

# Association of International Certified Professional Accountants

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## Board of Directors

### Minutes of Meeting: Tuesday, July 30 and Thursday, August 1, 2019

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# Association of International Certified Professional Accountants

## Board of Directors

### Minutes of Meeting: Tuesday, July 30 and Thursday, August 1, 2019

A meeting of the Association Board of Directors was held on Tuesday, July 30 and Thursday, August 1, 2019 in New York City. The meeting convened on July 30 at 1:00pm ET and a quorum was declared.

### Attendance

The following Board members were present:

Paul Ash	Anoop Mehta
Anita Baker	Barry Melancon
Sheila Balzer	Randy Myeroff
Mark Begich	Mandy Nelson
Bruce Behn	Anne Northup
David Benello	Joel Olbricht
Kasia Ciekowska	Jeff Porter
Louise Connaughton	Amy Radin
Rick Dreher	Okorie Ramsey
Joe Falbo	Amal Ratnayake
Melody Feniks	Bill Reeb
Sarah Ghosh	Doug Roosa
Dan Griffiths	Richard Sharp
Tracey Golden	Steve Swientozielskyj
Amarjeet Hans	Louise Taylor
Andrew Harding	Mahes Wickramasinghe
Eric Hansen	Ron Yates
Nick Jackson	John Zheng
Melanie Kanaka	

Also present:

Erik Asgeirsson, CEO – CPA.com  
Michael Buddendeck, General Counsel  
Lawson Carmichael, COO  
Sue Coffey, Executive Vice President - Public Practice

Heather Collins, Director - Governance  
Deborah Curry, President – Florida Institute of CPAs  
Nate Fredrickson, Regional Vice President - Americas  
Jamie Geary McNair, Manager – Governance  
Ron Gitz, Executive Director & CEO – Society of Louisiana CPAs  
Mark Koziel, Executive Vice President - Firm Services - Public Accounting  
Tim LaSpaluto, Vice President – Finance  
Cynthia Lund, Vice President – State Society Affairs  
Janice Maiman, Executive Vice President - Communications, PR and Content  
Mark Peterson, Executive Vice President – Advocacy  
Heather Pownall, Senior Director - Global Business Development (Virtual)  
Clar Rosso, Executive Vice President - Engagement & Learning Innovation  
Stacie Saunders, Director - Enterprise Content (Virtual)  
Scott Spiegel, CFO  
Gail Stirling, Executive Vice President - Professional Standards & Conduct  
Rory Tait, Executive Vice President - Marketing & Member Experience  
Irene Teng, Executive Vice President - Global Markets (Virtual)  
Joel White, Senior Director - Internal Audit, Risk, and Compliance  
Cheryl Wipper, Vice President - Communications, Reputation & Brand

## **Welcome and Opening Remarks from the Chair and Vice Chairman**

Amal Ratnayake, Chair of the Board, and Bill Reeb, Vice Chair of the Board, opened the meeting by thanking everyone for their attendance. Mr. Ratnayake and Mr. Reeb thanked Mr. Hansen and Mr. Swientozielskyj for their previous leadership and expressed excitement for the year ahead as well as introduced the new Board members.

Mr. Ratnayake presented the meeting minutes from the April-May Board of Directors meeting. Upon a motion duly made and seconded, the meeting minutes were approved. The meeting minutes were authorized for placement on the Association’s website.

## **Report from the CEO**

Barry Melancon, CEO, provided the Board with an update on the Future of Finance as well as an update on the CPA Evolution project. He also shared insights on global advocacy

including disaster relief bills, tax advocacy, professional licensing, the UK Audit Market, China Mobility, qualification registration in South Africa, and the Chairmen's forum with Chairman of the FTSE 350 companies.

Mr. Melancon shared with the Board the mid-year finance and KPI progress.

## **Meeting Employer & Firm Needs During the Age of Disruption**

Clar Rosso, Executive Vice President - Engagement & Learning Innovation, and Heather Pownall, Senior Director - Global Business Development, shared an update with the Board explaining how business development activities are supporting the Association's strategic priorities, including Promoting Competency Globally and Future Proofing Management Accounting & Public Accounting.

Ms. Rosso and Ms. Pownall shared case studies and other best practices illustrating how the team is scaling business-to-business (B2B) consultative sales to help firms and employers upskill and transform for the future.

## **Enterprise Content Strategy to Deliver Redesign Association Value and Experience (RAVE)**

Cheryl Wipper, Vice President - Communications, Reputation & Brand, and Stacie Saunders, Director - Enterprise Content, shared background information with the Board on the RAVE project. They noted how the organization is working to better repurpose and repackage items for new audiences and channels, make better use of high-performing content.

Ms. Wipper and Ms. Saunders shared that the RAVE project will foster the creation of compelling content and personalized experiences, and additionally, the recently launched Enterprise Content Strategy cross-functional project will design and implement a framework which drives quality content globally.

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The Board meeting ended at 5:00pm on Tuesday, July 30.

The Board meeting reconvened on Thursday, August 1 at 10:20am.

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## **Audit & Finance Committee Report**

Doug Roosa, Chair of the Audit & Finance Committee, noted that the Audit and Finance Committee met prior to the Association Board meeting and approved the audited financial statements of the AICPA Foundation and the AICPA 401(k) Plan. Mr. Roosa also noted that the Committee approved the Employee and Volunteer Expense Report (EVER) agreed upon procedures report and received updates on key Investments Committee activities, DAS financial performance, Malaysia hub progress report, and the iARC plan for the year.

Scott Spiegel, Chief Financial Officer, provided an update on the Association's 2019 forecast.

## **Dynamic Audit Solution**

Sue Coffey, Executive Vice President – Public Practice, and Erik Asgeirsson, CEO – CPA.com, provided an update on the development of the Dynamic Audit Solution project. Significant development has occurred, and the project is on schedule and within budget, with risks being monitored and actively mitigated/managed.

## **Closing Remarks by the CEO**

Mr. Melancon thanked the Board members, guests, and staff for their participation in another successful Board meeting.

## **Closing Remarks by the Chair**

Mr. Ratnayake thanked the Board members for their participation during the meeting and noted the next Board meeting will take place November 19-21, 2019 in Toronto.

Mr. Reeb echoed Mr. Ratnayake's sentiments and wished everyone safe travels.

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There being no further business, the meeting adjourned at 10:55am on Thursday, August 1, 2019.

# American Institute of CPAs/Public Accounting Board of Directors

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## Public Accounting Professional Unit and AICPA Board of Directors

### Minutes of Meeting: Wednesday, July 31, 2019

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

## **Minutes of Meeting: Wednesday, July 31, 2019**

A meeting of the Public Accounting (PA) Professional Unit Board of Directors was held on Wednesday, July 31, 2019 in New York. The meeting convened at 9:00am and a quorum was declared.

### **Attendance**

The following Board members were present:

Anita Baker	Mandy Nelson
Sheila Balzer	Anne Northup
Mark Begich	Joel Olbricht
Bruce Behn	Jeff Porter
Rick Dreher	Okorie Ramsey
Joe Falbo	Bill Reeb
Melody Feniks	Steve Swientozielskyj
Barry Melancon	Ron Yates
Randy Myeroff	

Also present:

Erik Asgeirsson, CEO – CPA.com  
Michael Buddendeck, General Counsel  
Deborah Curry, President – Florida Institute of CPAs  
Sue Coffey, Executive Vice President - Public Practice  
Bob Dohrer, Chief Auditor - Audit and Attest Standards – Public Accounting  
Nate Fredrickson, Regional Vice President - Americas  
Jamie Geary McNair, Manager – Governance  
Ron Gitz, Executive Director & CEO – Society of Louisiana CPAs  
Mark Koziel, Executive Vice President - Firm Services - Public Accounting



Tim LaSpaluto, Vice President – Finance  
Cynthia Lund, Vice President – State Society Affairs  
Carl Mayes, Associate Director - CPA Quality & Evolution  
Kevin Morgan – Prudential  
Mark Peterson, Executive Vice President – Advocacy  
Clar Rosso, Executive Vice President - Engagement & Learning Innovation  
Mark Thomas, Aon

## **Report from the Chairman of the PA Board of Directors**

Bill Reeb, Chairman of the PA Board/AICPA, welcomed everyone to the meeting and thanked them for their participation thus far. Mr. Reeb presented the minutes of the May 1, 2019 PA/AICPA Board of Directors meeting for approval. Upon a motion duly made and seconded, the Board approved the minutes. He presented an Elected Council vacancy for Jeff Cooper of Nevada to fill the unexpired term of Daniel Siciliano of Nevada until May 2022. Upon a motion duly made and seconded, the Board approved the Council member vacancy.

Mr. Reeb provided a brief update on the Spring Council meeting evaluation and shared the proposed agenda for the AICPA Fall Council meeting.

Mr. Reeb also presented the Board with the Secretary's report. Upon a motion duly made and seconded, the Board approved the Secretary's report.

## **Insurance Trust Amendments**

Mark Koziel, Executive Vice President - Firm Services - Public Accounting, Mark Thomas, Aon, and Kevin Morgan – Prudential, shared proposed Trust changes from the AICPA Life Insurance and Disability Plan Committee (LIDPC) for the Board's review and approval.

Following a question and answer period with the Board, Mr. Koziel, Mr. Thomas, and Mr. Morgan asked for Board's approval to move forward with the following resolution:

WHEREAS, The American Institute of Certified Public Accountants sponsors and maintains the American Institute of Certified Public Accountants Insurance Trust (the "AICPA Insurance Trust"), which currently makes available various types of insurance coverage to eligible individual members of the American Institute of Certified Public Accountants ("AICPA") and the Association of International Certified Professional Accountants ("Association"); and

WHEREAS, Section 2.11 of the AICPA Insurance Trust provides that the terms, conditions, restrictions and limitations relating to this insurance coverage shall, to the extent applicable, be governed by such documents or agreements ("Plans of Insurance") which may, from time to time, be adopted by the AICPA Board of Directors (or by the Life Insurance and Disability Plans Committee at the direction of the AICPA Board of Directors); and

WHEREAS, In order to improve claim experience over time and enable the AICPA Insurance Trust to offer an optional, more favorable contribution rate structure in the future, the Life Insurance and Disability Plans Committee has recommended that the Cost of Living Adjustment feature of the Long Term Disability Income Plan be eliminated for insureds whose coverage is first effective on or after January 1, 2020; now

BE IT RESOLVED, That, subject to approval by the applicable state regulatory authorities, the Plans of Insurance governing the Long Term Disability Income Plan be

amended to eliminate the Cost of Living Adjustment feature of the Long Term Disability Income Plan for insureds whose coverage is first effective on or after January 1, 2020; and

BE IT FURTHER RESOLVED, That the Life Insurance and Disability Plans Committee be and is hereby directed to make all changes necessary to effect these amendments to the Long Term Disability Income Plan and policy issued by The Prudential Insurance Company of America; and

BE IT FURTHER RESOLVED, That the Life Insurance and Disability Plans Committee be and is hereby vested with any and all powers necessary to direct the Trustee of the AICPA Insurance Trust to modify the Plans of Insurance governing the Long Term Disability Income Plan and policy in accordance with the above Resolutions.

WHEREAS, The American Institute of Certified Public Accountants sponsors and maintains the American Institute of Certified Public Accountants Insurance Trust (the "AICPA Insurance Trust"), which currently makes available various types of insurance coverage to eligible individual members of the American Institute of Certified Public Accountants ("AICPA") and the Association of International Certified Professional Accountants ("Association"); and

WHEREAS, Section 2.11 of the AICPA Insurance Trust provides that the terms, conditions, restrictions and limitations relating to this insurance coverage shall, to the extent applicable, be governed by such documents or agreements ("Plans of Insurance") which may, from time to time, be adopted by the AICPA Board of Directors (or by the

Life Insurance and Disability Plans Committee at the direction of the AICPA Board of Directors); and

WHEREAS, In response to changing market conditions and to make product enhancements, the Life Insurance and Disability Plans Committee has recommended that the Group Variable Universal Life (“GVUL”) Insurance Plan be updated for insureds whose coverage is first effective on or after January 1, 2020; and

WHEREAS, in order to enhance the features and options for insureds whose coverage first became effective on or after January 1, 2009 through December 31, 2019, as well as for those insureds whose coverage is first effective on or after January 1, 2020, the Life Insurance and Disability Plans Committee has recommended that the Group Variable University Life Insurance Plan be updated for insureds whose coverage first became effective on or after January 1, 2009 through December 31, 2019, as well as for those insureds whose coverage is first effective on or after January 1, 2020; now

BE IT RESOLVED, That, subject to approval by the applicable state regulatory authorities, the Plans of Insurance governing the Group Variable Universal Life Insurance Plan be amended to include the following provisions for insureds whose coverage is first effective on or after January 1, 2020:

- A. Guaranteed Fixed Account Interest Rate - Decreased from an Effective Annual Rate of 4% to 1%;

B. Maximum Age to Apply for Coverage – Increased from Before Age 75 to Before age 76;

C. Minimum Face Amount of Coverage – Increased from \$10,000 to \$50,000;

D. New selection of investments funds available to participants.

BE IT FURTHER RESOLVED, That, subject to approval by the applicable state regulatory authorities, the Plans of Insurance governing the Group Variable Universal Life Insurance Plan be amended to include the following provisions for insureds whose coverage first became effective on or after January 1, 2009 through December 31, 2019, as well as those whose coverage is first effective on or after January 1, 2020:

A. Grace Period from the contribution due date until cancellation for non-payment increased by 30 Days (from 61 Days to 91 Days);

B. New Face Amount option of \$750,000 Available for Participants ages 65 – 69;

C. Optional Waiver Benefit contract language aligned with CPA Life Insurance Plan language;

D. Optional Accidental Death and Dismemberment (“AD & D”) Benefit contract language aligned with CPA Life Insurance Plan language;

E. Applicants permitted to elect a death benefit option (new “Option A” using the Face Amount or current “Option B” using the Face Amount plus the Cash Value);

F. For Certificates with death benefit “Option A” that request a withdrawal, the Face Amount will be reduced by the amount of the withdrawal and any transaction charge. Revised Face Amount will be rounded up to the next \$1,000.

G. The Amount Limitation provision Face Amount calculation will be rounded up to the next \$1,000.

BE IT FURTHER RESOLVED, That the Life Insurance and Disability Plans Committee be and is hereby directed to make all changes necessary to effect these amendments to the Group Variable Universal Life Insurance Plan and policy issued by The Prudential Insurance Company of America; and

BE IT FURTHER RESOLVED, That the Life Insurance and Disability Plans Committee be and is hereby vested with any and all powers necessary to direct the Trustee of the AICPA Insurance Trust to modify the Plans of Insurance governing the Group Variable Universal Life Insurance Plan and policy in accordance with the above Resolutions.

Upon a motion duly made and seconded, the motion to approve the recommendation of the Life Insurance Disabilities Plan Committee was approved.

## **Annual meeting of statutory meetings of Benevolent Fund, AICPA Foundation and Accounting Research Association**

Tim LaSpaluto, Vice President – Finance, provided an update on CY 2018 activities and provided an overview of financial results and positions during the annual meetings for each of

the Accounting Research Association, Inc., the AICPA Foundation, and the AICPA Benevolent Fund, Inc.

## **CPA Evolution in Preparation for the NASBA AICPA Summit**

Sue Coffey, Executive Vice President – Public Practice, presented to the Board an update on CPA Evolution, a joint project of AICPA and NASBA which seeks to evolve CPA licensure to reflect the skills and knowledge CPAs increasingly need in a technology-driven marketplace. Ms. Coffey shared the guiding principles for the development of a potential new licensure model developed jointly by AICPA and NASBA, noting the principles have been discussed with dozens of stakeholder groups and request for input has been promoted publicly, generating over 150 responses to date.

## **Enhancing Audit Quality (EAQ) Update**

Carl Mayes, Associate Director - CPA Quality & Evolution, provided the Board with an update on Enhancing Audit Quality. He noted the EAQ initiatives drive greater adherence to professional standards; reforms implemented through EAQ have increased the effectiveness of the Peer Review Program; and peer reviewers are detecting more instances where firms failed to comply with professional standards thus firms are receiving remediation needed for improvement. Additionally, Mr. Mayes shared, at the same time, staff are identifying the topical areas that are creating the greatest challenges for auditors, and as a result are developing tools, resources, learning and communications to support compliance.

## CGMA Associate for International Professionals

Nate Fredrickson, Regional Vice President – Americas, shared background information with the Board of the interest groups within the Americas to work with the Association to offer CGMA designation to its members, noting AICPA Council previously authorized the creation of a non-voting membership category that individuals within the Americas could join to pursue the CGMA.

After a Q&A session with the Board, Mr. Fredrickson presented the following resolution for approval:

WHEREAS, At its Spring 2011 meeting, Council 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, and authorized the Board of Directors to take any action necessary regarding the CGMA designation and CGMA Associates; and

WHEREAS, At its January 2017 meeting, the Board authorized qualified professionals in the United States, who are not eligible to become AICPA voting members, to become non-voting CGMA Associates and to obtain the CGMA designation but did not adopt any resolution as to individuals outside the United States with regard to the CGMA Associate category or eligibility for the CGMA designation; now

BE IT RESOLVED, That qualified professionals, who reside outside of the United States, but within the Americas, who are not eligible to become voting members of



AICPA, shall be eligible to be CGMA Associates of the AICPA and to obtain, and hold 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 this resolution of the Board with regard to CGMA Associates and obtaining and holding the CGMA designation by individuals who reside outside the United States but within the Americas, who are not eligible to become voting members of AICPA but who are CGMA Associates and satisfy education, examination, and experience requirements.

Upon a motion duly made and seconded, the Board approved the resolution.

### **Auditing Standards Board (ASB) Update**

Bob Dohrer, Chief Auditor - Audit and Attest Standards – Public Accounting, provided an overview of select projects currently on the agenda of the Auditing Standard Board, including as part of AICPA’s strategic initiative to “Evolve Auditing in the Future.” Mr. Dohrer shared the ASB’s interest in developing standards that are in the public interest through extended stakeholder engagement, modernization of auditing standards to make them more relevant in today’s business environment, and open standards to allow innovation to occur in both services delivered and how the objectives of those standards are achieved.

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There being no further business, the meeting adjourned at 12:05pm on Wednesday, July 31, 2019.

# Management Accounting Board of Directors

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## Management Accounting Professional Unit Board of Directors

Minutes of Meeting: Wednesday, 31 July 2019

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# Management Accounting Professional Unit Board of Directors

## Minutes of Meeting: Wednesday, 31 July 2019

A meeting of the Management Accounting Professional Unit Board of Directors was held in New York City on Wednesday, 31 July 2019. The meeting convened at 09:00.

### Attendance

The following Board members were present:

Amal Ratnayake, Chairman	Eric Hansen
Nick Jackson, Vice Chairman	Melanie Kanaka
Paul Ash	Anoop Mehta
David Benello	Amy Radin
Kasia Ciekowska	Doug Roosa
Louise Connaughton	Richard Sharp
Sarah Ghosh	Louise Taylor
Dan Griffiths	Mahes Wickramasinghe
Amarjeet Hans	John Zheng
Andrew Harding	

Also present:

Lawson Carmichael, COO  
Heather Collins, Director - Governance  
Nate Fredrickson, Regional Vice President - Americas  
Janice Maiman, Executive Vice President - Communications, PR and Content  
Scott Spiegel, CFO  
Gail Stirling, Executive Vice President - Professional Standards & Conduct  
Rory Tait, Executive Vice President - Marketing & Member Experience  
Irene Teng, Executive Vice President - Global Markets  
Joel White, Senior Director - Internal Audit, Risk, and Compliance

## **Report from the Chairman of the Management Accounting Board of Directors**

Amal Ratnayake, Chairman of the Management Accounting (MA) Board, welcomed all of the Board members and staff members, and recognized new members Mahes Wickramasinghe, Anoop Mehta, Eric Hansen and returning Board member Paul Ash. Mr. Ratnayake discussed Governance structure including the Regional Advisory Panels (RAPs) and noted reports of the RAPs and the three policy committees were in the Diligent reading room for Board members' reference. Minutes from the 1 May 2019 meeting in London were approved. Mr. Ratnayake provided an overview from the AGM meeting in London 7 June and the CIMA Council meeting themed "Reimagine" on 8 June. The next CIMA Council meeting will be held in Edinburgh this October. No matters were arising.

### **CEO Report**

Andrew Harding, Chief Executive – Management Accounting, presented a Management Accounting professional unit CEO Report. High level overviews were provided on future qualification, apprenticeships level 4 and 7, global markets, US market and Finance Leadership Program refresh, China strategy reboot, Kingman review, Financial Reporting Council, and the Chairmen's forum.

There was much discussion regarding the RAPs. Mr. Harding stated that Nate Fredrickson, Regional Vice President of the Americas, would provide an update on Management Accounting in the US to the Association Board Wednesday afternoon and future Management Accounting Board meetings will include RAP presentations from at least one Association Regional Vice President going forward.

### **Elections for the Regional Advisory Panels**

Lawson Carmichael, COO, provided context on the nominations and elections of the Regional Advisory Panels. Members wishing to stand for election are vetted by the Nominations MA Subcommittee. Elections occur for three seats, except the Americas where

100% of the RAP are determined by the subcommittee. There have been questions about the caliber of some candidates as well as the excessive time and costs for elections.

Mr. Carmichael recommended moving from a split approach (seven nominated seats and three elected seats) to all 10 seats being appointed by the Nominations MA Subcommittee. He added the incoming Chair and Regional Vice President would work together to develop a nominated slate to best represent the marketplace. This approach would provide an opportunity to be more efficient and effective and help ensure the right people are in the right seats on the RAPs.

Following discussion and questions by the Board, the following resolution was presented for Board approval:

Given that identifying volunteers with key competencies and diversity (e.g., background, competencies, industries, roles, nationalities) is critically important to get the perspectives we need on the RAPs. Management recognizes this importance and will continue to implement processes and activities to support the RVPs and incoming RAP Chairs to recommend slates of candidates with these perspectives along with rationale on the candidates. This should allow the Nominations Committee to make more informed decisions. Therefore...

*IT IS PROPOSED that the Management Accounting Board of Directors recommend to CIMA Council that all seats on each Regional Advisory Panel be determined by the Association's Nomination's Management Accounting Subcommittee and forego the elections process beginning with the Nominations 2020-21 process.*

Upon a motion duly made and seconded, the Board approved the resolution. Two Board members abstained.

## Management Accounting Qualification Roadmap

Ash Noah, Vice President Managing Director, CGMA Learning, Education & Learning — Management Accounting, and Andrew Harding presented on the qualification roadmap for Management Accounting.

Mr. Noah and Mr. Harding explained the evolving needs of the employers, the evolving shape of the finance function and implications of a new finance model. They then asked the Board to break into groups to discuss what the MA qualifications should look like as we go into the 2020s.

The Board spent the last 15 minutes of the meeting sharing their feedback with group.

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There being no further business, Mr. Ratnayake declared the meeting closed and the meeting adjourned at 12:15pm on Wednesday, 31 July 2019.