

Association of International Certified Professional Accountants

Board of Directors

Minutes of Meeting: Thursday, April 27 – Saturday April 29, 2017

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Association of International Certified Professional Accountants

Board of Directors

Minutes of Special Meeting: April 27-29, 2017

A meeting of the Association Board of Directors was held April 27-29, 2017 in Warsaw, Poland. The meeting convened at 1:03pm and a quorum was declared.

Attendance

The following Board members were present:

Tim Christen, Vice-Chair	Mandy Nelson
Paul Ash	Barry Melancon, CEO, Association
Anita Baker	Rick Niswander
Bob Beedham	Anne Northup
Mark Begich	Chandana Panditharatne
Tom Broderick	Margery Piercey
Paul Curth	Bill Pirolli
Yolanda Don-Pierrot	Jeff Porter
Kimberly Ellison-Taylor	Amal Ratnayake
Melody Feniks	Elaine Richardson
Terry Grafenstine	Chris Schmidt
Dan Griffiths	Paul Stahlin
Eric Hansen	David Stanford
Andrew Harding, CEO, MA	Mary Stone
Nick Jackson	Steve Swientozielskyj
Ed Jordan	Louise Taylor
J. Michael Kirkland	Ron Yates

The following staff members were present:

Erik Asgeirsson, CEO and President
CPA.com

Baljeet Basra, Senior Director
Governance and Corporate Affairs

Jakub Bejnarowicz
Head of Central and Eastern Europe

Mike Buddendeck
General Counsel

Lawson Carmichael, Executive Vice President
Strategy, People & Innovation
Sue Coffey, Executive Vice President
Public Practice
Heather Collins, Director
Governance
Fiona Harvey, Executive Vice President
Marketing & Sales
Janice Maiman, Executive Vice President
Communications, PR & Brand
Mark Peterson, Executive Vice President
Advocacy
Anthony Pugliese, Executive Vice President
Membership, Technology & Learning
David Rowsby, Vice-President
Europe
Gail Stirling, Executive Vice President
Professional Standards & Conduct
Irene Teng, Managing Director
Europe, Africa & Asia
John Windle
Chief Financial Officer

Welcome and Opening Remarks from the Chair

The Vice Chair, Tim Christen, welcomed members of the Association of the International Certified Professional Accountants, to the Board meeting. The Chair, Andrew Miskin, was absent due to personal reasons and the Vice Chair, Tim Christen, conducted the meeting on his behalf. The Vice Chair had to leave the meeting on 29 April 2017 due to travel requirements and the Public Accounting Chair, Kimberly Ellison-Taylor, conducted the balance of the meeting. The Board was informed that Myriam Madden would be unable to attend the meeting.

The Board sessions included outreach events to support the development of the Association's global brand and to connect with local members and business leaders. The Chair informed Board members that the Senior Member Leaders (i.e., Miskin, Christen, Ellison-Taylor, Stanford, Swientozielskyj, Hansen, Madden, and Ratnayake) had a conference call and agreed on additional governance implementation details to support the Association and in-line with the Master Document. Discussions also covered development of a CGMA leadership academy,

necessary for succession planning for future volunteer leaders and to develop connectivity to the profession.

The Board approved the minutes of the meeting held on January 25, 2017.

The Board approved revisions to the Association Bylaws regarding the demographics stating that six (6) other members of the Management Accounting Board, at least five (5) of the management accountants described in this subsection 2(b), who are approved by CIMA (including the Honorary Officers), must be based in a location other than the United States or in the United Kingdom at the time of their term start.

Report from the CEO

The CEO, Barry Melancon, outlined to the Board progress made by the Association.

The new brand had been launched, receiving overwhelming positive support. Articles had been written to inform members of new cybersecurity framework and their impact on businesses, an example of what the Association was achieving as One organization.

Key strategic partnerships were being explored at an international level primarily focused on growing CGMA globally and positioning the Association as the most influential accounting organization. Some international bodies were exploring how to potentially adapt their qualifications to give their members pathways to CGMA.

The CEO discussed with the Board many of the geopolitical issues facing businesses and the profession.

The June meeting of the Board will include issues faced by the profession and the future skills required of accounting professionals. The Board noted that it must constantly challenge itself to keep up to date with and responsive to change for the benefit of the profession. To achieve this the Association needs to learn from other professions, take risks, influence political developments and be innovative.

The Board was informed that Bill Reeb is the Vice Chair Nominee for the AICPA and Association Board member and will succeed Eric Hansen. Positive progress was being made to fill the two remaining at large vacancies on the Board.

Central European Market Overview

Irene Teng, Managing Director – Europe, Africa and Asia, informed the Board of the CGMA market structure. The markets were split into 5 regions, with highest projected short term growth being in Europe. Relationships and partnerships built on trust and the ability to meet a range of age groups and backgrounds provided the foundation for market growth. The ability to be innovative and adapt to change was important for sustaining growth.

Dave Rowsby, Vice-President – Europe, outlined the history of the development of the European market. There were challenges from other professional bodies and the MBA and methodologies were being deployed to promote the CGMA qualification.

Jakub Bejnarowicz, Head of Central and Eastern Europe, explained that the CGMA in Poland was launched in 2011. Current success had been achieved by building relationships with key stakeholders, bridging the gap between employer requirements and qualified members and good customer service. The Association presented global opportunities for market growth.

Association Strategy: Maintaining Relevance and Competency Through a Lifetime

Andrew Harding, CEO – Management Accounting, outlined to the Board that he received common messages during his visits to companies across the globe about challenges they face around the fast pace of technological change, globalization and geopolitics. They see talent as a key source of competitive advantage and require up to date skilled practitioners certified by trusted partners, who are innovative, agile and resilient.

Anthony Pugliese, Executive Vice-President – Membership, Technology and Learning, referenced a research report which found that organizations needed to be innovative, take risks

and make learning personal and relevant to students. He summarized the work of the Association team that delivers learning.

Lawson Carmichael, Executive Vice-President – People, Innovation and Strategy, gave an overview of recent trends and articles on learning. They covered emerging trends on how lifelong learning was becoming imperative; qualifications need to be converted into jobs; employers are looking for a qualification and learning delivered by trusted bodies; employers test employees' propensity to learn: and the development of nano-degrees.

Board members participated in a strategy session. They discussed the greatest threats and the biggest opportunities for the Association regarding learning, professional qualifications and our CPD model. The takeaways included maintaining relevance throughout a member's lifetime due to the lifespan of knowledge and its depreciation; being a trusted provider and moving away from the old style education model while maintaining relevance and not reducing quality; the ability to generate demand from employers and consumers; to be constantly forward thinking; and be adaptable to the changing environment.

The implications of lifelong learning to the profession were making it personal to the learner; redefining what the profession looked like including required skill-sets to obtain the qualifications in the future; providing members with various learning and specialization routes post-qualification; providing stackable qualifications and certificates; and using new technology that meets members' needs.

The Board identified that the changes required to how to develop and deliver lifelong learning included making learning more interactional and experiential; provision of smaller, personalized rather than full qualifications; having a balance between a good broad qualification and in-depth qualifications; provision of learning to non-members; recognizing the shortened product life cycle and reducing development times for new learning; having a flexible and agile governance model to support the Association's objectives around agile lifelong learning; using new distribution methods; having differing pricing models per different markets; and increased marketing to improve brand awareness.

The outcome of the discussions will feed into the strategic planning process.

Follow Up on 2017 Key Performance Indicators (KPI)

Lawson Carmichael, Executive Vice President – Strategy, People, and Innovation, outlined the value chain to the Board, provided the complete KPIs for 2017 and noted changes to the KPIs since the November meeting, and noted how the organization will monitor both strategic and operational KPIs.

Longer term organizational KPIs were being developed as part of the Association 2018-2020 strategy development. The Board encouraged simplifying the KPIs to a select few KPIs that are most important. The Board approved the KPIs as presented. At its June meeting the Board will receive a report on progress against the annual strategic plan and KPIs.

Report from Audit and Finance Committee

Eric Hansen, Chair of the Audit and Finance Committee, informed the Board that the Committee had approved the financial statements for 7 organizations and had evaluated several audit firms to be the Association's external auditor leading to the recommendation that CohnReznik be appointed auditors in the US and Saffrey Champness in the UK.

The Committee received a handover report from CIMA's Audit and Risk Process Committee and the CIMA management letter following its recent audit and would be reviewing the items they covered. It was also working towards the Association being COSO ready for risk management.

John Windle, Chief Finance Officer, outlined that the Association remained in good financial shape and it was expected that operations will break even in 2017. The CIMA pension scheme, due to the discount rates being applied, led to a deficit being forecast.

Board Member Legal Obligations

Mike Buddendeck, General Counsel, discussed with Board members their obligations relating to loyalty and care to the organization. He also discussed the duty to disclose conflicts of interest, the obligation to keep information confidential and the duty to respect corporate opportunities.

Advocacy: The Changing Global Environment and Implications to the Profession

Mark Peterson, Executive Vice-President – Advocacy, informed the Board that current advocacy work involved the global problems around cyber security, global mobility, tax reviews, anti-money laundering, identifying issues affecting members and ongoing development of an advocacy program, which includes messages adapted to regional requirements. Opportunities for the Association and its stakeholders, including the global regions, will be identified.

Closing Remarks by the CEO

The Board held a question and answer session with the CEO. In response to questions the CEO stated that Board members add value in promoting the profession and they need an agile governance system to support the speed of change and to deliver effective decision making. An adaptive organization culture was necessary for delivering this and to gaining the benefits of the powerful organization that had been created.

The formation of the Association provided opportunity to bring valuable approaches of the two legacy organizations for the benefit of both public accounting and management accounting.

The Chair thanked the Board members and the staff for their contributions to the effectiveness of the meeting. She reminded the Board that the agenda for the June meeting will be available soon.

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There being no further business, the meeting adjourned at 12:45pm on Saturday, April 29, 2017.

American Institute of CPAs/Public Accounting Board of Directors

Public Accounting Professional Unit and AICPA Board of Directors

Minutes of Meeting: April 28, 2017

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Public Accounting Professional Unit (PA PU) and AICPA Board of Directors

Minutes of Meeting: April 28, 2017

A meeting of the Public Accounting Professional Unit (PA PU) Board of Directors was held on Friday, April, 28 2017 in Warsaw, Poland. The meeting began at 09:00 and adjourned at 12:55.

Attendance

The following Board members were present:

Kimberly Ellison-Taylor, Chairman
Eric Hansen, Vice Chairman
Anita Baker
Mark Begich
Tom Broderick
Paul Curth
Terry Grafenstine
Dan Griffiths
Melody Feniks
Barry Melancon
Mandy Nelson
Anne Northup
Margery Piercey
Jeff Porter
Bill Pirolli
Chris Schmidt
Mary Stone
Ron Yates

Also present:

Erik Asgeirsson, President & CEO
CPA.com
Michael Buddendeck, General Counsel & Secretary

Susan Coffey, Executive Vice President
Public Practice

Heather Collins, Director
Governance
Jeannette Koger, Vice President (virtually)
Member Specialization & Credentialing
Janice Maiman, Executive Vice President
Communications, PR & Brand
Mark Peterson, Executive Vice President
Advocacy
John Windle, Executive Vice President
CFO

Chairman's Report

Kimberly Ellison-Taylor, Chairman of the Board, opened the meeting by welcoming the Board members.

Ms. Ellison-Taylor continued by sharing information regarding Nominations and mentioned the report is posted on the website. Bruce Behn and Mary Grace Davenport will fill two two-year unexpired Council At Large seats starting next month. Four vacancies on the Peer Review Board will be filled by Richard Hill, Michael Pescatore, Michael Wagner and Scott Szabo. The Board approved these members filling these vacancies.

Ms. Ellison-Taylor provided a brief overview of the Regional meeting of members of Council last month.

Ms. Ellison-Taylor presented the draft agenda of the Spring Council meeting. The Board approved the agenda.

Barry Melancon, President & CEO, explained the Uniform Accountancy Act (UAA) Committee voted to send a proposal to the AICPA and NASBA Boards asking the two Boards to approve a public comment and exposure period on new draft UAA language relating to the use of CGMA and other management accounting designations.

After discussion, upon a motion duly made and seconded, the Board approved the language.

Approval of the January 25, 2017 Minutes

After discussion, upon a motion duly made and seconded, the minutes of the January 25, 2017 AICPA Board meeting were approved.

The meeting minutes were authorized for placement on the AICPA's website.

Approval of AICPA Financial Statements August to December 2016

John Windle, CFO, presented the combined AICPA financial statements August to December 2016 to the Board. After discussion, the combined financial statements for the five-month period ending December 31, 2016 were approved by the Board.

Advocacy Update

Mark Peterson, Executive Vice President – Advocacy, gave a brief advocacy update. Mr. Peterson mentioned the team is working on tax preparer services ideas to make improvements at the IRS. Mr. Peterson also mentioned by Spring Council a new tax bill impacting the profession is possible.

Secretary's Report

Michael Buddendeck, General Counsel and Secretary, delivered the Secretary's Report (reflecting membership ballot Nos. 981, 982 and 983 for the time period of January 19, 2017 to April 11, 2017 admitting 4390 members, accepting 666 resignations, 50 reinstatements and 15 dues waivers). Upon a motion duly made and seconded, the Board accepted the Secretary's Report, which is attached under **Appendix A** of the meeting minutes.

Our Strategy for Addressing the Shifting Individual Financial Planning and Tax Advice Market

Jeannette Koger, Vice President – Member Specialization & Credentialing, remotely joined Sue Coffey, Executive Vice President – Public Practice, to review the individual tax and financial planning market with the Board. Ms. Koger and Ms. Coffey discussed opportunities, threats and what success would look like. Key priorities for the profession and key tactics for the Association were also discussed.

Ms. Koger and Ms. Coffey will gather feedback from firms in the near future and present a credential recommendation to the Board in June.

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There being no further business, the meeting adjourned at 12:55pm.

Management Accounting Board of Directors

Management Accounting Professional Unit Board of Directors

Minutes of Meeting: Friday 28 April 2017

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**Association of International Certified Professional Accountants
Management Accounting Professional Unit Board of Directors**

Minutes of Meeting: Friday 28 April 2017

A meeting of the Management Accounting Professional Unit Board of Directors was held on Friday 28 April 2017. The meeting convened at 9am.

Attendance

The following Board members were present:

David Stanford
Tim Christen
Paul Ash
Bob Beedham
Yolanda Don-Pierrot
Andrew Harding, CEO, MA
Nick Jackson
Ed Jordan
J. Michael Kirkland
Rick Niswander
Chandana Panditharatne
Amal Ratnayake
Elaine Richardson
Paul Stahlin
Steve Swientozielskyj
Louise Taylor

Also present:

Baljeet Basra, Senior Director
Governance and Corporate Affairs

Lawson Carmichael, Executive Vice President
Strategy, People & Innovation
Fiona Harvey, Executive Vice President
Marketing & Sales
Anthony Pugliese, Executive Vice President
Membership, Technology & Learning
Gail Stirling, Executive Vice President
Professional Standards & Conduct
Irene Teng, Managing Director
Europe, Africa & Asia

Welcome

In the absence of the chair the vice-chair chaired the meeting. He welcomed members to the meeting. Andrew Miskin, Chair of the Association Board and Management Accounting Board, sent his apologies. There were no conflicts of interest.

The minutes of the Board meeting held on 25 January 2017 were agreed as a true record.

Report from the CEO

The CEO - Management Accounting, Andrew Harding, presented his report.

The CEO showed the Board a global map of where there were CGMA designation holders and offices.

The CEO informed the Board of connections made with organisations and professional bodies to support the delivery and advancement of management accounting. Discussions with employers identify the need to keep the syllabus under review to meet market needs, including delivery of selected parts, as opposed to the full qualification. Students were also taking courses to gain the knowledge without completing examinations. Board members identified that they could influence discussions to advance management accounting by supporting connections with employers. They noted that the management accounting business model and its delivery was changing to meet changing market needs.

The Board was informed about progress against key performance indicators (KPI). Candidate recruitment was progressing as planned but exam delivery was behind plan with increased pass rates.

Exam prices would be increased mid-year to reflect the change in markets and the increase in value of an exam. Strategic sessions will take place with the Regional Boards to gain input into the Association strategy on management accounting.

The Board was informed of decisions made by the Nominations MA sub-committee on MA Board and committee appointments.

Association Strategy – Global Markets

The Chief Executive - Management Accounting, Andrew Harding, and Lawson Carmichael, Executive Vice President – Strategy, People and Innovation, presented this session.

The Board looked at geographical, economic and professional trends and projections. It was shown that global economic power would continue to move east.

The Board was reminded that good leadership and judgement will enable faster growth.

Constant monitoring is needed so that the Association can adapt and deliver to meet market needs. Monitoring was taking place through strategic level engagement with the Regional Boards, student and member focus groups and through advisor panels. This enables qualitative analysis to be presented to the Board on market opportunities.

The Board was shown the framework for prioritizing countries and how the framework and corresponding investment, expected returns and actions for countries would be differentiated based on prioritization. This framework and corresponding “playbook” will allow the organization to have a repeatable pattern for growth and brand building.

A strategic workshop was held with Board members to identify what success would feel like in a country (i.e., the factors) and what would make a market unattractive. During the workshop Board members identified that the Association would be successful with the following primary characteristics:

- the CGMA qualification became the globally recognized qualification that met market needs, including those of employers

- key influencers at management level in businesses
- high levels of member retention and a robust pipeline of students.
- Strong and willing partnerships with local accounting body
- Influence with local government and regulators
- Strong brand and marketplace recognition
- Demand from local employers

The attributes that make a market less attractive or unattractive included political unrest, lack of infrastructure, unstable legal environments, lack of access to education, local corruption, the lack of importance placed on a professional body to be employable.

The feedback from the workshops would be fed into the Association 2018-2020 strategy.

MA Board Policy Committees, Panels and Regional Boards

Gail Stirling, Executive Vice-President, Professional Standards and Conduct, presented this item.

The Board received a presentation on the proposed terms of reference for the MA Committees which would take effect from 1 July 2017. They were the CGMA Exam Board, Lifelong Learning Committee and Thought Leadership and Business Ethics Committee. The objective was to develop a sound framework that enabled operational efficiency, cost effectiveness and met good governance through a principles based approach. The priorities identified by CIMA's Global Markets Committee and the Members Service Committee, in their handover documents, had informed the development of the MA Committees' terms of reference. The CGMA Exam Board would become a committee, previously it was a panel reporting into the Lifelong Learning Committee.

The Board discussed that the tenure of members be balanced between the need to achieve development of new and varied contributions with the challenges of regular turnover and its impact on the work of the committees. It was noted that Committee members did not need to be MA Board members, except for two members of the CGMA Exam Board.

It was noted that the role of the Membership Committee would be reviewed by CIMA Council in June 2017. As a result the function of the Membership Panel and the Panel of Membership Assessors would form part of that review to ensure separation of policy and decision making was achieved.

The roles and tenure of the Regional Boards was outlined. The Board members commented on the need for diversity in the membership of the Regional Boards. Following a discussion on quorum it was agreed that the quorum be 3 members.

An annual meeting between the Vice-Chair of the MA Board and the Vice-Chairs of the Regional Boards would occur to discuss key activities in the markets, local member and student feedback, key insights from the markets including trends, employer and regulatory changes . The Vice-Chair of the MA Board would report on the meeting to the MA Board. A proposal for reports from the MA Committees would be developed.

The Board agreed the terms of reference of the MA Committees and Regional Boards, subject to discussing the need for 2 MA Board members on the CGMA Exam Board. It was agreed that the chair in consultation with the relevant staff member can agree to hold meetings additional to the number stipulated in the terms of reference. The Board agreed the tenure of members on the MA Committees and Regional Boards of up to 3 terms of 1 year each. In exceptional circumstances a member could serve 6 terms with the agreement of the Nominations Committee and the Chair of the Committee. It was also noted that nominated members did not need to be CGMA or CPAs.

Any Other Business

The Board noted that it will receive reports of performance against strategic objectives.

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There being no further business, the meeting adjourned at 12:48 HRS on Friday 28 April 2017.