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Dear Members

We would like to thank the nearly 2000 of you who have provided us with your perspective in our first quarterly Business and Industry Economic Outlook Survey, making this the largest survey of any affinity group that we are aware of. Stay tuned for our summary of the results, and for the second quarter survey which will be in the field the first week of April. Recall that we are also working with our sister bodies in Canada and the UK to bring more of an international perspective to the survey. While we are working out some kinks with this first round, we do hope to expand the survey to other countries and provide you with those insights as well.

As you begin to see a bit of light at the end of your year-end tunnel, we hope you take advantage of one or more of the great continuing education programs being offered this spring. Time is running short to register for the upcoming Controller's Workshop in San Antonio March 15-16. In addition to a terrific keynote speaker, participants have both a pre and post-conference option for the very popular (and consistently sold-out) Controller to CFO program.

And for those of you who have international interests, we are planning an International Financial Executive Leadership Conference with CIMA and CMA Canada to be held in Montreal October 3-5. Mark your calendars now. The vision for this event is for it to rotate on an annual basis, beginning in Montreal in 2007, moving to New York in 2008 and then to London in 2009. We hope you will find it to be an exciting opportunity to expand your intellectual and networking horizons as you participate with colleagues from our partner organizations in a high-level learning environment.

Here's a plug for an initiative of ours – our MAG infocast series. The first infocast of the Spring series is March 22. See the article below for dates and topics.

In closing, be sure to read the article on Daylight Savings Time – I was not aware of this change until I was reviewing this issue, so I want to raise your consciousness to this as well.

Best regards,

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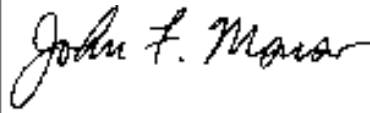
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John F. Morrow, CPA
AICPA Vice President
Business, Industry & Government

Top Stories

XBRL – Not Just About Financial Reporting

We have run a number of pieces in the last few months about XBRL, the SEC voluntary filing program, and their support for the development of taxonomies, EDGAR, and interface tools for the financial analyst community. What are often overlooked in all of the hubbub around XBRL are the benefits for management, aside from facilitating the financial reporting process.

[Harvard Business Review](#) recently featured an article by PwC partner and XBRL International founding chairman Mike Willis and colleagues, calling attention to these “ancillary” benefits of XBRL, including:

- Improving the quality, timeliness and comparability of information used for internal decision-making
- Improving the reliability of internal controls, especially those around reporting
- Significantly reducing the effort required to integrate and change reporting systems
- Improving the flexibility of ERP systems, reducing the cost of maintaining “these beasts”
- Improving the ability to digest acquisitions, reorganize and add new product lines and business unit

The article, available at the link, closes with the following caveat. “The bottom line: XBRL’s benefits go far beyond faster and cheaper compliance. Late adopters beware.”

New Center for Audit Quality Focuses on Investors, Public Company Auditors and the Markets

The AICPA is pleased to collaborate in the launch of the Center for Audit Quality (CAQ). Created to foster confidence in the audit process and to aid investors and the capital markets, the Center will advance constructive suggestions for change rooted in the profession’s core values of integrity, objectivity, honesty and trust.

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The CAQ (www.thecaq.org) is self-supporting and entirely funded by Center members' dues. Membership is open to US public accounting firms that are registered with the PCAOB. CAQ will focus on public company auditing issues — conducting research, offering recommendations, providing technical support and facilitating public discussion about modernizing business reporting.

As an autonomous organization affiliated with the AICPA, the CAQ is governed by a board including AICPA President & CEO Barry Melancon, leaders from public company auditing firms and the investor and issuer communities. The CAQ is based in Washington, DC.

Going Green: Window Dressing or Strategic Advantage?

This [Knowledge@Wharton article](#) suggests that that the recently released report from the Intergovernmental Panel on Climate Change (IPCC) citing “unequivocal” proof of climate change caused by man-made greenhouse gases will generate even more interest in the subject of “green” business.

While acknowledging there is reason for skepticism about the motivations of some companies, Wharton professor Eric Orts argues that many businesses are becoming convinced that addressing environmental issues will eventually impact their bottom line. Also recognizing that regulators will inevitably impose more standards on businesses, these companies are taking a proactive stance and developing long-term sustainable strategies. The difficulty in determining who is serious, Orts says, is that “It’s not always easy for an outsider to tell the difference, which is one argument for enhanced standards for environmental reporting.”

Among several company strategies, the article comments in some length on Wal-Mart’s high-profile set of initiatives. Wal-Mart’s announcement of their emphasis on environmental strategies on the heels of Hurricane Katrina in 2004 was met with skepticism. While many continue to be skeptical, others have been persuaded by Wal-Mart’s actions, which are connected to their commitment to being the low cost provider to their customers.

As a side note, at the upcoming Controller’s Workshop in San Antonio, David Blackwell, VP and CFO Global Procurement, Wal-Mart Stores, Inc will present the keynote on Corporate Social Responsibility – Business Sustainability in the 21st Century.

Sustainability Reporting: Coming to America

More to the point above about the argument for standards for

environmental reporting, the [February issue of Business Finance](#) provides some interesting perspective on sustainability reporting.

Based on KPMG data, the article reports that two-thirds of the world's 250 largest businesses have adopted sustainability reporting. According to the article, this “has little to do with vague concepts of corporate social responsibility or public relations ploys and everything to do with long-term business strategy.” According to the KPMG data, economic considerations were most frequently cited as a driver for sustainability reporting at 74%. Ethical considerations and innovation and learning followed, with each being cited as a driver by 53% of companies reporting.

While only 37 of the top 100 US companies now issue sustainability reports, the article makes the point that pressure is starting to build for US companies. Recognizing the link between sustainability and risk management, the financial services industry is replacing small shareholder niche groups as the biggest driver. Credit agencies and investment funds are increasingly looking at sustainability as part of their analysis process for evaluating long-term value, and the trend in the insurance industry is to only insure companies that have a method for dealing with the impact of climate change in place.

Many countries in Europe and Asia require some form of sustainability reporting and have more stringent environmental standards including product lifecycle requirements. Companies looking for a framework for reporting often turn to standards set by the [Global Reporting Initiative](#) a decade-old organization based in the Netherlands.

Jump Start an ERM Program with Five Practical Steps

Although increasingly aware of the need for a more comprehensive approach to risk management, many companies have found implementing an ERM initiative to be too overwhelming to get off the ground. This [APQC article](#) written by CPAs Rick Julien and Todd Richards, and based on a Crowe Chizek white paper [Enterprise Risk Management: A Practical Plan to Get Going Now](#), provides some useful guidance in how to eat the ERM elephant “one bite at a time.”

Their Core ERM Program is organized around the following five practical steps:

- **Organize the Effort.** Assemble a project team, a steering committee and adopt a charter
- **Assemble a Framework Around Risk.** Establish a model, but keep it simple.
- **Risk Assessment - The Top Ten.** Avoid getting lost in the details.

Think broadly about risk.

- **Inventory Current Risk Response Activities.** A high-level review assesses what your organization is already doing.
- **Identify Gaps and Prioritize.** Compare your inventory of current risk responses to the top ten priorities.

New Daylight Savings Date a Y2K déjà vu?

The Chamber of Commerce SmartBrief recently called attention to a [Washington Post.com article](#) discussing the limited amount of attention being paid to the upcoming change to daylight savings time on March 11, the second Sunday of the Month. This new date for “springing ahead” four weeks earlier than the previous shift date was enacted by Congress in August 2005 and is estimated to save 100, 000 barrels of oil per day.

While many newer electronic devices will automatically update to the new time, manufacturers of other products are scrambling to provide documentation for how to update their products. Microsoft is warning customers that older products, including Windows XP SP1 and Windows NT4 will require manual updates and is encouraging all users to confirm appointments during the four week early daylight savings window to make sure everyone is on the same schedule.

Taxes Due on April 17 This Year

Since April 15 falls on a Sunday this year, and April 16 is Emancipation Day—a legal holiday in D.C.—taxpayers have until April 17 to file their 2007 federal return and pay their taxes. Visit the [IRS website](#) to find other filing and payment requirements affected by this change. Note that you should double-check with any states that you file in because they may or may not honor the April 17 deadline (though I am guessing they will honor April 16 since April 15 is a Sunday).

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Career Corner

Employee Lawsuits: Common Pitfalls and Preventive Measures

While there is no typical employee lawsuit, a recent CFO.com article claims, “most employment related charges come down to an interaction between an employee and a manager that has gone terribly wrong.” Noting that most managers are promoted because of their operational or financial skills, the article adds that those skills do not necessarily translate directly to the effective management of people.

Some common pitfalls include:

- Managers sugar-coating problems to avoid conflict, or because they want to be liked. Not providing adequate documentation leaves an employer vulnerable when someone is eventually dismissed.
- Shooting the messenger, not listening or responding to employee complaints, or managers passing complaints along to superiors because they are overwhelmed with operational issues. The best time to deal with issues is when they first arise.

Recommended preventive solutions include:

- Hiring to fit. On the theory that an ounce of prevention is worth a pound of cure, pre-employment screening including multiple interviews and drug screening are key. Many companies use personality assessments to better match new hires with the characteristics of those already proven to be successful.
- Training and fairness. In addition to employment law, conflict resolution, management and motivation are all important skills for managers, who above all, must also demonstrate fairness.

For additional guidance on what to do if you find yourself at the other end of an employment problem, including when to fight, when to settle and when to arbitrate or mediate go to [The Enemy Within](#).

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Tech Center

2007 Top Technology List Unveiled

The AICPA's highly anticipated [2007 Top Technology Initiatives List](#) is now available. Information Security Management has once again topped this year's list with four new technology initiatives making their first debut. Visit www.aicpa.org/toptech and learn how the 2007 Top Technology Initiatives List can help you, your clients and your employer by identifying those technology initiatives that you should focus on for the upcoming year. Check the site often throughout the year for updated guidance on the impact of these technology initiatives.

If you want to keep abreast of current technology issues impacting the accounting profession, **consider joining the AICPA IT Section. The AICPA IT Section** publishes the annual **Top Technology Initiatives List**, exclusive articles, tools and resources that address the Top Technology Initiatives, offers members a discount on the AICPA **TECH**

2007 Conference in June, and more! For more information or to join visit www.aicpa.org/infotech.

Expand Your Horizons by earning the CITP Credential for CPAs

The AICPA Certified Information Technology Professional (CITP) credential holder is a CPA who is recognized for their technology expertise and unique ability to bridge the gap between business and technology. CITPs receive a complimentary membership in the AICPA IT Section. Many of our members in business have significant experience in the technology area through, for example, managing the IT function in the company, or working through the deployment of a major new technology. Many of these members qualify for CITP based on this experience and no examination is required. For more information take this link to [CITP](#).

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Learning Links

Trends and Techniques 60th Edition Now Available

Now in its **60th edition** – [Accounting Trends and Techniques](#) is the must-have resource for any CPA who frequently creates or uses financial reports. Filled with current reporting techniques and methods used by the nation's top organizations, this 650-page AICPA best-seller will provide guidance you need.

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

Spring 2007 MAG Infocast Series

Mark your calendars now for our Spring 2007 MAG Infocast Series to be offered in collaboration with CMA Canada, CIMA (the Chartered Institute of Management Accountants), and sponsored by SAP as follows:

Thurs, March 22 - Strategy Mapping: One Picture Worth a Thousand Words

Thurs, April 19 - IT Investments: Capturing the Return

Thurs, May 17 - Internet Marketing: Evaluating the Value Proposition

Following the model of the successful Fall 2006 Series these infocasts will be presented at 12pm ET by the authors of the underlying Management Accounting Guidelines and moderated by AICPA Vice President John Morrow. They will be free with AICPA members having the option of purchasing one CPE credit for \$29.95.

Strategy Mapping: One Picture Worth a Thousand Words will be presented by Howard M. Armitage, Ph.D, FCMA, Gordon H. Cowperthwaite Professor of Accounting and Director of the Centre for Business, Entrepreneurship and Technology at the Faculty of Engineering, University of Waterloo and based on a MAG written by Armitage and Cameron Scholey, MBA, CMA, that will be available this Spring 2007.

IT Investments: Capturing the Return will be presented by Marc J. Epstein, Distinguished Research Professor of Management at Jones Graduate School of Management at Rice University in Houston, Texas and based on the MAG *Evaluating Performance in Information Technology* published in 2005.

Internet Marketing: Evaluating the Value Proposition, will provide an overview of the method for measuring the payoffs of internet marketing initiatives developed from the best practices from marketing, e-commerce, and information technology by Epstein and co-author Kristi Yuthas in the MAG *Evaluating the Effectiveness of Internet Marketing Initiatives*, also available in Spring 2007.

Registration via [AICPA CPA2BIZ](#) is required to attend these Free webcasts. Click [here](#) to register

2007 Q1 CFO Roundtable - Real Numbers Through Lean Accounting

The first quarter [CFO Roundtable Series](#) webcast Real Numbers Through Lean Accounting... *The evolution of accounting in support of lean operations*, is scheduled for March 7, 2007 1-3 pm ET. Learn how 3 former CFOs became change agents and aligned accounting with lean

operations. You'll learn about the financial impact that resulted as they share lessons learned and provide practical recommendations to start your lean accounting journey. In connection with this webcast, note that AICPA is a sponsor of the [Lean Accounting Summit](#) to be held in September 2007 in Orlando. For more details, click on the link.

2007 SEC Quarterly Update Webcasts

The AICPA will also be continuing the successful SEC Quarterly Update Webcasts, focusing on what's "hot" at the SEC. The schedule for 2007 is:

Tuesday	March 13, 2007	1-3 PM ET
Tuesday	June 19, 2007	1-3 PM ET
Tuesday	September 18, 2007	1-3 PM ET
Tuesday	December 18, 2007	1-3 PM ET

Take advantage of your member and series discounts and order your subscription to the [2007 SEC Quarterly Update Series](#) today.

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Conference Spotlight

Don't Miss the Spring 2007 Controller's Workshop

If you missed the Controller's Workshop in July than make sure to attend this Spring in beautiful San Antonio, TX on March 15-16 (average high: 74 degrees). David Blackwell, VP and CFO Global Procurement, Wal-Mart Stores, Inc will present the keynote on Corporate Social Responsibility – Business Sustainability in the 21st Century.

In addition to the main conference there will be optional conferences both before and after the main conference. For more information see [Controller's Workshop San Antonio](#).

Balanced Scorecard Back in 2007

Following on the success of last year's AICPA/Balanced Scorecard Forum, the AICPA will be offering a series of 3 Balanced Scorecard workshops this year. While the dates for Workshop I have passed, financial professionals can still benefit from attending workshops II and III without having attended Workshop I.

Balanced Scorecard – Mapping Strategy (Workshop I) February 12-13, 2007

Balanced Scorecard – Cascading Strategy (Workshop II) March 14-15, 2007

Balanced Scorecard – Executing Strategy (Workshop III) April 9-10, 2007

All workshops will be held in the AICPA Boardroom in New York City. Click on the following link for a detailed agenda, and to register for these [Balanced Scorecard](#) events to be held in the AICPA Boardroom.

Tech+ 2007 at the Mirage in Las Vegas – June 11-13

Created exclusively for CPA's, IT consultants, and anyone who implements or uses technology in their organization. Here is some of what's new for 2007:

- Keynote presentations, featuring strategists from Google and Adobe
- TECH Update 2007 with Randy Johnson
- Tomorrow's Technologies with Rick Richardson

For more information and register check out [TECH+ 2007](#).

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