



# State of the Profession

Texas Society of CPAs

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## A NEIGHBORHOOD UNHEARD

The Sandtown-Winchester/Harlem Park neighborhoods of Baltimore, where Freddie Gray lived, are among the poorest in the city. Here is a quick snapshot of the area, compared to Baltimore as a whole.

	<b>S-W/HP</b>	<b>BALTIMORE</b>
<b>Number of residents</b>	14,801	616,802
<b>Percentage of African-Americans</b>	96.9	63.6
<b>Unemployment rate</b>	21.0	11.1
<b>Median household income</b>	22,277.0	37,395.0
<b>Percentage of families living in poverty</b>	30.9	15.2
<b>Percentage of buildings vacant</b>	24.1	5.7
<b>Juvenile arrest rate</b>	25.2	14.5
<b>Homicide rate (Per 10,000)</b>	45.3	20.9
<b>Life expectancy</b>	65.3	71.8

Source: Baltimore City Health Department's 2011 Neighborhood Health Profile



**Acknowledge**

**Authenticity**

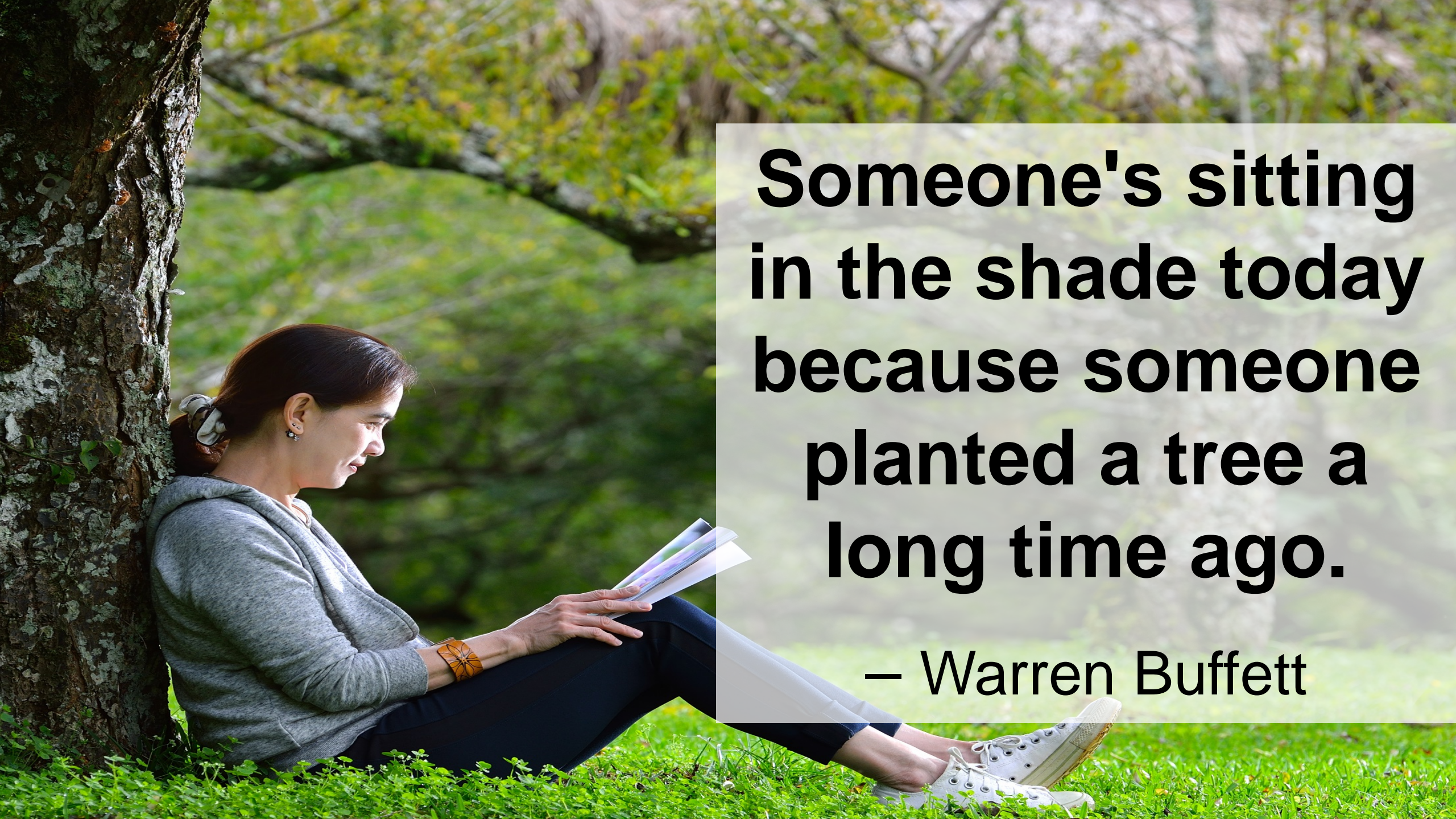
**Attitude**

**Aptitude**

**Acceptance**

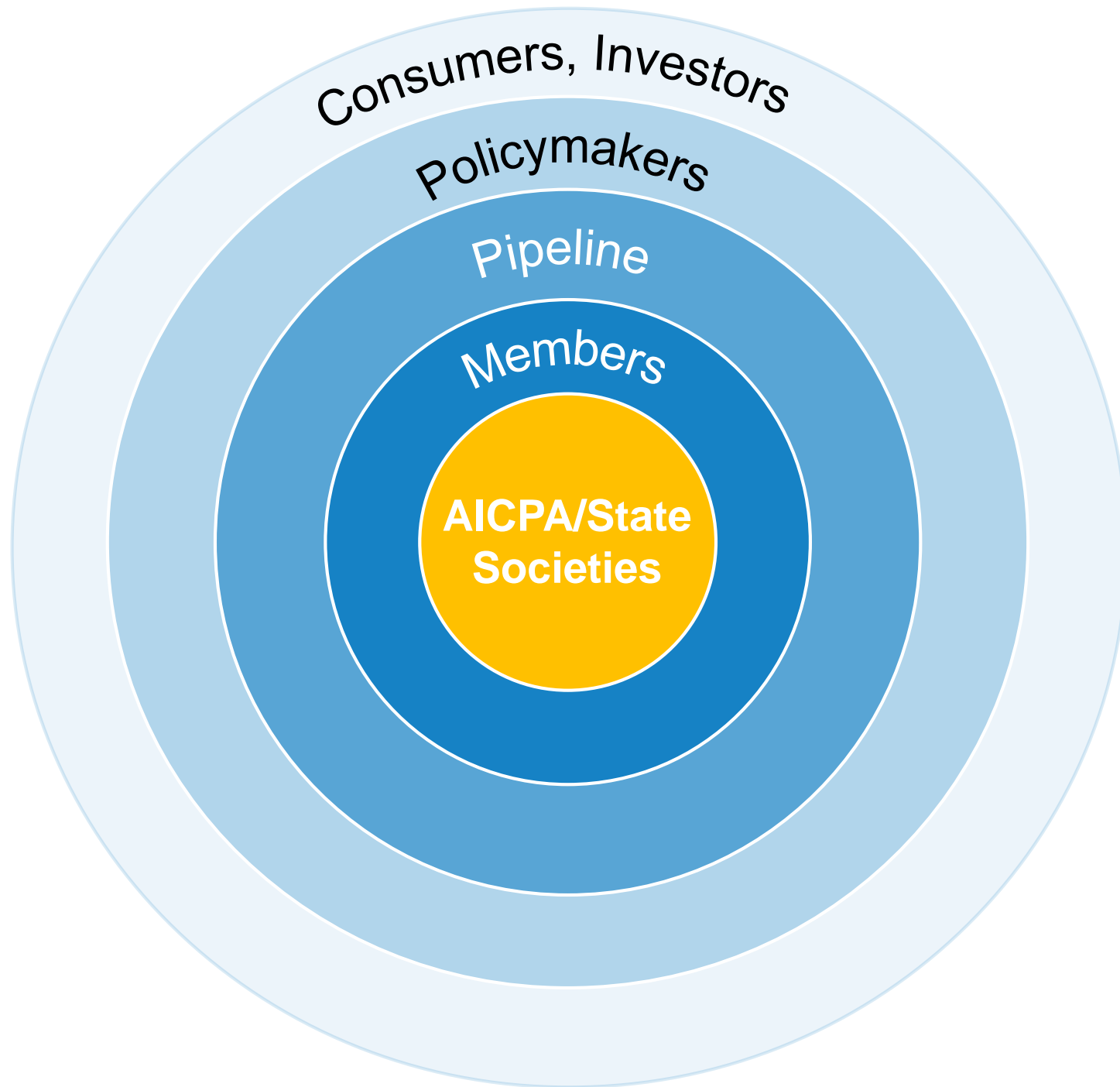
**Accountability**





**Someone's sitting  
in the shade today  
because someone  
planted a tree a  
long time ago.**

**— Warren Buffett**



# Perspectives on change

In the marketplace, the issue facing us today is a willingness to change. The current marketplace is changing internally.

The new rules of competition are:

- BE PARANOID
- DISRUPT YOURSELF
- GO TO WAR FOR TALENT

— Dan Gohman, CEO of CPAP

Source: Accounting Today: Changes Coming Fast; Top 100 Most Influential

# Top concerns for world's CEOs

79% Over-regulation

74% Geopolitical uncertainty

73% Exchange rate volatility

72% Availability of key skills

71% Government response to fiscal deficit and debt burden

69% Increasing tax burden

65% Social instability

61% Cyber threats

60% Shift in consumer spending and behaviors

55% Lack of trust in business

50% Climate change and environmental damage



# Macro trends affecting the profession



**INTERNATIONAL SHIFTS**



**TECHNOLOGY**



**ECONOMICS**



**TALENT**



**SPECIALIZATION**



**REGULATIONS**



**LEARNING**



**COMPETITION**

# Trends impacting the profession in 2016



**Growth of the  
informal sector**



**Further  
growth of  
startups**

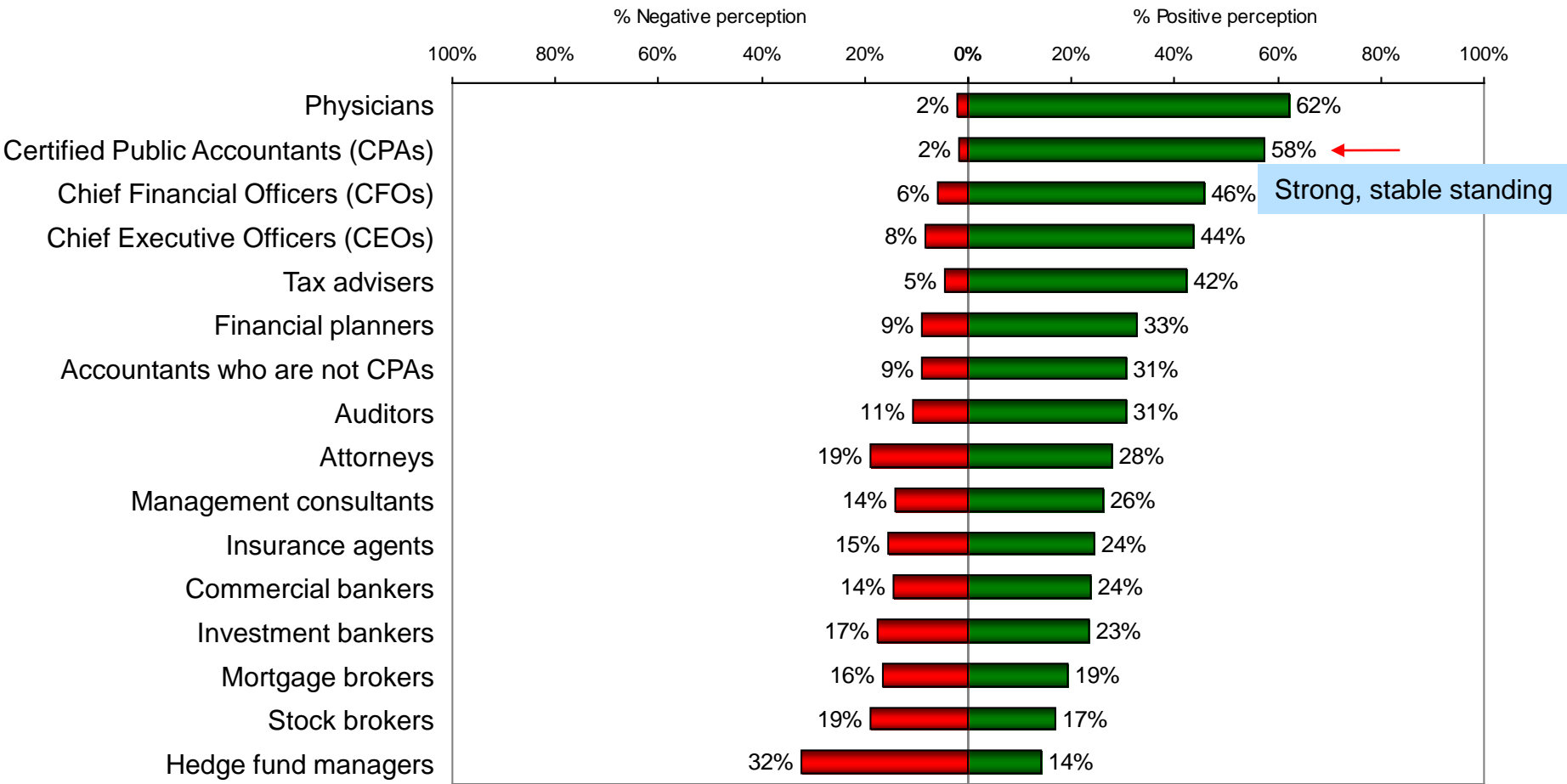


**The  
bifurcated  
economy**



# CPAs: First among financial professionals

## Overall Evaluation of Professionals Among Business Decision Makers



# CPAs: High satisfaction with performance

**93%**

of BDMs  
very/somewhat  
satisfied with  
internal CPAs

**90%**

of BDMs  
very/somewhat  
satisfied with  
external CPAs

**97%**

of investors  
very/somewhat  
satisfied  
with CPAs



# Legislation & Regulation



# Policy issues

Overtime rule

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Mobile workforce

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EEOC

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Tax preparers





# Quality



# EAQ initiative update

## EAQ progress

6-Point Plan - roadmap

Resources, tools for firms

## Specialized audits

Single audit certificates

Employee benefit plan audit certificates

Digital badges to demonstrate competency

## Near real-time practice monitoring



[aicpa.org/auditquality](https://aicpa.org/auditquality)





# Peer Review: How changes will affect firms

## Improve detection and accountability

Enhanced oversight reviews

Higher quality peer reviewers

Population completeness

Strengthened firm quality

Focus groups to learn firms' experiences, needs

**PCPS Quality & Profitability Toolkit**  
**[www.aicpa.org/pcps/Quality](http://www.aicpa.org/pcps/Quality)**



# Center for Plain English Accounting

PCPS national A&A resource center for firms

## Services:

Written responses to written technical inquiries

Monthly “how-to” A&A reports

Webcasts

Alerts

Content for firm newsletters

AICPA<sup>®</sup> PCPS  
Private Companies Practice Section

## Center for Plain English Accounting (CPEA)

AICPA's National A&A Resource Center available exclusively to PCPS members.



Learn More | [aicpa.org/CPEA](http://aicpa.org/CPEA)

[aicpa.org/CPEA](http://aicpa.org/CPEA)



# Fair value measurement credentials

Quality and consistency in SEC financial reporting

Standards, performance requirements

Marketplace looking to AICPA for solutions

Two new credentials:

Certified in Entity & Intangible Valuations – Summer 2016

Complex financial instruments – 2017



# Not-for-profit support

## Two Certificates

- Tax compliance
- Financial Reporting
- Governance
- Assurance

## Section membership

- Tools, information and resources to facilitate compliance with standards and regulations

[aicpa.org/NFP](http://aicpa.org/NFP)

**AICPA** Not-for-Profit Section

**BEHIND THEIR GOOD WORK  
IS A SMART BUSINESS**

**INTRODUCING THE NOT-FOR-PROFIT SECTION**  
Your not-for-profit clients or organizations depend on your financial expertise to help them run efficiently and fulfill their mission. Guidance on governance, compliance and financial reporting are essential effort. That's why the AICPA has created a Not-for-Profit Section — so you now have a trusted resource with valuable tools and timely news and information. Because the more you can help them, the more good they can do.

**JOIN THE NEW NFP SECTION  
TODAY AT [aicpa.org/nfpsection](http://aicpa.org/nfpsection)**



# Developing competencies

EXPLORE TOPICS

Search

LOGIN

AICPA | CIMA COMPETENCY AND LEARNING

## LEARNING NEVER STOPS

Learn when, where and how you want. Select a topic to start.

- Management accounting
- Assurance
- Employee benefit plan auditing
- Fair value measurement
- Financial accounting & reporting
- Governmental auditing
- IT management & assurance
- Not-for-profit

Learning content is organized around competency frameworks that focus on technical, business, people and leadership skills. All are underpinned by the need for ethics, integrity and professionalism.

[competency.aicpa.org](https://competency.aicpa.org)



# Firms



# Firms evolving for the future



## Key factors for success

Structure,  
strategy,  
business model

Use of  
technology

Client and  
relationship  
building

Staff  
development  
and culture

[aicpa.org/pcps/inmotion](http://aicpa.org/pcps/inmotion)



# Maximize talent through inclusion

**ARE YOU PRESENT *and* ACCOUNTED FOR?**


You are the future of the accounting profession — the best and the brightest. That's why we've partnered with NABA to help you:

- Succeed in a career that is in high demand
- Join a highly respected profession
- Define your career and show you its limitless opportunities

Become a CPA and shape the future of the profession. Dynamic accounting career areas include:

- Forensics
- Business and management consulting
- Information management and technology assurance

Let's get to work.  
Visit [aicpa.org/diversity](http://aicpa.org/diversity)



**AICPA**

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Drive awareness

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Emphasize inclusion

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“Present *and* Accounted For”

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Maturity model

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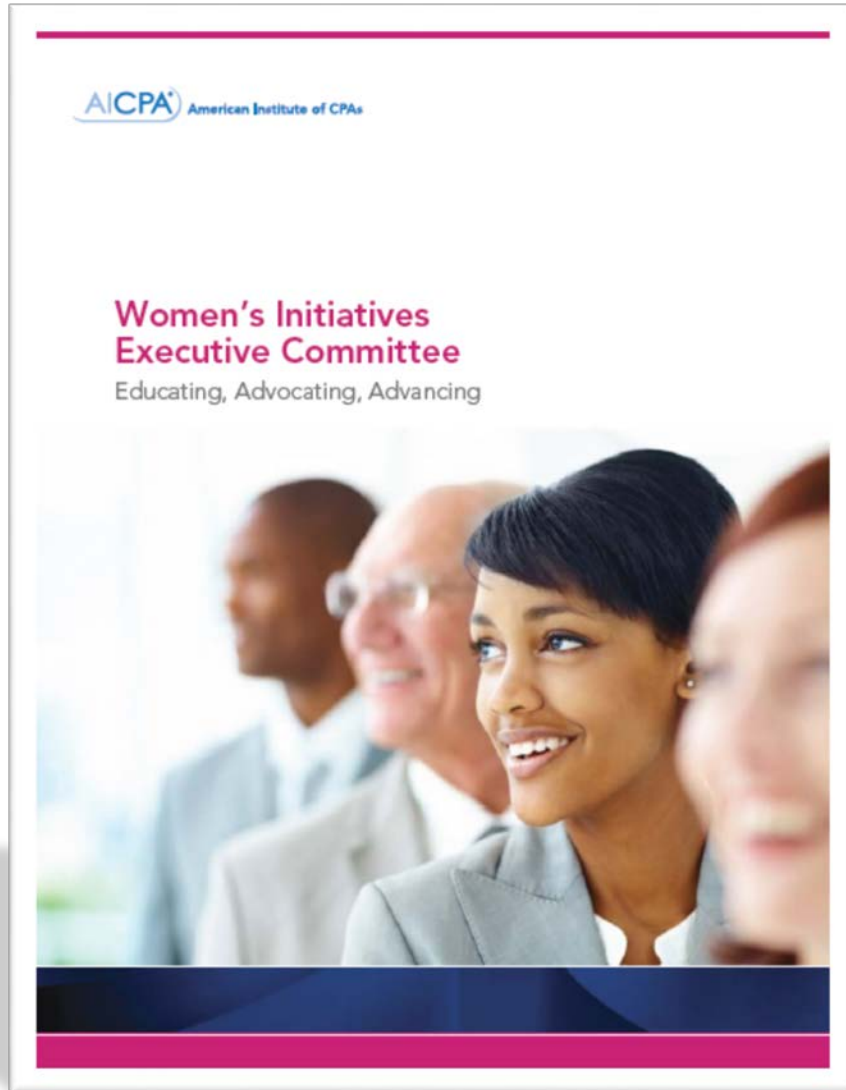
Recruitment & retention toolkit

[aicpa.org/diversity](http://aicpa.org/diversity)





# Advancing women



Career advocacy

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Role Models

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Career/life integration

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Professional mentors

[aicpa.org/mentoring](https://aicpa.org/mentoring)



# Services now and in the future



# Electronic Information

Know how to use the data

Facilitate analysis, decision making

Identify trends and risks

Leverage for integrated reporting

Seek assurance opportunities

Innovate financial statement audit

Data collection is ubiquitous and easy. Value is in what to do with data.

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Firms: value-added services to provide clients.



# Auditing in the future

Data standardization

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Automation and analytics

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Continuous monitoring





# Cybersecurity

Guidance for CPAs

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Assurance services

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Legislation

[aicpa.org/cybersecurity](https://aicpa.org/cybersecurity)



[Back](#)

## Cybersecurity Resource Center

Malicious cyberattacks against public and private companies and various agencies of the federal government have highlighted the growing cybersecurity risk to organizations of all sizes, in all sectors.

CPAs are well-positioned to help entities manage cybersecurity risks through services such as the following:

- **Assurance services:** Increasingly, businesses, organizations and governmental entities are interested in evaluating the effectiveness of their cybersecurity risk management programs. CPAs can provide assurance on those programs to help instill confidence in an entity's efforts to address cybersecurity risks.
- **Advisory services:** CPAs, especially those with a specialization in information technology, can share their expertise and best practices with clients, helping them address risks associated with cybersecurity.
- **Protecting client and customer data:** CPAs in public accounting and those working in the finance function within business and industry can provide valuable insights on how to safeguard client and customer information.

### Navigate the Cybersecurity Resource Center

Learn how CPA finance executives and accounting firms can manage cybersecurity challenges, and access cybersecurity news, information, events and resources developed by the AICPA.



- ▶ **Featured Resources** - Access the latest cybersecurity resources and learning opportunities.
- ▶ **Resources** - These key resources can help you better understand cybersecurity issues and solutions.
- ▶ **CPE and Events** - Link to available cybersecurity learning opportunities.
- ▶ **News and Articles** - Read news about cybersecurity and how it affects businesses and clients.
- ▶ **Other Related Resources** - Find additional cybersecurity information through these related resources.



# CGMA: Transforming finance



# Joining the dots: Integrated thinking

Agile decision making

Trust and collaboration

Outcomes and metrics

Data = insight

Leadership skills





# Developing and Promoting CPAs





# Building CPA pipeline

**Continuous engagement & supportive environments:**

State society pilot

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High school honors course

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Academic in residence

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Campus champion program

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Community colleges

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Outreach to firms





# CPA exam and today's practice

Increased assessment of higher-order cognitive skills

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Audit – evaluation level

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Stakeholder education



# ENGAGE 2017

Practitioners Symposium/TECH+ Conference  
Advanced Estate Planning  
Advanced Personal Financial Planning  
Conference on Tax Strategies for High-Income Individuals  
National Advanced Accounting and Auditing Technical Symposium



Association for Accounting  
Marketing Annual Summit

[aicpaengage.com](http://aicpaengage.com)



# #CPAPOWERED campaign





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