative and useful sessions. Increase the contributions you make to your company's strategic objectives by attending this interactive, hands-on conference. Learn from leading experts who will share their knowledge gained through personal experiences and walk away with the training needed to develop your role as a key corporate decision-maker.

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