

Association of International Certified Professional Accountants

Board of Directors

Minutes of Meeting: Tuesday, November 2 – Thursday, November 4, 2021

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Association of International Certified Professional Accountants

Board of Directors

Minutes of Meeting: Tuesday, November 2 – Thursday, November 4, 2021

A meeting of the Association Board of Directors was held Tuesday, November 2 – Thursday, November 4, 2021, in London, England and via video conference call. The meeting convened at 1:00pm GMT and a quorum was declared.

Attendance

The following Board members were present:

Paul Ash	Carla McCall
Mark Begich	Anoop Mehta
Bruce Behn	Barry Melancon
Rebecca Bennett	Andy Mintzer
Simon Bittlestone	Anne Northup
Jonyce Bullock	Trisha Nomura
Mary Grace Davenport	Joel Olbricht
Rick Dreher	Dominic Ortiz
Sarah Ghosh	RJ Phillips
Tracey Golden	Bill Pirolli
Andrew Harding	Amy Radin
Ebonie Jackson	Okorie Ramsey
Nick Jackson	Asif Sadiq
Melanie Kanaka	Matt Snow
Beth Kieffer Leonard	Keren Stephen
Shirley Liu	

Also present:

Erik Asgeirsson, Chief Executive Officer – CPA.com
Michael Buddendeck, General Counsel
Lawson Carmichael, Chief Membership & Operating Officer
San Chan, Director - Marketing – New Markets

Sue Coffey, CEO – Public Accounting
Mike Decker, Vice President – CPA Examination & Pipeline
Yasmine El-Ramly, Director – Governance
Jamie Finnegan, Chair, UK Regional Advisory Panel
Sarah Gentry-Kanashiro, Associate Manager – Governance
Tiffany Joyner, Manager - Meetings & Special Events
Cynthia Lund, Vice President – State Society Affairs
Jane Lyons, Specialist – Governance
Janice Maiman, Executive Vice President – Reputation & External Affairs
Matt Miller, Deputy Chair, UK Regional Advisory Panel
Alfonso Olaiz, Senior Manager – Strategy
Mark Peterson, Executive Vice President – Advocacy
Rekha Perumallu, Senior Director – Strategy
Scott Spiegel, Chief Financial Officer
Rory Tait, Executive Vice President – Marketing & Member Experience
Irene Teng, Executive Vice President – Global Markets
Paul Turner, Regional Vice President – UK & Ireland
Cheryl Wipper, Vice President – Content & Corporate Communications

Welcome and Opening Remarks from the Association Chair and Co-Chair

Paul Ash, Chair, and Bill Pirolli, Co-Chair, welcomed everyone to the Board meeting and gave a special welcome to guests, Jamie Finnegan, Chair – UK Regional Advisory Panel and Matt Miller, Deputy Chair – UK Regional Advisory Panel.

After a brief introduction session, Mr. Ash asked for approval of the July 21-22, 2021 and September 29, 2021 Board minutes. The Board approved the minutes, and meeting minutes were authorized for placement on the Association’s website.

Mr. Ash announced that both AICPA and CIMA Councils approved the recommendations presented by the Governance Task Force and informed the Board of the implementation plans. Additionally, Mr. Ash and Mr. Pirolli reviewed the CIMA Council and AICPA Fall Council survey results with the Board and opened the floor for questions and discussion.

Report from the CEO

Barry Melancon, Association CEO, shared an update on Environmental, Social, and Governance (ESG) issues, the International Financial Reporting Standards Foundation (IFRSF) and the development of global sustainability standards, Audit Quality, the Finance Leadership Program (FLP), and the profession's reputation. Additionally, he reviewed talent management, and the changing needs of employers, employee retention, and provided an update on the work being performed under the Managed Service Agreements with each of Accenture and EY.

Mr. Melancon informed the Board of the formation of the International Sustainability Standards Board (ISSB). He spoke about the Association's role in the ISSB and the new accounting and reporting standards that are being set.

During Mr. Melancon's update, the Board heard directly from the COP26 summit in Glasgow, Scotland, on the establishment of the ISSB and discussed the issues raised, in particular the standards and compliance now expected relating to environmental, social, and governance (ESG) and diversity, equity and inclusion (DEI).

Mr. Melancon updated the Board on key performance indicators (KPIs) and the impact of the current political climate on the profession. He also discussed the pipeline-related challenges the profession is currently experiencing.

UK Market Overview

Paul Turner, Regional Vice President – UK & Ireland, and Jamie Finnegan, Chairman – UK Regional Advisory Panel (RAP), provided an update on the UK economic recovery from the COVID-19 pandemic, and Brexit. They further discussed growth opportunities in the UK. Upon conclusion of the presentation, the Board engaged in questions and discussion with Mr. Turner and Mr. Finnegan.

Report from the Audit & Finance (A&F) Committee

Okorie Ramsey, Chair of the Audit & Finance (A&F) Committee, and Scott Spiegel, CFO, noted that the A&F Committee met prior to the Association Board meeting, where it approved the audited financial statements of the AICPA pension plan, and received updates from both the internal and external auditors.

Mr. Ramsey along with Mr. Spiegel presented the Association's key performance indicators and provided an update on the Association's forecasted results for 2021 and the proposed Association budget for 2022.

Mr. Spiegel informed the Board that the budget will be formally approved by the A&F Committee in mid-December and would be made available to the Board at that time. Mr. Spiegel requested that the Board delegate final approval of the 2022 budget to the A&F Committee.

Following discussion, the Board approved the request to delegate final 2022 budget approval to the A&F Committee.

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The meeting adjourned for the day at 4:30pm GMT on Tuesday, November 2, 2021.

The meeting reconvened on Wednesday, November 3, 2021 at 9:15am GMT and a quorum was declared.

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Global Advocacy Strategy

Mark Peterson, Executive Vice President – Advocacy, provided an update on UK audit reform issues. He noted the Association's response to the UK government whitepaper on Restoring Trust in Audit and Corporate Governance. Mr. Peterson discussed the most pressing UK audit reform challenges for the Association and the profession.

Mr. Peterson also provided background on European Union audit reform issues and its likely timeline. Mr. Peterson explained the current policy, legislative and regulatory directions in the UK and EU on sustainability.

Promoting the Profession's Reputation in Complex Times

Janice Maiman, Executive Vice President – Reputation & External Affairs, led an update on the profession's reputation in complex times and the Association's efforts to drive trust, opportunity, and prosperity. She discussed ways to manage current reputational issues, as well as potential opportunities, and outlined areas for alignment and potential risks.

Ms. Maiman further discussed specific issues with possible reputational impact, including audit reform, sustainability, anti-money laundering, and skills. After discussing next steps, she invited Board input and feedback.

Business Model Evolution and Solutions for Firms and SMEs

Erik Asgeirsson, CEO – CPA.com, Sue Coffey, CEO – Public Accounting, and Andrew Harding, CEO – Management Accounting, delivered an update to the board on tools for subject matter experts (SMEs) and firms. Mr. Asgeirsson discussed how technology is changing the profession and accelerating the evolution of finance and accounting services as well as the key success drivers and the top issues facing corporate finance teams.

Mr. Asgeirsson along with Ms. Coffey noted the impressive growth trajectory for client advisory services (CAS) practices within firms. They discussed the topline results from the latest CAS Benchmark Survey, which reported strong demand and growth for CAS practices. Mr. Asgeirsson announced the launch of CAS 2.0 by CPA.com. as the newest tools and learning opportunities for firms to move into the next level of CAS. Mr. Asgeirsson and Ms. Coffey provided an update on the Dynamic Audit Solution (DAS) project, including the first release in October 2021, and noted that related risks are being monitored and actively managed.

Strategy in Uncertain Times: 2022 Annual Plan

Rekha Perumallu, Senior Director – Strategy, and Lawson Carmichael, Chief Membership & Operating Officer, reviewed the recommended 2022 Strategic Plan with the Board. The main planning efforts focused on three consistent objectives: Diversify the business model; Identify gaps in achieving transformation and growth; and Identify initiatives that must continue.

Ms. Perumallu reviewed macro trends impacting the profession. She also noted the Association’s initiatives that will drive growth and the profession’s continued transformation.

Ms. Perumallu and Mr. Carmichael invited questions and discussion. Mr. Ash noted the Board’s recommendation to include Diversity, Equity, and Inclusion (DEI) in the Plan. Following discussion, the Board approved the Association’s 2022 Annual Plan.

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There being no further business, the meeting adjourned at 5:00pm GMT on Wednesday, November 3, 2021.

The meeting reconvened on Thursday, November 4, 2021 at 9:00am GMT and a quorum was declared.

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Future-Proofing the MA Qualifications and Reputation: CGMA Professional Qualification

Andrew Harding, CEO – Management Accounting, Cheryl Wipper, VP - Content & Corporate Communications, and San Chan, Director – Marketing, discussed evolution of the Management Accounting (MA) professional qualification, future-proofing the qualification and key milestones and next steps.

Mr. Harding noted the Association has made significant investments in the past decade in the CGMA, as both a valuable accounting credential and a recognizable brand, to ensure

protection of the value created in and around CGMA. He noted further that this includes trademark registration of 'CGMA' to provide enforceable IP protection and that timing is now appropriate for strategic and market focus on the CGMA professional qualification.

Ms. Chan outlined the strategy to position the CGMA PQ at the forefront and noted market readiness for a shift to the CGMA PQ from a CIMA PQ, thereby enhancing global growth opportunities by providing brand consistency across markets.

Following discussion, the Board approved the shift to the CGMA PQ.

CPA Pipeline

Mike Decker – CPA Examination & Pipeline updated the Board on the latest research and findings related to the pipeline for CPA candidates. He discussed trends, strategy, supply and demand challenges, critical research findings and CPA pipeline stakeholders.

Mr. Decker presented the Association's 2022 CPA Pipeline Initiatives, including enhanced resources, analytics, international expansion, and supporting CPA Evolution.

Mr. Decker noted the decline in the CPA pipeline is relatively significant, and that the Board will be updated in due course.

Closing Remarks by the CEO

Barry Melancon thanked the Board members and staff for their participation, in-person and virtually, and contributions to the effectiveness of the first ever hybrid Board meeting.

Closing Remarks by the Association Chair and Co-Chair

Mr. Ash and Mr. Pirolli concluded the meeting by opening the floor for questions from the Board. Mr. Ash reminded the Board the next meeting will be virtual and will take place on February 7, 2022.

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There being no further business, the meeting adjourned at 12:00pm GMT on Thursday, November 4, 2021.

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