

Association of International Certified Professional Accountants

Board of Directors

Minutes of Meeting: Tuesday, November 28 – Thursday November 30, 2017

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Association of International Certified Professional Accountants

Board of Directors

Minutes of Meeting: November 28-30, 2017

A meeting of the Association Board of Directors was held November 28-30, 2017 in London, UK. The meeting convened at 1:00pm and a quorum was declared.

Attendance

The following Board members were present:

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

The following staff members were present:

Erik Asgeirsson, CEO and President
CPA.com
Baljeet Basra, Senior Director
Governance and Corporate Affairs

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 and Sales
Janice Maiman, Executive Vice President
Communications, PR & Brand
Anthony Pugliese, Executive Vice President
Membership, Technology & Learning
Oliver Rowe, External Affairs Manager
Communications, PR and Brand
Scott Spiegel,
Chief Financial Officer
Gail Stirling, Executive Vice President
Professional Standards & Conduct
Noel Tagoe, Executive Vice-President
Academics
Arleen Thomas, Executive Vice President
Americas and CGMA Global Offerings

The following observers were present:

Bill Reeb, AICPA incoming vice-chair

Welcome and Opening Remarks from the Chairman and Vice-Chairman

The Chairman, Kimberly Ellison-Taylor, welcomed members of the Board of the Association of the International Certified Professional Accountants, to the meeting. The Chairman introduced Amarjeet Hans and Richard Sharp, new members of the Board, and noted that new member, John Zheng, could not attend in person and was joining by Zoom. The Chairman informed the Board members that Theresa Grafenstine was not able to attend in person and was joining the meeting by Zoom on November 28 and gave her apologies for November 29 and 30. The Chairman also welcomed Bill Reeb, who becomes Vice-Chair of AICPA in February 2018 and was attending as an observer.

The Board approved the minutes of the Association Board meeting held on June 27-29, 2017.

The Chairman reminded the Board of the Association's progress and of new developments taking place, including opening the US market for CGMA; advancing auditing in the future and the future of finance; and supporting members by ensuring they have the competencies to stay ahead of the increasing fast pace of technological innovation and change. The Association extended its influence through actions such as taking a leading role in identifying the potential impacts of new technologies on the profession; demonstrating leadership in cybersecurity risk management; and continuing to advocate globally for the public interest. Presentations at events and campaigns continued to raise awareness of CGMA and CPA in key markets. The power of One Organization enabled a unified voice and the ability to represent and promote the entire profession.

The Vice-Chairman, David Stanford, reported on the support given to members and their families by the CIMA Benevolent Fund and on its global reach. The Chairman reported that the AICPA Benevolent Fund had similar objectives; and was working with State Societies to support members affected by the recent hurricane. Both Funds were raising their profile and seeking to increase contributions into the funds.

The Chairman and Vice-Chairman each summarized the items covered and discussions that took place at the AICPA and CIMA Council meetings in October 2017. The Chairman informed the Board that there were several consent agenda items that would be addressed by the PA Board who would be voting on them in relation to the Political Action Committee, AICPA Foundation and AICPA Council vacancy.

Report from the CEO

The CEO, Barry Melancon, provided his report to the Board.

He informed the Board of key strategic partnerships that were being formed with other professional bodies for the benefit of the Association and members. The power of the Association enabled delivery of increased value to members through the availability of more products, services and information to members. He added that membership renewal rates and membership figures were on track.

The organization was going through business transformation with the objective of delivering a frictionless customer experience, providing better resources and services to members and delivering on objectives set in forming the Association.

The Board was briefed on the successful outcome of advocacy in the US which led to revisions to tax reform proposals that were presently going through Parliament. The Board viewed a video on the value of advocacy and heard of responses being prepared on proposals to reposition responsibilities for setting ethics and auditing standards.

Promoting Competency Globally: Update on Strategic Priority

Anthony Pugliese, Executive Vice-President- Membership, Technology and Learning, and Clar Rosso, Vice-President – Member Learning and Competency, presented on innovative and partnering approaches being taken to promote competency globally through market expansion, product innovation and channel growth.

The Board was informed of how product strategy was being developed and examples were given of sources available to enable segmentation and of activity taking place to promote competency globally. The Association's established history of being a quality learning provider enabled progress and primary entry into emerging markets through third party channels, leading to strategy focusing upon serving different industry verticals. The Board discussed the value of growth and the need for members to continually learn, unlearn and relearn due to the pace of change and product innovation to meet change.

Future Pathways to the Profession

Barry Melancon, Chief Executive, and Lawson Carmichael, Executive Vice-President - Strategy, People and Innovation, presented on developing alternative and flexible pathways into the profession to deliver market needs and enable relevancy. This included keeping competency requirements under review and enabling flexibility in assessment.

2018-2020 Strategy, Enterprise Risk Management and Long Term Key Performance Indicators.

Lawson Carmichael, Executive Vice-President – Strategy, People and Innovation, and Kevin Henson, Vice-President – Strategy, presented on the route taken to developing the Association's Strategic Plan. Development of the plan had been guided by the Association's capabilities, business model, product and service portfolio, member and customer experience and global presence. Input had been sought from a number of sources into the plan and development had been informed by the Association's objectives as well as external factors.

The proposed 2018-2020 strategic initiatives were to evolve auditing in the future;; promote competency globally;; open the US market for CGMA;; transform the organization; and to future-proof CPA and CGMA. The Board received an outline of key actions to achieve these initiatives and of the countries in which the Association will focus.

On the proposal of the Chairman the Board of Directors resolved to approve the Association's 2018-2020 strategic plan; and further resolved to hereby direct the staff to take the actions necessary to implement the Association's 2018-2022 strategic plan.

The Board was informed about the Association's approach into enterprise risk management. Risks had been grouped into strategic, operational and external risks. Board members discussed risks that may be missing and additional mitigations to minimize the likelihood or impact of critical risks.

Report from the Audit and Finance Committee

Chris Schmidt, Chairman of the Audit and Finance Committee, and Scott Spiegel, Chief Finance Officer, reported to the Board on the meetings of the Audit and Finance Committee that took place over October and November 2018. The Committee had approved pension plan statements and was pleased with progress being made on actions arising from the previous years' audit and progress of the internal audit function towards COSO compliance. The Committee was reviewing the budget and approval of the budget by the Board was deferred to the January 2018 meeting.

Board Resolutions

On the proposal of the Chairman the Board unanimously agreed the following resolutions:

Whereas The Board previously determined that it was appropriate that the AICPA should enter into a loan renegotiation discussion with Wells Fargo with respect to its existing line of credit up to \$32 million to help with operating cash flow needs;

Now, therefore, **be it resolved**, That the President & CEO and the Secretary of the AICPA and their designees, which shall include the Chief Financial Officer and Vice-President – Finance of the Association of International Certified Professional Accountants (Association), are and each of them hereby is, authorized and directed to renegotiate the terms of the line of credit to increase the borrowing capacity not to exceed \$50 million to achieve the above result; and

Be it further resolved, That the appropriate individuals, as designated by either the President & CEO or Secretary of the AICPA, the Chief Financial Officer or Vice-President –

Finance of the Association are hereby authorized and empowered to execute all documents and perform all acts on behalf of AICPA necessary to implement this resolution; and

Be it further resolved, That all actions previously taken by an officer, employee or agent of the AICPA in connection with or related to the matters set forth in or reasonably contemplated or implied by the foregoing resolutions be, and each of them hereby is, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the AICPA.

CGMA Finance Leadership Program

Arleen Thomas, Managing Director - Americas and CGMA Global Offerings, and Paul Ash, Chairman, Lifelong Learning Committee, presented to the Board on CGMA developments in the US. Affiliate members of the AICPA can become CGMAs without becoming CPAs. They informed the Board that the single buying decision in the US enabled frictionless customer experience; adaptive learning technologies responded to member needs and delivered personalized and often quicker and efficient learning; and there was integration of learning and assessment. The program will open 1 January 2018 and the Board received an initial analysis of countries into which the product could be launched after successful delivery in the US with little modification through to those where it will be seen as a disruptor by established market leaders of traditional learning approaches. The Board noted that this was an interesting initiative and took the view that if the market forces lead to delivery into markets beyond the US the Association should support and enable that.

The Board was also informed about the role and remit of the Lifelong Learning Committee. The Committee provides input into strategies and policies needed to deliver the strategy of maintaining leading professional qualifications enhanced by CPD.

Driving Innovation in the Profession: Launch of the Accelerator

Erik Asgeirsson, President - CPA.com, and Lawson Carmichael, Executive Vice President - Strategy, People and Innovation, presented to the Board on the launch of the accelerator. They informed the Board that start-up organizations sought insights and access to the market, coaching, expertise and funding to help them launch. An application and selection process had

led to the Association selecting 2 financial technology and 2 educational technology businesses for the Association to provide support and funding.

The Board commented that the initiative will enable the profession and businesses to progress and that they supported economic growth. They added that it would improve the Association's standing in the marketplace.

Remarks for Outgoing Board Members

The Chairman presented scrolls to outgoing members Tim Christen, Tom Broderick, Terry Grafenstine, J Michael Kirkland, Ed Jordan and Margery Piercy. Each member thanked Board and staff members for their support and work in forming the Association and delivering towards its success.

Closing Remarks by the CEO

Barry Melancon, Chief Executive Officer, thanked the Board members and reminded them of the Association's evolving progress.

Closing Remarks by the Chairman

The Chairman thanked Board members for their inspiration and feedback in supporting the progress of the profession and members.

The Chairman also thanked the staff for their support and presentations.

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There being no further business, the meeting adjourned at 12:30 on Thursday, November 30, 2017.

Association of International Certified Professional Accountants

Public Accounting Professional Unit and AICPA Board of Directors

Minutes of Meeting: Wednesday, November 29, 2017

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**Association of International Certified Professional Accountants
Public Accounting Professional Unit and AICPA Board of Directors**

Minutes of Meeting: Wednesday, November 29, 2017

A meeting of the Public Accounting Professional Unit Board of Directors was held on Wednesday, November 29, 2017 in London, England. The meeting convened at 9:00am GMT.

Attendance

The following Board members were present:

Anita Baker
Mark Begich
Tom Broderick
Paul Curth
Kimberly Ellison-Taylor
Melody Feniks
Dan Griffiths
Eric Hansen
Barry Melancon
Andrew Miskin
Mandy Nelson
Anne Northup
Margery Piercey
Bill Pirolli
Jeff Porter
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
Member Specialization & Credentialing (virtually)
Mark Koziel, Executive Vice President
Firm Services (virtually)
Janice Maiman – Executive Vice President
Communications, PR & Brand
Scott Spiegel, Vice President
Strategic Partnerships & Corporate Development
Mark Peterson, Executive Vice President
Advocacy (virtually)
Bill Reeb, Vice Chairman Elect

Chairman's Report

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

Ms. Ellison-Taylor presented the June 2017 Board meeting minutes. The Board approved the minutes. Ms. Ellison-Taylor also reviewed the AICPA Senior Committees with the Board.

Ms. Ellison-Taylor presented the three consent items to the Board:

- Scott Spiegel will become the Treasurer of the AICPA Political Action Committee
- Christi Mondrik in Texas will replace Roxie Samaniego as an elected member on AICPA Council until May 2020
- An AICPA Foundation Resolution which states:

The Chairman Elect of the Board of Directors of the American Institute of Certified Public Accountants shall appoint the Board of Trustees, including a President and Treasurer, which shall be the governing body of the Foundation. The Chairman Elect shall appoint up to ten members, at any one time, with the Board not to exceed twelve members in total at any one time, and one of whom

shall be a member of the Board of Directors of the American Institute of Certified Public Accountants. In addition to the twelve members, the Chairman Elect shall also appoint a Secretary and an Assistant Treasurer both of whom shall be staff persons of the Association of International Certified Professional Accountants. The Secretary will have the privilege of the floor at all meetings.

The Board approved all three of these consent items.

Mark Peterson, Executive Vice President – Advocacy virtually discussed the political environment and the profession with the Board. Mr. Peterson provided a timeline and overview of the US Tax Reform. He discussed the differences with individuals and individual tax matters. Mr. Peterson addressed pass throughs, cash accounting, state and local taxes, interest deductibility and deferred compensation.

Michael Buddendeck, General Counsel and Secretary, delivered the Secretary’s Report (reflecting membership ballot Nos. 987, 988, and 989 for the time period of 6/22/17 to 11/6/17 admitting 8,136 members, accepting 606 resignations, 206 reinstatements and 212 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.

IASB as Standard Setter Under the Compliance with Standard Rules

Sue Coffey, Executive Vice President – Public Practice, explained the AICPA has long supported International Financial Report Standards (IFRS). The AICPA was a charter member of the International Accounting Standards Committee (IASC), formed in 1973, the predecessor of the International Accounting Standards Board (IASB), and has used its best efforts to advance international convergence of accounting standards since then.

Ms. Coffey recommended the Board re-designate the IASB as an accounting standard-setter, subject to reassessment in 3-5 years, and requested the Board approve the Resolution below:

Board Resolution

WHEREAS, The AICPA Board of Directors believes that the AICPA Council should express support for the IASB and should continue to designate the International Accounting Standards Board (IASB) as the body which is authorized to establish professional standards with respect to international financial accounting and reporting principles under the Compliance With Standards Rule and the Accounting Principles Rule of the AICPA Code of Professional Conduct; and

WHEREAS, The Board believes that Council should reassess three to five years from now whether continued recognition of the IASB as the body designated to establish professional standards with respect to international financial accounting and reporting principles under the Compliance With Standards Rule and the Accounting Principles Rule is appropriate; now

BE IT RESOLVED, That the Board recommends that Council approve the resolutions set out below.

The Board approved the Resolution.

Future CPA Pathways

Janice Maiman, Executive Vice President - Communications, PR & Brand, and Mark Koziel, Executive Vice President – Firm Services presented the US CPA Trends Report to the Board. Topics discussed included total accounting degrees awarded in US universities, US public accounting firm hiring of new accounting graduates and US non-accounting graduate degree hires. US firm trends and insights were also presented. Two factors that affect the future include technology and growth in shared services.

Tax/PFP Strategy Update: Report from AICPA Council & Next Steps

Jeannette Koger, Vice President – Advisory Services and Credentialing, and Sue Coffey, Executive Vice President – Public Practice, provided a recap of the April and June Board meeting discussions regarding Tax / Personal Financial Planning, an update from the Fall AICPA Council meeting, and how to position the CPA in the financial planning space and evolve the PFS credential.

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There being no further business, the meeting adjourned at 12:00pm on Wednesday,
November 29, 2017.

Association of International Certified Professional Accountants

Management Accounting Board of Directors

Minutes of Meeting: Wednesday 29 November 2017

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Association of International Certified Professional Accountants

Management Accounting Board of Directors

Minutes of Meeting: Wednesday 29 November 2017

A meeting of the Management Accounting Professional Unit Board of Directors was held on Wednesday 29 November 2017. The meeting convened at 9.00am.

Attendance

The following Board members were present:

David Stanford, Chairman
Steve Swientozielskyj, Vice-Chairman
Paul Ash
Bob Beedham
David Benello
Tim Christen
Yolanda Don-Pierrot
Amarjeet Hans
Andrew Harding, CEO, MA
Ed Jordan
J. Michael Kirkland
Rick Niswander
Chandana Panditharatne
Amy Radin
Amal Ratnayake
Elaine Richardson
Richard Sharp
Louise Taylor
John Zheng (by zoom)

Also present:

Baljeet Basra, Senior Director
Governance and Corporate Affairs
Lawson Carmichael, Executive Vice President
Strategy, People & Innovation
Fiona Harvey, Executive Vice-President
Marketing and Sales

Janice Maiman, Executive Vice-President
Communications, PR and Brand
Oliver Rowe, External Affairs Manager
Communications, PR and Brand
Gail Stirling, Executive Vice President
Professional Standards & Conduct
Noel Tagoe, Executive Vice President
Academics
Irene Teng, Managing Director
Asia, Africa and Europe
Arleen Thomas, Managing Director
Americas and CGMA Global Offerings
Scott Spiegel, Chief Finance Officer
Association

Welcome

The Chairman, David Stanford, welcomed members to the meeting.

The minutes of the Board meeting held on 28 June 2017 were agreed as a true record, subject to correcting the date of the next meeting.

The Chairman informed the Board of events, conferences and meetings he had attended with the purpose of raising awareness of members that they are part of a global international community of professional accountants supported by the new Association and engaging with key stakeholders.

The Chairman informed the Board of the roles of the three committees reporting into the Management Accounting Board and gave a summary of their recent meetings. He also outlined the strategic discussions that had taken place at the meetings of the Regional Boards.

The Board discussed that clarity was required around branding and noted that action was taking place to address this.

CEO Report

Andrew Harding, CEO - Management Accounting, presented his report. He informed the Board of the progress of strategic relationships on management accounting and of events and conferences that had taken place.

The Board received an outline of progress against key performance indicators; progress in emerging markets; and of improvements in member and student satisfaction. It was noted that levels of awareness of products and services amongst members needed to increase as did level of engagement with the Association with the objective of increasing member value. The Board was informed that the US market had been opened to pioneers who were promoting CGMA.

Janice Maiman, Executive Vice-President – Brand and Communications, informed the Board that following extensive research FM and CGMA magazines had been combined and the FM title had been retained. The new magazine will deliver improved member value, increased engagement and a better digital experience for members.

Rethinking the MA Pathway and Business Model

Fiona Harvey, Executive Vice-President – Marketing and Sales; Irene Teng, Managing Director – Europe, Africa and Asia; and Arleen Thomas, Managing Director - Americas and CGMA Global Offerings, presented to the Board on the management accounting pathway and business model.

An outline was provided of environmental trends that influence developments such as technological advancements, regulatory requirements, changing member demographics and the competitive landscape. The market sought a flexible, adaptable and agile model that meets customer requirements and thereby encouraged more students to qualify as members.

Responses to the changing market included a single fee, partnerships with learning providers, delivering nano learning to meet requirements of members and employers and developing a new methodology for delivery of learning. New programmes combined with branding enable CGMA to be

positioned to become an influencer and build networks in the market place. They also facilitate segmentation to meet needs of diverse groups increasing the breadth of market interaction.

The Board also received information about the potential size of the CGMA market in the US and proposed partnering to support delivery to market.

The Board stated that any presentations to the Association on lifelong learning issues must go through the Lifelong Learning Committee beforehand.

The Board recognized the importance of the business model needing to adapt to different needs of the global market. It also needed to meet changes in government policy and it was recognized that partnering was one means of enabling strategy.

Closing remarks by the Chairman

The Chairman thanked the presenters for their presentations and thanked outgoing Board members Tim Christen, Ed Jordan and J Michael Kirkland for their contributions to the achievements of the Association and of Management Accounting.

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There being no further business, the meeting adjourned at 12:11 hrs on Wednesday 29 November 2017.