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Dear Members

The last 60 days have seen the movement toward one set of global financial reporting standards continue to gain momentum. The SEC removed the requirement for foreign issuers using IFRS to include reconciliation to US GAAP in their financial statements. In addition the SEC's Concept Release on permitting U.S. issuers to file financial statements using IFRS drew a mixed reaction based on the numerous comment letters they received. While the SEC Chairman allayed some fears that this change could be imminent when he told the audience at the AICPA International Issues Conference last week that IFRS would take "many, many years" to implement, he left no doubt that convergence to a single set of global standards has his full support..

So change will continue in 2008 as the movement toward global accounting standards progresses, XBRL implementation rolls along, and Fair Value accounting becomes more prevalent. All this brings new challenges and new opportunities for CPAs practicing in Business & Industry.

Our goal is to help keep you, the Business & Industry member, abreast of these and other developments that will impact all of us over the next few years. And as you may note in this issue of BusIndNews we are always looking for opportunities to leverage AICPA knowledge to help you fulfill your responsibilities. This month we remind you of the Business & Industry Ethics Decision Tree and we are providing some FAQ's on audit risk assessment from the view of the organization being audited.

By the time we publish the February issue of BusIndNews we will have participated in the American Accounting Association's – Management Accounting Section meeting and held our semi-annual meeting of our Business & Industry Executive Committee. At both of these events we will be seeking new ideas and opportunities to bring you useful and practical programs and services.

Remember ... 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.

Let's all make 2008 great !!!

Best regards,



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

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New Technical Hotline Number and Extended Hours

The AICPA Technical Hotline Team provides non-authoritative advice to members on questions related to accounting, auditing, attestation, and accounting and review services. Each year it responds to approximately 23,000 inquiries from AICPA members, employees, and representatives of governmental entities.

The new dedicated Technical Hotline number 1-877-242-7212 is operational now and allows for the Hotline to remain operational during SCO meetings, events, and even over certain holidays that occur during the busy season. In order to better serve the west coast, the new number also allows for expanded hours 9am - 8pm EST weekdays. In addition to the new direct number, inquiries may also be [submitted electronically](#). The Technical Hotline Team will respond to these inquiries by telephone.

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Top Stories

Anthony Hopwood Receives Lifetime Contribution Award

Anthony Hopwood, American Standard Companies Professor of Operations Management at Saïd Business School, Oxford, UK, was awarded the 2008 Lifetime Contribution Award at the mid-year event of the Management Accounting Section of the American Accounting Association (AAA). The award, which is sponsored by the AICPA, recognizes individuals who have made an important mark on management accounting education, research and practice. Hopwood was honored for his research and teachings on organizational control and management perspectives. For more on Hopwood and his accomplishments see the [AICPA press release](#), or his [Oxford Saïd Business School bio](#).

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AICPA Announces New Management Accounting Awards

The AICPA, CIMA and CMA Canada also announced the joint sponsorship of two new research awards at the AAA Management Accounting Section mid-year event.

- The **Best Early Career Researcher in Management Accounting** award in the amount of \$2,000 will be presented annually to the researcher with the best overall body of research in management accounting completed during the first five years of joining a faculty. It will be presented at the Annual Meeting of the American Accounting Association.
- A new **Greatest Potential Impact on Practice** award in the amount of \$2,000 will be presented annually at the Midyear Meeting of the Management Accounting Section to the author of a single article with the greatest potential impact on practice. Eligible papers will have been published within the previous five years and submitted by the authors or nominated by peers.

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AICPA Releases RFP for 2008 Management Accounting Research Grants

As part of its ongoing commitment to provide thought leadership and advance the body of knowledge in management accounting and its application to practice, the AICPA has released its 2008 request for management accounting research grant proposals.

The AICPA will fund one or more projects with grants up to \$75,000. Proposals are being solicited for research in the following areas:

- **Strategic Management** – Advancing the role of the management accountant as a strategic partner in the organization.
- **Performance Management** – Developing the practice of business decision-making and managing the performance of the organization.
- **Risk Management** – Contributing to frameworks and practices for identifying, measuring, managing and reporting risks to the achievement of the objectives of the organization.

This will be the third year that the AICPA has funded management accounting research in collaboration with the American Accounting Association's Management Accounting Section. Three projects have been selected for funding in each of the previous two years.

In 2006, projects focused on the use of non-financial performance indicators in the incentive contracts of business unit controllers, in supply chain management, and in CEO bonus plans. The three projects currently underway for 2007 include critical success factors in enterprise risk management implementation, management control of foreign sourcing relationships, and incentive systems and firm performance in strategic change situations.

Additional information and proposal guidelines are available on the AICPA [Financial Management Center](#) for Members in Business and Industry.

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FASB Launches Webcast Series with Convergence Presentation

In our last issue of BusIndNews we reported that convergence to International Financial Reporting Standards (IFRS) was a major theme at the AICPA SEC Conference.

The FASB has announced that it will host a series of periodic webcasts focusing on topics of importance to its constituents. The first of these was on Jan 8 entitled *Towards a Global Reporting System: Where Are We and Where Are We Going?*

This presentation included participants from the preparer and analyst communities along with FASB Chair Robert Herz and covered some of the basic questions of why is the issue of global financial reporting important, where are we now, what is the end goal, how do we get there, and what are the major implications and risks.

A [presentation archive](#) is available at the link. Email notification of future FASB webcasts can be requested by clicking on the following email link Join-fasb-webcast@listserv.lists.fasb.org. (It is not necessary to include any additional information in the subject line or body of your email.).

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SEC Chair Cox's Speech Indicates Slower Pace for IFRS

At the AICPA International Issues Conference held in Washington, DC last week SEC Chairman Christopher Cox reassured those who feared that the SEC was moving too fast on allowing the use of International Financial Reporting Standards. While Cox reiterated his support for a single set of global standards, he also indicated that he did not "see this happening for many years." In December, following the decision to allow foreign companies to file using IFRS, the SEC held roundtables to discuss whether the SEC should allow US companies to file using IFRS.

As noted in a [CFO.com](#) article on the speech, many participants in this debate recommend that if the SEC allows the use of IFRS by domestic filers they should mandate the use of IFRS by all filers within a short time to minimize the confusion of having two sets of GAAP in the marketplace. On the other side of the debate are those who are concerned about the time required to develop the infrastructure of the IASB and to actually effect the transition or "converge" US GAAP and IFRS. A video of Chairman Cox's address is available on the [AICPA website](#).

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Standard & Poor's Considers ERM Assessment – Requests Comments by Feb 1

Standard and Poor's has issued a request for comment on their proposal to include an assessment of corporate enterprise risk management practices as a key component of their overall credit ratings analysis for non-financial companies. S&P proposes to include ERM analysis into their corporate credit rating process as the principal methodology to evaluate management and to determine the overall business profile--a key factor in the S&P credit rating. Four major analytic components will comprise the S&P ERM evaluation. These include analyses of risk management culture and governance, of risk controls, of emerging risk preparation, and of strategic risk management.

[Click here to obtain the S&P request for comment](#). Comments are due by Feb 1, 2008. S&P expects to make a decision on whether to include an assessment, what methodology to use and timetable by March 1.

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FAQs on New Risk Assessment Standards

Statements on Auditing Standards (SAS) Nos. 104 -111, commonly referred to as the risk assessment standards, are effective for audits of financial statements for periods beginning on or after December 15, 2006, which means they are effective for calendar year 2007 audits.

AICPA members have submitted questions about the new risk assessment standards since they were issued in March 2006. The AICPA staff has collected these inquiries and developed responses in the form of Q & As. We have selected some of the Q & A's that have been compiled so far that we thought were of most interest from a business and industry perspective in a document available on the AICPA [FM Center](#) for Members in Business and Industry.

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AMT Fix Finalized

The [Tax Increase Prevention Act of 2007](#) (H.R. 3996) has been signed into law, increasing the 2007 AMT exemption amount to \$66,250 for married taxpayers and \$44,350 for unmarried taxpayers (up from \$62,550 and \$42,500 respectively in 2006). The Act also extends AMT relief to nonrefundable personal credits for 2007.

This act will prevent 19 million individual taxpayers from being subject to the AMT and reduce some of the burden on the 4.2 million who would still pay the AMT in 2007. Without the patch, the exemption would have dropped to \$45,000 for married taxpayers and \$33,750 for singles.

The IRS has announced that the upcoming filing season will start on time for everyone **except** those using the following five forms:

- Form 8863, *Education Credits*
- Form 5695, *Residential Energy Credits*
- Form 1040A, Schedule 2, *Child and Dependent Care Expenses for Form 1040A Filers*
- Form 8396, *Mortgage Interest Credit*
- Form 8859, *District of Columbia First Time Homebuyer Credit*

The IRS will not begin accepting these forms until February 11, 2008, affecting approximately 13.5 million taxpayers. The February date allows the IRS enough time to update and test its systems to accommodate the AMT changes without major disruptions to other operations related to the tax season. As the IRS has said previously, it will take approximately seven weeks after the AMT patch was approved to update IRS processing systems completely.

The IRS has promised to promptly post to its [website](#) the dozens of forms affected by the change. We will keep you informed of the Service's progress.

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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.

Career Corner

Best Business Books of 2007

For those of you whose New Year's resolutions include reading a good business book, Booz Allen Hamilton's [Strategy+Business](#) has released their "Top Shelf" list of best business books published in 2007 as selected by their panel of noted business practitioners, scholars, and journalists.

The importance of human behavior, especially in the executive suite was identified as a theme running through all of the selections. Topic areas covered by the reviewers ranged from strategy to biography and included *Five Minds for the Future* by Howard Gardner in the Human Capital category, *Prophet of Innovation: Joseph Schumpeter and Creative Destruction* by Thomas K. McCraw in the Capitalism category.

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Flexible Work Options a Key Ingredient to Recruiting CPAs

In case you missed it, this month's headline article in the [Corporate Finance Insider](#) focused on hiring strategies and a survey of the benefits being identified as important to CPAs. Flexible work schedules and variations on that theme are emerging as being a key differentiator among job seekers. Click on the link above to access the article. Alternatively, click on the following link as it says to [Join the study. Get the answers.](#)

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Fostering Innovation and Creativity

The December issue of the Center for Creative Leadership's newsletter [Leading Effectively](#) offered the following suggestions for overcoming the inertia of the daily grind to foster innovation and creativity in the workplace:

- **Brainstorming.** While most people are familiar with this technique of suspending judgment and evaluation, this article makes the point that early responses in a brainstorming session are usually "predictable and uncreative" and that stopping a session too early or stopping it dead in its tracks with premature judgment or evaluation limit the benefits to be gained.
- **Brainwriting.** A variation on brainstorming, this technique involves writing ideas down on pieces of paper and exchanging them. Breakthroughs beyond the mundane are often signaled by laughter, or expressions of surprise.
- **Restating the Problem.** This process of looking for new perspectives on the problem often leads to new solutions.
- **Excursions.** Physical excursions or imaginary trips into the future can be used to stimulate insights into solving problems.

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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

IT Security Once Again Heads List of AICPA Top Ten Tech Issues

According to the AICPA's 19th Annual Top Technology Initiatives survey, Information Security Management will be the most important initiative affecting IT strategy, investment and implementation in business organizations over the next 12-18 months. IT Governance moved up the list from sixth to second place this year, reflecting the market's renewed emphasis on corporate governance and responsibility.

The AICPA poll was conducted in late 2007 with ISACA, the Institute of Internal Auditors (IIA) and the Information Technology Alliance (ITA). Respondents identified the Top 10 most important technology initiatives for 2008 as follows:

1. **Information Security Management**
2. **IT Governance**
3. **Business Continuity Management and Disaster Recovery Planning**
4. **Privacy Management**
5. **Business Process Improvement, Workflow, and Process Exceptions Alerts**
6. **Identity and Access Management**
7. **Conforming to Assurance and Compliance Standards**
8. **Business Intelligence**
9. **Mobile and Remote Computing**
10. **Document, Forms, Content and Knowledge Management**

For a complete list of definitions and more information on the list, visit www.aicpa.org/toptech.

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McKinsey Identifies Emerging Technology Trends

Taking a long-term view McKinsey has identified eight technology-enabled trends that will help shape businesses and the economy in coming years. The January 2008 [McKinsey article](#) discussing these trends makes the point that companies create real wealth when they combine technology with new ways of doing business and that executives should focus on the shaping the outcome of technology trends rather than reacting to them.

The eight trends identified by McKinsey fall within three broad areas of business activity as follows:

- **Managing relationships** – Co-creation of information goods, using consumers as innovators, tapping into global talent by disaggregating tasks, and extracting more value from tacit interactions using technology tools such as wikis and other interactive technologies were the trends falling under this rubric.
- **Managing capital and assets**, - Leveraging and linking technologies to further

automate business processes, and conversely, unbundling production from delivery are both areas where “companies still have substantial headroom.”

- **Leveraging information in new ways** – exploiting data to make better decisions and create competitive advantage, or “putting more science into management,” and making businesses out of information round out the list of eight trends.

In addition to identifying the trends the authors comment not only on both the potential avenues for competitive advantage and implications for organizational politics and power structures. Creative leaders, they argue, can use a broad spectrum of new options to craft their strategies. Executives should reflect on the trends most likely to impact their industries next and determine whether there are opportunities for their organizations to capitalize on those trends.

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XBRL Webcast Archive available at AICPA.org

The use of interactive data for reporting of US GAAP information is a topic that many CPAs are rapidly becoming educated about. The first draft of the XBRL-US GAAP Taxonomies and the Preparers Guidance (how preparers actually create XBRL-enabled financial statements) is currently available for public review and comment at [taxonomies](#).

Last month, the AICPA hosted a webcast that introduced XBRL concepts, demonstrated how to create XBRL financials and walked through the steps to review and provide your comments on the Taxonomies and Preparers Guidance.

This webcast is archived and available for your view on the AICPA.org website. [Click Here](#) to download the webcast. In addition, XBRL US will be hosting additional live web events at their site. If you are interested in attending a live webcast, visit <http://xbrl.us/EVENTS> to register for an upcoming webcast.

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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

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.

IT Section offers Free Infocast On CAATS – Feb 8

Increasingly, audit firms and internal audit teams are turning to Computer Assisted Auditing Tools and Techniques (CAATTs) to address the seemingly opposed demands for increased effectiveness and improved efficiency. CAATTs enable auditors to analyze large volumes of data for anomalies and outliers without devoting the time and resources required by more traditional techniques. Although CAATTs are not new, recent product releases include substantial enhancements in the range of analyses performed and overall usability, making them indispensable tools for any auditor looking to thread the needle and achieve the delicate balance of efficiency and effectiveness required of them.

In the Top Technology Initiatives Infocast for February 2008, Mark D. Mayberry, CPA.CITP, CISA, provides an overview of Computer Assisted Auditing Tools and Techniques. Drawing on his experiences as National Director of Assurance Automation for BDO Seidman, LLP, he illustrates how both internal and external audit teams can leverage CAATTs achieve this balance of increased efficiency and effectiveness.

This seminar will be presented on Thursday, February 8th from 2:00-3:30pm ET. Attendees have the option of attending for free or paying \$29.95 to obtain 1 credit of CPE.

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

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Conference Spotlight

[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.

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[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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