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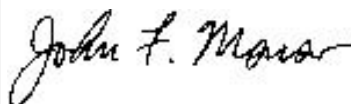
One of the many things we try to accomplish with *BusIndNews* is to help you with career development. In this space I want to highlight an article that was recently on CFO.com which offers a number of pointers for those making the transition to the CFO role for the first time. Some of the key points captured under the following headings follow:

- **Cover Yourself** — Make sure you first get a handle on the financials, cash flow, upcoming capital expenditures, debt payments, insurance coverage and important contracts.
- **Lose that To-Do List** — This section can be summarized best by the popular phrase "delegate, delegate, delegate."
- **Get Out More** — In addition to spending more time developing relationships with staff, other executives, auditors and other expert advisors, this article stresses the importance of meeting with customers emphasizing the value of seeing your company through your customer's eyes when telling your story to investors.
- **Manage Your Managers** — Two points here. The development responsibility for managing managers involves different considerations than supervising staff. Also, make sure to get a controller in place ASAP. Trying to juggle CFO and controller tasks is a sure-fire way to "crash and burn."

Click on the following link to access this article on [CFO.com](#). Whether you are now, or aspire to become a CFO, this article could be of interest to you. In fact, even if you don't want to become a CFO, these points are ones you should think about as you develop your career in your area of interest.

If you are in the process of making or planning for this important transition you might want to check out the popular "Controller to CFO" pre-conference workshop at this years Controller's Workshop, or the "Strategic Partnerships within the Organization" session at the Spring B&I Financial Executive Forum. I hope to see you at one of these events!

Best regards,



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

TOP STORIES

[CFO Roundtable Webcast Series — Transforming 404 Compliance Efforts Into Business Value — May 4](#)

CONFERENCE SPOTLIGHT

[Roger Staubach Keynote at Spring 2005 B&I Financial Executive Forum](#)

[11th XBRL International Conference – Boston, April 26-29th, 2005](#)

UPCOMING CONFERENCES

Mark Your Calendars and Plan to Attend! Visit the AICPA Web site for more information on any other programs. Bear in mind that we have a variety of industry-specific conferences that you may be interested in; you can find out about these when you [visit the CPA2Biz Web site](#)

AICPA/CAM-I Cost Management Advanced Practices Symposium

Tempe, AZ
5/11/2005 – 5/12/2005

AICPA Spring Business and Industry Financial Executive Forum

Dallas, TX
5/12/2005 – 5/13/2005

AICPA Controllers Workshop

Las Vegas, NV
7/21/2005 – 7/22/2005

AICPA Fall Business & Industry Financial Executive Forum

October 27 – 28, 2005
Pre conference optional workshops: October 25

PCAOB Proposes New Standard on Elimination of a Material Weakness

The Public Company Accounting Oversight Board (PCAOB or the Board) voted unanimously on March 31, 2005 to propose for public comment an auditing standard to establish a voluntary engagement that would allow auditors to report on the elimination of a material weakness in a company's internal control over financial reporting. *Proposed Auditing Standard: Reporting on the Elimination of a Material Weakness — Release No. 2005-002* (proposed standard) can be accessed directly by clicking on the title link.

The Board's proposed standard is in response to comments received from investors and public companies that when a company eliminates a material weakness in internal control over financial reporting, it would be in the public interest and strengthen confidence in management's assertions if the independent auditor were to also issue a report to confirm and provide assurance that such material weakness has been eliminated.

We've talked about this in the past. Without this standard, the only way a company can "clear" internal control issues noted in the auditor's report on internal control, is to have a whole new financial statement audit because they are not separable. This proposed standard seeks to remedy that, but it may be a long way off. The PCAOB comment period ends on May 16, 2005. The staff must then make changes as necessary and present back to the Board, who must eventually approve the Standard, which then must go to the SEC for consideration. As you know, new auditing standards issued by PCAOB are not effective until ratified by the SEC. This will take time, so stay tuned.

AICPA Releases BV Standards and Review Standards Exposure Drafts

The AICPA has released for public exposure a draft of proposed Business Valuation Standards for comment by interested stakeholders. The proposed standards consist of guidelines for the development of valuation conclusions and reporting on the results. The standards would apply to AICPA members who perform valuation services in a variety of circumstances, including

- tax
- mergers and acquisitions
- litigation
- financial reporting

The users of CPA valuation services are expected to benefit from these standards, because they encourage consistency and disclosure in valuation development and reporting. For further information about the AICPA's draft Business Valuation standards, please visit www.aicpa.org/BVFLS. Our team had input into this exposure draft, and we think it will be acceptable to members in business & industry, but if you are involved in valuation matters, you should read this ED because it will impact you.

The AICPA's Accounting and Review Services Committee has also issued three exposure draft Statements on Standards for Accounting and Review Services (SSARS). For a complete description of the proposed standards, or to download the exposure drafts, click on the following link to [In Our Opinion](#), the newsletter of the AICPA's Audit and Attest Standards Team.

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and 26, 2005

Post conference optional workshops: October 29, 2005

Marriott Marquis
New York, NY

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

Las Vegas, NV
5/16/2005 – 5/18/2005

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

Washington, DC
6/22/2005 – 6/24/2005

[TECH 2005: The AICPA Information Technology Conference — Celebrating 25 Years](#)

Las Vegas, NV
6/27/2005 – 6/29/2005

Directors Want to Spend Less Time on Compliance and Compensation

Not surprisingly, a McKinsey survey of directors worldwide indicates that directors would prefer to spend less time on auditing, compliance and compensation and more time on talent/skill and management development issues and on strategy and risk. In this latter area, 75% of directors indicated that they would want to spend more time on strategy and risk. The need for boards to have a balance between the compliance side of governance and the “performance” side of governance is recognized and recommended in a book published by the Professional Accountants in Business Committee of IFAC. The book, titled [Enterprise Governance](#), is available for free download by clicking on the link.

While it may not be surprising that directors want to spend less time on auditing and compliance, the reasons for wanting to spend more time on strategy and risk may well be one of the drivers identified by the survey as a lack of confidence in management. Only 8 percent of the directors feel that management fully understands the key initiatives required by strategies for the future, while 38 percent say that it has, at most, a limited understanding.

Possibly of greater concern, more than a quarter of the directors have, at best, a limited understanding of the current strategy of their companies. A similar gap emerged on the question of risk. Only 11 percent of the directors claim to have a complete understanding of the risks their companies currently bear, while 23 percent have a limited understanding or none. Likewise, more than half of the directors admit that they have no way of tracking changes in risks over time, leaving boards as vulnerable to unforeseen shifts.

To access the full article which requires free registration, click on the following link to the [McKinsey Survey](#).

Social Responsibility Linked to Superior Financial Performance

An article referenced in BusinessFinanceMag.com featured a meta-study by researchers at the University of Sydney, Australia and the University of Iowa linking corporate social responsibility (CSR) and financial performance. The study spanned 30 years of research by various researchers using varying definitions of social responsibility in a wide range of industries etc.

Two theories of why CSR is correlated to superior financial performance are proffered by the researchers. One theory is that CSR is an indicator of cutting edge managers at work. The other is that financially successful companies can afford higher levels of CSR. The study supported both theories suggesting a “virtuous cycle,” one feeding the other.

Click on the following link to read the entire article on [Business Ethics](#) online.

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Paradigm Shifts

In a recent issue of *BusIndNews* we called your attention to the AICPA's Issues Report [Understanding Social Security](#). In a similar vein, the inaugural edition of a new PwC publication, [View](#), contains an interesting analysis and commentary on the implications for a move towards an “Ownership Society,” in particular the potential impact of increasing use of Health Savings Accounts

(HSAs). While too complex to capture in a nutshell, if you are considering implementing a High-Deductible Health Plan / HSA program in your company or are simply interested in this from a public policy perspective, we commend the article to your attention.

Also of possible interest, an article about fraud in the same edition of PwC *View* identifies the overwhelming need to demonstrate growth and the overwhelming need to demonstrate successful management of uncertainty in the marketplace as two broad factors underlying many financial statement frauds. This was linked to a piece arguing the business case for enterprise risk management as a way of better understanding and managing risk in today's complex organizations.

SOX Reporting Raises Profile of Tax Accounting and Chief Tax Officers

In a recent survey analyzing the frequency and market reaction to various internal control weaknesses reported in SEC filings, tax accounting issues and personnel related weaknesses were found to be more sensitive than other types of control weaknesses in terms of extent of market reaction.

A white paper sponsored by a leading tax search firm highlights the impact of SOX in raising the profile of the Chief Tax Officer in many organizations. According to the article, the consistent message is that CTOs will be expected to:

- Have broader and more strategic skills than has historically been the case.
- "Connect more dots" than previously expected.
- Optimize planning and balance risk management by being embedded in the business units.
- Focus on developing and mentoring their teams in alignment with the shift in strategic direction.

Click on the following link for more about the evolving role of the [CTO](#).

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Second Annual Study on SOX "Cascade"

A recent [SmartPros.com](#) article reports on the second annual study conducted by Foley & Lardner LLP on the impact of SOX on private companies and not-for-profit organizations. Not surprisingly 87% of private organizations feel that SOX has impacted their organizations, up from 77% in last year's survey. The primary impact is in the area of self-imposed corporate governance reforms.

The article highlights some of the differences between what not-for-profit organizations are doing versus private for-profit companies including:

- Ninety-seven percent of not-for-profit organizations plan to implement audit committee oversight of auditors, compared to 64 percent of for-profit organizations.
- Fifty-nine percent of not-for-profit organizations plan to implement restrictions on executive compensation, compared to 38 percent of for-profit companies.
- Additional disparity exists between not-for-profit and for-profit implementation on topics related to the establishment of independent directors, independent director approval of related-party transactions and

the establishment of whistleblower procedures.

The AICPA Special Committee for State Regulation continues to advocate for “A Reasoned Approach to Reform” and is finalizing positions with respect to a number of the issues identified above and others, which it will then convert into additional white papers. For more on these important advocacy efforts go to [State Cascade](#) on the AICPA website.

Finally, we have two task forces working on creating additional versions of our Audit Committee Toolkit — one for not-for-profit organizations, and one for government entities. Both groups have done an outstanding job, and we look forward to having these available in time for use on June 30 year-ends. More on these new toolkits will be provided when ready!

AICPA Launches New IT Website

The AICPA has unveiled a new Information Technology (IT) community Web site (www.aicpa.org/INFOTECH) that contains resources, tools and guidance for CPAs interested or practicing in IT. The site is designed to assist CPAs in the AICPA IT community, whether they are in business and industry, academia, government or public practice, leverage information technology to increase efficiency and boost profits.

The information on the IT community Web site is conveniently organized around a home page and five core areas — Resources, Community, Events, Membership and Products. As an added benefit, members of the AICPA IT Membership Section, as well as holders of the CITP specialty credential, can access premium technical and practice management content on the site and obtain discounts on AICPA Conferences, publications and practice aids.

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AICPA CAREER RESOURCES

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](#).

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LEARNING LINKS

North Jersey IIA Software Expo — April 19

On April 19, 2005, The Institute of Internal Auditors (The IIA) North Jersey Chapter will host a software expo: Automated Solutions For Creating Sustainable Value. It is a follow-up to last year’s successful event, bringing together the leading audit and assurance software vendors from around the world. The expo is geared to external auditors, internal auditors, and fraud examiners looking to expand their understanding of software in the overall assurance market.

The Expo will be held at the Prime Hotel and Suites in Fairfield, NJ on April, 19, 2005 from 8:00 a.m. to 6:00 p.m. To register, visit the NJ IIA website at www.theiia.org/chapters/njiia. They are offering 5 hours of CPE credit for the event which is free for IIA members and inexpensive to others.

Featured Self-Study CPE

[Tax Update for Controllers](#) — Finally, a tax course designed to meet the unique needs of the Controller! Get just the latest information on tax developments which will impact your company. Controllers will find this tax update provides only valuable information for their business. Recent tax legislation, regulations, cases and rulings will be presented from the controller's perspective.

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

For more self study courses, please visit www.cpa2biz.com or call 888-777-7077.

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UPCOMING WEBCASTS

The SEC Quarterly Update Webcast Series — brought to you each calendar quarter by the AICPA and CFO.com — showcases the profession's leading experts on what's "hot" at the SEC. The first quarter update with John Compton and John Murray was held on March 16.

In addition to the normal discussion of SEC "Hot Topics," this edition included an informative discussion of the FASB's new accounting standard on fair value accounting for stock options, Statement 123(R) "Share Based Payments,". The discussion focused on the significant elements of this new standard and its implications on executive compensation strategies. If you missed the broadcast and are interested in viewing it, [click here](#).

The next webcast in the **CFO Roundtable Webcast Series** — **Transforming 404 Compliance Efforts Into Business Value** on May 4 will focus on the question of *"how can organizations extract the maximum amount of business value from these monumental compliance efforts?"*

You may also want to mark your calendars form the following webcasts:

- **Form 5500 with DOL- Q's & A's — June 7**
- **Not-For-Profit Organizations Strategic Briefing — June 14**

By registering for all four of either series you can save \$67.

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

For all of your continuing education needs from AICPA Info Bytes and Self-Study to Webcasts and On-Site Training go to [AICPA Learning](#).

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CONFERENCE SPOTLIGHT

Register Now for Spring 2005 B&I Financial Executive Forum

This Spring's Financial Executive Forum to be held in Dallas in collaboration with the Texas State Society May 10-14 is shaping up to be a terrific event, featuring a keynote presentation "The Heart of a Champion," by Roger Staubach and a panel discussion on important public policy issues led by AICPA Chair Bob Bunting and Texas Society CEO John Sharbaugh. In addition to a packed two-day conference agenda, exceptional pre- and post-conference sessions are being offered.

Beyond Disaster Recovery: Business Continuity Planning, will be offered as a full day session on Tuesday May 10. This "conference within a conference" on this topic you will be hearing more about if you have not already, will include a panel of leading experts from regulatory agencies and industry who will share their experiences as pioneers in this arena, in addition to an interactive application case study.

We also have a new full day leadership program developed by Bill Bryan and Alan Patterson — *Tools for Effective and Ethical Leadership*, and a half day session in collaboration with the Balanced Scorecard Collaborative, *Align Planning and Budgeting To Your Strategy*. Click on the following link to learn more [click here](#).

11th XBRL International Conference — Boston, April 26-29th, 2005

The 11th XBRL International Conference will focus on the ways that XBRL can improve the business reporting process with a theme of "**Better, Faster, Smarter Business Reporting Using XBRL.**" Conference tracks will cover the use of XBRL in a variety of industries and for a number of audiences including regulators, insurance and banking, analysts, investors, and internal reporting.

The Public Session Day on April 26 will feature an impressive array of luminaries. This will be followed by a Special Interest Day of sessions on April 27 and an optional Training Day on April 28th. Click on the following link to view the [brochure](#). To register click on this [XBRL International Conference](#) link to the website for the XBRL International consortium, of which AICPA is a sponsor and host.

AICPA/Baruch College Private Company Forum — June 3

The AICPA and The Robert Zicklin Center for Corporate Integrity at Baruch College of the City University of New York are offering a one-day private company reporting forum on June 3, 2005. The program features panels of leading practitioners from small and medium sized companies targeted to the needs of private companies and the users of their financial statements. For more information or to register, click on the following [Private Company Forum](#) link.

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