

Las Vegas, NV
11/17/2005 - 11/18/2005

[The AICPA National Conference on the Securities Industry](#)

New York, NY
11/29/2005 - 11/30/2005

[National Conference on Current SEC and PCAOB Developments](#)

Washington, DC
12/5/2005 - 12/7/2005

[National Conference on Current SEC and PCAOB Developments - Video](#)

[Simulcast NY](#)
New York, NY
12/5/2005 - 12/7/2005

[National Conference on Current SEC and PCAOB Developments - Video](#)

[Simulcast CA](#)
San Francisco, CA
12/5/2005 - 12/7/2005

would be affected by a revaluation, a number of write in responses indicated concern about the implications of the flat yield curve. One of the responses to the slight revaluation of the Yuan announced recently was a sharp drop in bond prices as investors anticipate less demand for US bonds. Other concerns receiving a significant number of write-in votes included escalating home prices, corresponding levels of financing and the high level of consumer debt.

This third semi-annual Business and Industry Economic Outlook survey represents the views of 1465 AICPA decision makers including 830 CFOs and 205 CEOs in privately-held and public companies, not-for-profit and other organizations. For more details, go to [June 2005 B&I Economic Outlook Survey](#).

Private Company GAAP Debate Engaged

A recent CFO.com article engages the debate about the recommendations and potential responses to the recommendations made by the Private Company Financial Reporting Task Force. The article which includes comments from a number of key players, including members of the Task Force and others, provides a good summary of many of the pros and cons on the issues related to the relevance of GAAP for private companies, whether we need to have a separate set of standards. It also speaks to some of the specific GAAP provisions that the Task Force survey respondents found to be the most troublesome and least relevant. To access the article, go to [Private Company GAAP](#). To learn more about the Task Force, its work and background material go to [Private Company Financial Reporting](#).

Material Weaknesses Skyrocket; Investors Punish Stock Price

Recent research by shareholder-advisory firm Glass, Lewis & Co on the impact of SOX 404 indicates that a total of 586 companies reported material weaknesses through early May of this year, compared with 313 for all of 2004.

In analyzing the impact on stock prices, the research report found that revelations of material weaknesses related to personnel issues seemed to raise the greatest concerns among investors at least in terms of the most immediate reaction. Although material weaknesses related to documentation or tax-accounting issues were not punished as immediately by the market, after 60 days companies disclosing such weaknesses suffered an even greater loss in shares than companies with personnel issues.

An article reporting on the research, accessible via the following link at [CFO.com](#), points out that companies that disclosed a material weakness were treated more kindly by the market if they filed their annual reports on time, and also that in the S&P-rated companies that disclosed a material weakness fewer than 10 percent were downgraded as a result.

SEC Small Company Committee Meeting in Chicago - August 9 & 10

The SEC Advisory Committee on Smaller Public Companies has announced that their next meeting will be held on August 9th and 10th from 1:00 p.m. to 5:30 p.m. in Chicago. The Advisory Committee meeting will be available via an audio Web cast at [www.sec.gov](#).

The scope of the Advisory Committee is to assess the current regulatory system for smaller companies under the securities laws and to make recommendations for changes. Below are some highlights of discussion topics for the upcoming meeting:

- Oral testimony will focus on the costs and burdens imposed upon smaller public companies as a result of the Sarbanes-Oxley Act of 2002 and whether they are commensurate with the benefits to the investors and the public.
- Consideration of subcommittee reports and recommendations on the definition of a smaller public company for purposes of defining the scope of the Advisory Committee's work and scaling federal securities regulation and the extension of compliance dates for certain smaller public companies to meet the requirements of Section 404.

As a caveat, we would encourage non-accelerated filers to take a very pro-active approach to their Sox Section 404 compliance efforts and not second-guess the outcome of the SEC and PCAOB efforts in relation to smaller public companies. If you are a non-accelerated filer, it is in your best interest to keep working on your 404 compliance initiatives, rather than waiting to see what happens.

PCAOB Forum Small Business Forums Scheduled in Orlando and Boston

In previous issues we have highlighted the Small Business Forums that the PCAOB is doing around the country. The forums are two day events with the first day geared towards auditors of small businesses and the second day towards audit committees of small businesses. Upcoming forums have been scheduled for Orlando, Florida, on August 4 & 5, and in Boston, Massachusetts on October 20 & 21. For more information go to [PCAOB Small Business Forums](#).

AICPA Audit Committee Toolkits for Government Organizations and NPOs

The new *AICPA Audit Committee Toolkit: Government Organizations* helps the members of audit committees of government organizations do their jobs as effectively and efficiently as possible. This toolkit, as well as the recently released *AICPA Not-for-Profit Audit Committee Toolkit*, provides audit committees of government and not-for profit organizations with a comprehensive set of best practices to help them be more effective and discharge their responsibilities appropriately. These complement the *AICPA Audit Committee Toolkit: Corporate*, developed to help audit committees work more efficiently in light of the Sarbanes-Oxley Act. If you are involved with a not-for-profit organization, or a government entity, we encourage you to consider downloading these free resources.

All of the toolkits are available for free download from the AICPA Audit Committee Effectiveness Center at <http://www.aicpa.org/audcommctr/homepage.htm>. In September, bound versions of both the Government and Not-for-Profit Toolkits will be available.

Sarbanes-like Rules Proposed by Association for Insurance Companies

The National Association of Insurance Commissioners is working on a proposed change to the "Model Regulation Requiring Annual Audited Financial Reports,"

which, if adopted by the states, would require private insurance companies to face reforms similar to the Sarbanes-Oxley Act.

Now in the discussion stage, this proposed audit rule would apply to privately held insurance carriers and mutual insurance companies, but states would not be required to accept it as a statute or a regulation. The proposed change to NAIC's audit rule covers corporate governance, auditor independence and a company's internal controls. The AICPA is represented on a joint working group with the NAIC. To read the article from the *Business Journal of Kansas City*, visit [NAIC Rules Articles](#) (requires free registration).

Visit the Financial Management Center at www.aicpa.org/fmcenter

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CAREER CORNER

Call for Nominations — AICPA Business and Industry Hall of Fame

Time is running short for meeting the August 31 deadline for nominating your favorite CPA in business for our 2005 AICPA Business and Industry Hall of Fame Award sponsored by Ajilon Finance.

This honor is bestowed only upon the industry's elite - those strategic CPAs who best represent the winning spirit. A Hall of Famer CPA is one who:

- Understands the profession beyond the numbers.
- Effectively manages shareholder and customer expectations.
- Champions new methods and solutions.
- Inspires and motivates others to excellence.

If you know someone who fits the above description, take a moment today to nominate them! **You could be sending them to the Seventh Annual Business and Industry Hall of Fame Awards.** This is a chance to honor our own — take advantage of it!

[Click here](#) to fill out a nomination form and send it to us before August 31st. Or, contact your local [Ajilon Finance branch](#) today at 1.866.GO.AJILON for more information on the Business and Industry Hall Awards and for assistance on nominations.

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AICPA CAREER RESOURCES

To make sure you have the competencies needed to take charge of your career and keep you on the learning curve, assess your own proficiencies using the [Competency Self-Assessment Tool](#). Remember, this is FREE to AICPA members. Also consider using this tool with non-CPAs in your organization for only \$49 per user per year.

Looking to make a career move? Need to find someone with CPA skills for your staff? Or, just want to learn more about career issues? Visit the [CPA Career Center](#).

Visit the Financial Management Center at www.aicpa.org/fmcenter.

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TECH CENTER

CPA2Biz Opens Audit & Control Technology Store

CPA2Biz has developed an Audit & Control Technology Store to provide valuable product guidance, reviews, and discounted technology tools to CPAs and financial managers. All of the product reviews, case studies, FAQs and best practices are available online for free, and CPA2Biz has negotiated discount savings of 10% or more off retail price for a host of different technology software solutions.

The software tools featured throughout the Audit and Control Technology Store are grouped into the following defined categories:

- Audit Management — tools to manage engagement resources and documentation, collaborate with the engagement team, and otherwise improve engagement efficiency
- Data Analysis — tools to analyze company information to identify errors, fraud, and cash recoveries while automating manual audit procedures
- Risk Management — tools to organize risk and control documentation for compliance with Sarbanes-Oxley or for companies simply desiring to have more accountability around internal controls

Product buyers guides and reviews are accessible at [Audit and Control Guides and Reviews](#). Of particular interest to those who may be in the process of evaluating software is the [2005 Buyer's Guide to Audit, Anti-Fraud and Assurance Software](#).

Visit the Financial Management Center at www.aicpa.org/fmcenter.

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LEARNING LINKS

Free CPE: The AICPA's Financial Literacy Program

This free program lays the groundwork for success as a community financial literacy volunteer. Access it on the CPA Financial Literacy Resource Center at www.aicpa.org/financialliteracy.

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

SEC Quarterly Update Series 2005 – 3rd Quarter

The next SEC Quarterly Update is scheduled for September 21 from 1-3pm Eastern time.

CFO Roundtable Series 2005 — 3rd Quarter

The next CFO Roundtable Series is scheduled for September 14 from 1-3pm Eastern time

You may want to mark your calendars for the many upcoming webcasts. All webcast information can be accessed at [AICPA Learning](#).

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CONFERENCE SPOTLIGHT

Fall Business and Industry Financial Executives Forum — October 27 & 28

Alternatively, click on the following link to register for the Fall 2005 [Business and Industry Financial Executives Forum](#) scheduled for October 27 & 28 at the Marriot Marquis in New York City.

Visit the Financial Management Center at www.aicpa.org/fmcenter.

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