

Association of International Certified Professional Accountants

Association Board of Directors

Minutes of Meeting: January 25, 2017

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Association of International Certified Professional Accountants

Association Board of Directors

Minutes of Meeting: January 25, 2017

A meeting of the Association Board of Directors was held Wednesday, January 25, 2017 via video conference. The meeting convened at 8:05am EST.

Attendance

The following Board members were present:

Paul Ash
Anita Baker
Bob Beedham
Tom Broderick
Tim Christen
Paul Curth
Kimberly Ellison-Taylor
Terry Grafenstine
Dan Griffiths
Andrew Harding
Eric Hansen
Melody Feniks
Nick Jackson
Ed Jordan
J. Michael Kirkland
Barry Melancon
Andrew Miskin
Mandy Nelson
Rick Niswander
Anne Northup
Margery Piercey
Chandana Panditharatne
Jeff Porter
Bill Pirolli
Amal Ratnayake
Elaine Richardson

David Stanford
Chris Schmidt
Paul Stahlin
Mary Stone
Steve Swientozielskyj
Debbie Tarr
Louise Taylor
Ron Yates

Also present:

Erik Asgeirsson, President & CEO - CPA.com
Baljeet Basra, Senior Director
 Governance & Corporate Affairs, Management Accounting
Michael Buddendeck, General Counsel & Secretary
Lawson Carmichael, Executive Vice President
 Strategy, People & Innovation
Susan Coffey, Executive Vice President
 Public Practice
Heather Collins, Director
 Governance
Jamie Geary, Associate Manager
 Governance
Ron Gitz, CEO - Society of Louisiana CPAs
Fiona Harvey, Executive Vice President
 Marketing and Sales, Management Accounting
Mark Koziel, Executive Vice President
 Firm Services
Janice Maiman, Executive Vice President
 Communications, PR & Brand
Mark Peterson, Executive Vice President
 Advocacy
Anthony Pugliese, Executive Vice President
 Membership, Technology & Learning
Todd Shapiro, President & CEO - Illinois CPA Society
Gail Stirling, Executive Vice President
 Professional Standards & Conduct
Noel Tagoe, Executive Vice President
 Academics, Management Accounting

Irene Teng, Managing Director
Europe, Africa & Asia
Arleen Thomas, Managing Director Americas Market
Global Offerings & CGMA Exam, Management Accounting
John Windle, CFO

Vice Chairman's Report

Tim Christen, Vice Chairman of the Board, opened the meeting by welcoming the Board members on the call.

Mr. Christen then presented the meeting minutes from the inaugural Board of Directors meeting held on November 30 – December 1, 2016. A motion was duly made and seconded for approval of the minutes. The meeting minutes were authorized for placement on the Association's website.

Mr. Christen next opened discussion on the proposed resolutions tentatively approved at the inaugural Board meeting. After discussion, upon a motion duly made and seconded, the Resolutions of the Initial Directors were unanimously approved, as follows:

The initial directors ("Initial Directors") of the Association of International Certified Professional Accountants (the "Association"), adopt the following resolutions:

RESOLVED, that all actions taken by the Incorporators and agents in connection with the organization of the Association be, and they are hereby, ratified and approved; and

FURTHER RESOLVED, that the Initial Directors shall continue to serve as the directors of the Association until their respective successors are duly qualified or elected or appointed in accordance with the Bylaws of the Association; and

FURTHER RESOLVED, that the actions taken by founding organizations CIMA and AICPA to ensure orderly governance processes for the Association as it transitions to operational status are hereby ratified and approved; and

FURTHER RESOLVED, that the individuals listed on the attached shall serve as the initial officers of the Association until their respective successors are duly qualified or elected or appointed in accordance with the Bylaws of the Association; and

FURTHER RESOLVED, that the Association designates London, England as the headquarters for Management Accounting, and New York, New York as the headquarters for Public Accounting, at The Helicon, One South Place, London EC2M 2RB, United Kingdom and at 1211 Avenue of the Americas, 19th Floor, New York, NY 10036, respectively; and

FURTHER RESOLVED, that the fiscal year of the Association shall be the calendar year; and

FURTHER RESOLVED, that the attached Conflict of Interest Policy is approved and adopted as a policy of the Association; and

FURTHER RESOLVED, that the officers of the Association or their designees are authorized to open a bank account or accounts with such bank(s) as they shall deem desirable, for and in the name of the Association, and that any specific forms of resolutions required for actions previously taken or may be required going forward to open such account(s) are deemed to be set out in full herein and approved, and

FURTHER RESOLVED, that designated representatives of the Association are hereby authorized and directed, on behalf of the Association, to prepare an application for U.S. federal income tax exemption and/or such other documents and agreements related to the operation of the Association; and

FURTHER RESOLVED, that the attached Bylaws are approved and adopted as the Bylaws of the Association.

Mr. Christen concluded his report by presenting the 2017 Strategic Plan for approval, and upon a motion duly made and seconded the Strategic Plan was unanimously approved.

How We Will Govern

Mr. Christen presented an outline and guidelines on how the Association Board will address topics in the future, as well as the Professional Unit Boards' respective roles and responsibilities, and answered questions from Board members.

Global Management Accounting Principles (GMAP) and CGMA Compass

Fiona Harvey, Executive Vice President - Marketing and Sales, Management Accounting,

and Noel Tagoe, Executive Vice President - Academics, Management Accounting, discussed the need to update Management Accounting to align with changes in the business world.

Noting the idea of creating a comprehensive standard that links and supports integrated thinking and reporting, Ms. Harvey and Mr. Tagoe discussed the four principles for the Global Management Accounting Principles (GMAP). Board members were presented with an outline of the work done thus far and the future plans to use a compass diagnostic tool as the first step to continued improvement in a changing environment.

The Compass is a diagnostic and benchmarking tool which allows a 360-degree view of the finance function. Users are provided with results that highlight areas of strength and those needing improvement – both at top level or by division.

Update on Brand and Visual Identity

Cheryl Wipper, Vice President – Communications, Reputation and Brand, provided Board members with an update on the new branding for the Association. Ms. Wipper discussed the feedback received from members regarding branding and the next steps to finalize the logos for the Association, CIMA, AICPA, CGMA, and CPA.

Ms. Wipper continued by noting the schedule for introducing the logo and the new Association website, and explained that aicpa.org, cima.org and cgma.org will be updated throughout 2017.

Report from the CEO

Barry Melancon, CEO, reported on the Association launch in Shanghai, and highlighted thought leadership efforts on utilizing business intelligence to drive business results. He noted various Association activities benefiting members practicing in a wide range of areas, including highlights of the CGMA newsletter and recent advocacy efforts in South Africa. Mr. Melancon also gave an update on member feedback regarding Peer Review, ongoing work on the Uniform Accountancy Act, and auditing in the future. He outlined the international strategy for CGMA,

the U.S. tax reform environment, and answered questions from Board members on various topics. Mr. Melancon also discussed the Memorandums of Understanding, the activation of the new CGMA Associate member category, auditing in the future, Uniform Accountancy Act, the landscape in Washington DC and tax reform, as well as the international strategy for CGMA.

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There being no further business, the video conference concluded at 10:35am.

American Institute of CPAs/Public Accounting Board of Directors

Public Accounting Professional Unit and AICPA Board of Directors

Minutes of Meeting: January 25, 2017

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Association of International Certified Professional Accountants
Public Accounting Professional Unit (PA PU) and AICPA Board of Directors
Minutes of Meeting: January 25, 2017

A meeting of the Public Accounting Professional Unit (PA PU) Board of Directors was held on Wednesday, January 25, 2017 via video conference. The meeting convened at 10:40am EST.

Attendance

The following Board members were present:

Kimberly Ellison-Taylor, Chairman
Eric Hansen, Vice Chairman
Anita Baker
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
Jamie Geary, Associate Manager
Governance
Ron Gitz, CEO
Society of Louisiana CPAs
Kristen Hughes, Senior Manager
Member Specialization & Credentialing
Jeannette Koger, Vice President
Member Specialization & Credentialing
Mark Koziel, Executive Vice President
Firm Services
Mark Peterson, Executive Vice President
Advocacy
Todd Shapiro, President & CEO
Illinois CPA Society
Scott Spiegel, Vice President
Strategic Partnerships & Corporate Development

Chairman's Report

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

Ms. Ellison-Taylor continued by sharing an overview of her interactions with members during the first months as Chairman of the Board of Directors, and she thanked the staff for their support and contributions to the success of the organization.

Approval of the Minutes

After discussion, upon a motion duly made and seconded, the minutes of the December 1, 2016 AICPA Board meeting were approved.

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

Approval of Memorandums of Understanding (MOUs)

Ms. Ellison-Taylor asked Board members to approve MOUs allowing the AICPA, as a principal member of the U.S. International Qualifications Appraisal Board (IQAB), to grant minor extensions to the existing mutual recognition agreements (MRAs) with Chartered Accountants Ireland, and with the Chartered Accountants Australia and New Zealand, to April 30, 2017.

After discussion, upon a motion duly made and seconded, the MOUs were approved.

Approval of Associate Member Category for USA non-CPAs

Ms. Ellison-Taylor reviewed the previous actions of Council in Fall 2015, when it approved the creation of a non-voting Associate member category for U.S. non-CPA CGMA designation holders, or those who have entered a pathway to obtain the CGMA designation, if those individuals satisfy education, examination and experience requirements as set by the Board. She described the proposed requirements and milestones for a non-CPA U.S. resident to obtain the CGMA designation, and for entrance into the CGMA Associate membership category.

After discussion, upon a motion duly made and seconded, the Board approved the activation of the non-voting Associate member category for U.S. non-CPAs in the following resolution:

WHEREAS, At its Spring 2011 meeting, Council; a) authorized formation of a CGMA Associate membership category for individuals outside the United States who hold the CGMA designation or who have entered the pathway to obtain the CGMA designation, b) resolved that, unless changed by Council, any U.S. resident must be a voting AICPA member to obtain the CGMA and, c) authorized the Board of Directors to take any action necessary regarding the CGMA designation and CGMA Associates; and

WHEREAS, At its Fall 2015 meeting, Council removed the restriction with regard to U.S. residents who seek to obtain the CGMA designation and authorized opening the CGMA designation to qualified professionals in the U.S. who are not eligible to become voting members of the AICPA if such individuals satisfy education, examination, and experience requirements as set by the Board of Directors;

NOW BE IT RESOLVED, That qualified professionals in the U.S., who are not eligible to become AICPA voting members, shall be eligible to become non-voting CGMA Associates and to obtain the CGMA designation as outlined in the material presented to the Board; and

BE IT FURTHER RESOLVED, That AICPA staff is hereby authorized to take any action necessary to implement the resolution of the Board with regard to CGMA Associates and the awarding the CGMA designation to individuals who are CGMA Associates and satisfy education, examination, and experience requirements.

Approval of CPE Model Rules Exposure Draft

Ms. Ellison-Taylor outlined the revisions to NASBA's Uniform Accountancy Act (UAA) Model Rules regarding CPE programs. She noted that the recent revisions to the CPE Standards necessitated an update to the CPE Model Rules to reflect the new Standards, along with other changes recommended by the UAA Committee, and asked the Board to approve the following resolution to expose the revised rules for comment:

BE IT RESOLVED, That the Board of Directors supports the joint work of the AICPA-NASBA UAA Committee in connection with proposed amendments to the NASBA Uniform Accountancy Act Model Rules relative to continuing professional education (CPE) and hereby endorses exposure of the language in the proposed amendments to the NASBA Uniform Accountancy Act Model Rules that were presented to the Board.

After discussion, upon a motion duly made and seconded, the Board approved the resolution in support of the CPE Model Rules.

Firms in Transition

Mark Koziel, Executive Vice President – Firm Services, provided the Board with an overview of the feedback provided on the Firm inMotion presentation from the Spring Council meeting in May 2016. Mr. Koziel specifically noted the differences in feedback received from the various firms based on their respective sizes.

Mr. Koziel's presentation concluded after gathering Board members' additional observations.

Opening Credentials to GAA and MRA Bodies

Jeannette Koger, Vice President - Member Specialization & Credentialing, presented background on the extension of AICPA specialized credentials to individuals recognized by non-U.S. accounting bodies. She noted that a pilot program with CPA Canada has been a success, and has created interest from other accounting bodies that are members of the Global Accounting Alliance (GAA) or bodies that have mutual recognition agreements (MRAs) with either the AICPA or CIMA. Ms. Koger reviewed the proposed resolution to extend eligibility AICPA specialized credentials to members of such organizations.

After discussion, upon a motion duly made and seconded, the following resolution was unanimously approved:

BE IT RESOLVED, That any individual who holds a valid accounting designation received from any non-U.S. accounting body that is a member of the Global Accounting Alliance or with which the AICPA or The Chartered Institute of Management Accountants (CIMA) has a Mutual Recognition Agreement, shall be eligible to earn any AICPA specialized credential if such individual is a full and regular member of the non-U.S. accounting body that granted the designation; and

BE IT FURTHER RESOLVED, That from this time forward, any full and regular member of any non-U.S. accounting body with which the AICPA Board of Directors or The Chartered Institute of Management Accountants (CIMA) has a Mutual Recognition Agreement, shall be eligible to earn any AICPA specialized credential.

Insurance Trust Agreements

Scott Spiegel, Vice President - Strategic Partnerships & Corporate Development, provided the Board with a background on the AICPA's insurance trusts, and outlined several proposed changes to expand the Insurance Trust and Group Trust agreements as follows (proposed changes underlined and bolded):

- Trust ("Eligible Individuals")
 - an employee of the Company **or the Association**
 - an individual member of the Company, **an individual member of the Association** and/or an individual member of a state accounting society

- Group Trust (“Eligible Employers”)¹
 - any sole proprietorship, the owner of which is either a member of the Company **or the Association**,
 - any employer which is a public accounting firm, at least one partner (or other owner or member of the employer) of which is either a member of the Company **or the Association**, or
 - any employer which is not a public accounting firm, but only if at least 50% of such employer is owned by any one or more persons who are either members of the Company **or the Association**,

¹ The principal office of the business must be located in U.S. or U.S. territory given ERISA

After discussion, upon a motion duly made and seconded, upon a motion duly made and seconded, the Board approved the changes for the Insurance Trust Agreements.

Secretary’s Report

Michael Buddendeck, General Counsel and Secretary, delivered the Secretary’s Report (reflecting membership ballot Nos. 978, 979, and 980 for the time period of 11/20/16 to 1/19/17 admitting 3,478 members, accepting 100 resignations, 60 reinstatements and 569 advances of dues). Upon a motion duly made and seconded, the Board accepted the Secretary’s Report, which is attached under **Appendix A** of the meeting minutes.

Mr. Buddendeck then provided the Board with a legal update.

Review Agenda for the 2017 Regional Meetings of Members of Council

Ms. Ellison-Taylor, along with Barry Melancon, President & CEO and Heather Collins, Director of Governance, presented the draft agenda of the Regional Meetings of Members of Council.

After a review and discussion, the Board approved the agenda.

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There being no further business, the meeting adjourned at 11:57am.

ASSOCIATION OF INTERNATIONAL CERTIFIED PROFESSIONAL ACCOUNTANTS

MINUTES OF THE MANAGEMENT ACCOUNTING BOARD MEETING HELD BY ZOOM ON 25 JANUARY 2017 AT 15:35HRS (GMT)

PRESENT: David Stanford, Vice-Chairman; Tim Christen; Paul Ash; Bob Beedham; Yolanda Deborah Christelle Don-Pierrot; Andrew Harding, Chief Executive - Management Accounting; Nick Jackson; Ed Jordan; Michael Kirkland; Frederick Niswander; Chandana Panditharatne; Amal Ratnayake; Elaine Richardson; Paul Stahlin; Steve Swientozielskyj; and Louise Taylor.

IN ATTENDANCE: Lawson Carmichael, Executive Vice President – Strategy, People and Innovation, Association; Fiona Harvey, Executive Vice President – Marketing & Sales; Gail Stirling, Executive Vice President – Professional Standards & Conduct; Noel Tagoe, Executive Vice President – Academics; Irene Teng, Managing Director – Europe, Africa & Asia; Arleen Thomas, Managing Director – Americas Market, Global Offerings & CGMA Exam; and Baljeet Basra, Senior Director Governance and Corporate Affairs.

Action points

WELCOME

1. The chairman welcomed members of the Management Accounting Board to the meeting.
2. Andrew Miskin, Chairman of the Association Board and Management Accounting Board, sent his apologies. There were no conflicts of interest.
3. The minutes of the shadow Board meeting held on 30 November 2016 were agreed as a true record on the proposal of Steve Swientozielskyj which was seconded by Paul Stahlin.

CEO REPORT

4. The CEO - Management Accounting, Andrew Harding, presented his report.
5. The CEO informed the Board:
 - i. New student recruitment had reached the second highest annual level.
 - ii. Demand for the management accounting qualification at employer level was being driven by positioning it as a premier level qualification.
 - iii. The future for management accounting was positive in the emerging markets of India, China and Indonesia. The Board was reminded that Dominic Barton had mentioned growth in Indonesia repeatedly during the President's Conversation in October 2016.
 - iv. The progress being made on delivering new products in a new market, the US.
 - v. The new CGMA programme was using resources from both CIMA and AICPA to deliver a product that was personal to customers.
 - vi. There was a strategic objective to promote the GMAP tool.
 - vii. There were a number of thought leadership items which were received positively by audiences.
6. The Board noted the report.

TERMS OF REFERENCE FOR POLICY COMMITTEES, REGIONAL BOARDS AND OTHER COMMITTEES

- 7. The Chairman withdrew this item, having consulted the CEO-Management Accounting beforehand, from the agenda as the important matters raised in the agenda item in relation to the Management Accounting Board’s policy committees and regional boards lent themselves better to discussion on a face to face basis rather than remotely.
- 8. The item was postponed to the next meeting.

INTERNATIONAL STRATEGY – PRELIMINARY THINKING AND APPROACH

- 9. The Chief Executive - Management Accounting, Andrew Harding, and Lawson Carmichael, Executive Vice President – Strategy, People and Innovation, presented this session.
- 10. The Board was reminded of the strategic objectives of the Association in relation to management accounting. The competitor landscape to management accounting included MBAs and lifelong learning programmes developed by the big 4 accounting firms. Future competition might come from other sources.
- 11. The Association had classified the markets into those that were high priority, rising stars or prospective for the CGMA qualification. A combination of direct marketing and formation of strategic partnerships were being used to promote management accounting.
- 12. The qualification had been translated into a number of languages to support the globalization strategy. The strategy to create job opportunities for members with the CGMA qualification was helped by its promotion by senior market leaders such as the CEO of Shell and in some markets by the fact that the qualification was held by individuals in large financial sectors such as London and New York.
- 13. The Board was informed that the strategy was being refreshed during the course of the year and research had commenced to develop the next iteration of the syllabus.
- 14. The Board noted the initiatives being undertaken to deliver the Association strategy relating to management accounting.
- 15. There being no further business the meeting ended at 16:49HRS (GMT).

David Stanford
Chairman

Date.....