

BusIndNews

E-NEWSLETTER FOR AICPA MEMBERS IN BUSINESS & INDUSTRY

April 16, 2008, No. 116

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Dear Members

It is not too late!! If you open this e-mail before April 17th, I encourage you to sign up for our free webcast [Managing Opportunities and Risks: Developing Your Value Creation Lens](#) Thursday Apr 17 at Noon EDT. IT IS FREE ... sponsored by SAP and Robert Half ... so what could it hurt to check it out? These infocasts offered in collaboration with CIMA and CMA-Canada, are a great way to get a quick overview and practical guidance on issues critical to your role as a strategic business partner on your company's management team.

Also, mark your calendars for the remaining two Strategic Management Infocasts: [Report Leadership: Online Corporate Reporting and Executive Compensation](#) on May 15 and [Impacting Future Value: Maximizing Intellectual Capital](#) on June 19. See below for more information on all of these programs.

The AICPA Wants You!!!! May 1 is the rapidly approaching deadline for applying for AICPA volunteer appointments for 2008. This is an important way to get involved in the profession as a volunteer and we welcome your applications. For information on the volunteer process or to apply for our Business and Industry Executive Committee, a conference planning committee, or any one of the other several hundred volunteer opportunities available throughout the AICPA go to [Volunteer Central](#) today.

Please also note the volunteer opportunity identified below in the Career Corner of the newsletter calling for members with IFRS experience.

In addition, nominations for our [2008 AICPA Business and Industry Hall of Fame](#), sponsored by Mergis will be accepted through May 30, 2008. The Hall of Fame Awards will be presented at our Controllers Workshop in Orlando this year on November 13-14. (See the related stories below for specific links.)

Save the Dates:

International Financial Executives Leadership Forum, Washington, DC – Sept. 24-26, 2008

Controller's Workshop, Las Vegas, NV – July 16-18, 2008

Controller's Workshop, Orlando, FL – Nov. 12-14, 2008

Please keep your thoughts, comments and questions coming to us via e-mail at cmckittrick@aicpa.org.

Best regards,

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

Top Stories

New Strategic Management Guide Available – Managing Opportunities and Risks

Our latest strategic management accounting guide [Managing Opportunities and Risks](#) is now available to members as a free download from our resource page on [FM Center](#). This new guide, which is also the subject of our April 17, webcast [Managing Opportunities and Risks: Developing Your Value Creation Lens](#), is intended to help our members capitalize on opportunities and add value to their organization by maintaining a balanced perspective on risk. This new guide, developed in collaboration with CIMA and CMA Canada, provides guidance for identifying new opportunities, managing innovation, altering your organization's risk appetite by expanding your risk capabilities, and evaluating those opportunities in a more rigorous way.

[Managing Opportunities and Risks](#) recommends incorporating real options thinking into ROI analysis to add flexibility to these calculations. Traditional NPV calculations assume that once decisions are made that plans are fixed. Real options thinking on the other hand, considers the various scenarios that an initial investment creates and allows for the continuous learning inherent in real world planning and execution. A seven-step process for performing an ROI calculation modified to incorporate real options scenarios is developed in the guide.

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Directors Want to Devote More Time to Strategy, Need More Information

A recent [McKinsey Global Survey](#) indicates that directors want to place more priority on talent-management and forward-looking strategies and less time on compliance related matters. In addition to an issue of priorities, they also indicated that they lack the knowledge, expertise and substantive interaction with management that would contribute to developing long-term strategy.

What do highly influential boards do differently? The survey found that the conventional wisdom that boards of privately-held companies maximize shareholder value better than those of publicly-held companies does not hold true. Rather the most influential boards were those that were already spending more time on strategy and talent management rather than those struggling to make their agenda more strategic. Access to senior people beyond the CEO and CFO, along with access to relevant information about industry and economic indicators as well as employee and customer satisfaction were also identified as distinguishing variables.

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The Private Company Financial Reporting Committee (PCFRC) has welcomed aboard two new members, replacing two original members who have ended their terms of service. The new members are James Stevenson, a partner and CFO of ABS Capital Partners, and James K. Smith, vice president and CFO of Phonon Corporation of Simsbury, CT. For more information about the PCFRC, visit its web site at <http://email.aicpa.org/cgi-bin15/DM/y/hby00Mhj8G0Fri0X4m0EL>.

PCFRC meetings for the remainder of 2008 are scheduled for San Diego on April 24-25, Atlanta on June 24-25, Boston on September 18-19, and New Orleans November 13-14. All PCFRC meetings are open to the public. If you would like to participate please fill in the registration form at [PCFRC Meeting Registration](#). All PCFRC [recommendations and other letters](#) are available from their home page, as are [highlights](#) from previous meetings.

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GAAP Codification Resources Available on AICPA FM Center

On January 15, 2008 FASB released the FASB Accounting Standards Codification™ for a one year verification period. The Codification gathers the thousands of GAAP pronouncements under approximately 90 accounting topics. The Codification is a reorganization of existing literature into a more readable and easy-to-use format.

The Codification is expected to improve the usability of literature and reduce the amount of time required to research accounting and will become the authoritative source of literature upon completion of the verification period. The AICPA is encouraging all members to become familiar with the codification and to provide feedback to FASB. We have compiled resources on our [Financial Management Center](#) for Members in Business, Industry and Government, including a [GAAP Codification Q & A](#), and archive of a recent FASB Webcast- [Move to Codification of US GAAP](#), and the FASB [Project Pages](#).

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FASB Releases SEC Content onto Codification

On April 3 the [FASB](#) released selected portions of SEC and SEC staff content onto the *FASB Accounting Standards Codification*™ (Codification) for reference by public companies. The Codification does not change the SEC content; instead it includes the content reorganized into roughly 90 accounting topics to more closely align with the non-SEC content.

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Audit Committee Survey Finds Post-SOX Audit Quality Improved

More than three-quarters of audit committee members who took part in a recent survey commissioned by the Center for Audit Quality (CAQ) rate overall audit quality "very good" or

"excellent," and 82 percent say it has improved in recent years.

Overall, 58 percent of the audit committee members said changes resulting from SOX had a positive impact. They offered several reasons for the improvement, among them:

- Increased audit committee oversight — 92 percent
- Requirements regarding internal controls — 87 percent
- Better communication within audit committees — 85 percent
- CEO/CFO sign-off on financial statements — 81 percent
- Increased emphasis on quality by auditors — 77 percent
- More rigorous audits — 76 percent
- Audit committee oversight of auditors — 76 percent

Nearly all of the audit committee members (99 percent) said they devote more time to their committee work as a result of SOX. About 90 percent said they work more closely with external auditors.

Click on the following links to access the CAQ [press release](#) or to review the [full report](#).

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IFAC Releases Financial Reporting Supply Chain Study

IFAC has released a new report, [Financial Reporting Supply Chain: Current Perspectives and Directions](#), which finds that over the course of the previous five years significant improvements have been made to the financial reporting process and corporate governance and auditing, but that financial reports could still be more useful. This independent report is based on a survey and interviews of participants in all sectors of the financial reporting supply chain, including professional accountants in business, boards of directors, outside auditors, standard setters, regulators, investors and others.

A Summary of Key Findings captured "positives," as well as "areas of concern," and "further improvements," as follows:

- **Corporate governance has improved and the balance between costs and benefits has become better** - On the positive side, improved board structure as well as improved risk management and internal control were tangible findings. In addition there is an increased awareness of the importance of good governance.
- **The financial reporting process has improved and the balance between costs and benefits is about the same** - In the financial reporting arena convergence to a single set of standards was identified as a positive. Transition to IFRS was also identified as an area of concern.
- **The audit of financial reports has improved and the balance between costs and benefits is about the same** - Increased awareness, commitment and competence of auditors and audit committees were identified among the positives. Increased audit cost relative to perceived benefits, overregulation, and reduced scope for professional judgment were identified as areas of concern.
- **The relevance and usefulness of financial reports have improved, but the understandability of financial reports has not improved** – While reduced usefulness due to complexity, a focus on compliance, and regulatory disclosure overload were all identified as areas of concern, better financial information due to improved standards, regulation and oversight was identified among the positives.

The full report is available at <http://www.ifac.org/frsc>.

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Career Corner

Hall of Fame Nominations Open

Do you know a CPA in Business & Industry whose value cannot be measured by numbers alone? Nominations are now open for the AICPA Business & Industry Hall of Fame, sponsored this year by Mergis. The award presentation will be made at the 2008 Controller's Workshop in Orlando FL, November 13-14, 2008.

For more information, and the nomination forms go to [AICPA Business and Industry Hall of Fame](#) on the AICPA FM Center.

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Members with IFRS Skills Wanted for Important AICPA Research Project

Members who are technically competent in applying IFRS (in addition to US GAAP), with experience in preparing financial statements or statutory accounts in IFRS, are wanted for an important AICPA research project. It is particularly valuable if you have worked in organizations adopting IFRS for the first time, including implementing changes to financial reporting systems and facilitating parallel IFRS / US GAAP reporting. If you would like to participate in this project please email your indication of interest with a brief description of your experience to BusIndNews@aicpa.org.

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Top 10 Rules of E-Mail Etiquette and E-Mail Ethics

"Private e-mail is an oxymoron." So says Joseph Judge in his Top Ten Rules Of Email Etiquette that can be found along with other articles on business writing at [Proofread.com](#). Included among the articles is one entitled E-Mail Ethics. In addition to identifying some email specific unethical behaviors like altering information in order to be misleading, the e-mail ethics article includes some important reminders about harassment, confidentiality and the implications of deleting emails that might be implicating. The article concludes with the golden rule for email which certainly has a familiar ring - *Before sending an e-mail, ask yourself, "How would my boss feel if this message appeared on the front page of a newspaper?"*

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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

Free XBRL Tagging Workshop Offered by AICPA

Is your organization aware of the new emerging information standard that is about to impact your company? XBRL is a language for the communication and processing of business information and is part of a larger migration to the Internet by capital market participants.

The AICPA will be hosting a special one day XBRL Tagging Workshop in our Durham, NC office. Participants will have direct access to subject matter experts on tagging their own financial statements in XBRL. If you are interested in attending this free session please contact Lily Raghu at lraghu@aicpa.org. Please provide your name, company name, your title and your contact information. Please note that space will be extremely limited in order to guarantee a quality, hands on experience.

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Learning Links

AICPA, Dell, PC Magazine Offer Free Online Course for Small Business Management

This three-part course consists of three on-demand lessons, each of which is accompanied by downloadable coursework. Best of all, this course is free! All you need is a Web browser to participate, and you can go through the lessons at your leisure.

Among the topics you will learn in this course are:

- Online and offline software options;
- Mobile accounting and finance tools;
- Using Crystal Reports and Crystal Reports.com;
- Using reporting tools in popular accounting software applications;
- Compliance software tools and Web sites.

Click on the following link to register for this free [Small Business](#) course.

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

Upcoming Webcasts

2008 Strategic Management Infocast Series

There is still time to register for the first presentation of our Spring 2008 Strategic Management Infocast Series. Each of these live interactive presentations is available free to members, or you may purchase one optional CPE credit for \$29.95. Register today!

[Managing Opportunities and Risks: Developing Your Value Creation Lens](#)

Thursday April 17, 2008; Noon to 1:15pm ET (5:00pm – 6:15pm GMT)

Does your "risk lens" see only potential hazards that should be avoided? Are you forgoing value creation opportunities by focusing on the downside of risk? Effective risk management can be a valuable source of competitive advantage, but only if risks and opportunities are viewed as two sides of the same coin.

This Infocast will provide tools for evaluating and managing risk-related opportunities:

- Strategies for identifying risks and opportunities
- Methods for identifying opportunities that ignite innovation
- Techniques that organizations can use to alter their risk appetite and capitalize on opportunities.

These tools and techniques will help you move beyond the view of risk as value-destroyer and develop a "value creation lens" you can use to realize your company's potential.

[Report Leadership: Online Corporate Reporting and Executive Compensation](#)

May 15, 2008; Noon to 1:15pm ET (5:00pm – 6:15pm GMT)

The Report Leadership Group, comprised of CIMA, PWC, communications consultancy Radley Yeldar and Tomkins plc, has undertaken the challenge of providing reporting information that is more relevant, informative and accessible within the current GAAP and IFRS models without inundating users with unnecessary detail.

This infocast will explore the innovative ideas incorporated by the Report Leadership Group in their example web-based corporate reporting presentation.

[Impacting Future Value: Maximizing Intellectual Capital](#)

Thursday June 19, 2008; Noon to 1:15pm ET (5:00pm – 6:15pm GMT)

Intellectual capital has moved from the periphery to the core of most businesses. This Infocast will provide a framework that will enable you to:

1. Identify which intellectual capital assets are most critical to value creation in your company.
2. Formulate key questions and performance indicators for managing and measuring intellectual capital initiatives.
3. Review and evaluate performance and the impact of intellectual capital management on delivering your strategic objectives.

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Fall 2008 Strategic Management Infocast Series - Save the Dates

The fall series will kick off on Sep 17 with a presentation by Robert Kaplan of Balanced Scorecard and ABC fame on Time-Based ABC. Programs based on upcoming strategic Management Accounting Guidelines on Supply Chain Management and Managing Financial Risk will follow on Oct 16 and Nov 20. Mark your calendars today for these free 75 minute programs at 12 noon EST.

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Tax Section Teleconference on Stock Options and Restricted Stock - May 1

The Tax Section will hold its first teleconference entitled, "Stock Options and Restricted Stock: The Basics and Beyond" on May 1st from 2:00 pm ET until 3:30 pm ET. Participants will learn about basic and advanced taxation of stock options and restricted stock and explore how it affects the income tax liability of executives. Members of the Tax, PFP and PCPS sections may participate for free without obtaining CPE. [Register today](#). For those interested in obtaining 1 ½ hours of CPE (at the full price of \$59.95) or the discounted rate of \$44, enter coupon code TAX [here](#).

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SEC Quarterly Update Webcast Series

The SEC Quarterly Update Webcast Series showcases the profession's leading experts on what's "hot" at the SEC. The dates for this year's series have been set for June 18, Sept 17, Dec 10 and March, 2009. To register for this series, at the member price of \$249, click on [SEC Quarterly Update](#).

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Conference Spotlight

[AICPA/USC Executive Education](#)

July 9-11, 2008

Los Angeles, CA

Through the use of case studies, business models, experiential exercises and team projects, you will focus on strategic thinking and development, strategy execution and leadership skills. You will also have the opportunity to network and interact with your peers.

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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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