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**MAKE SURE YOUR VOICE IS HEARD:
COMMENT ON THE [PROPOSALS ON
RELIABILITY IN REVIEW AND
COMPILATION ENGAGEMENTS BY
THE JULY 31 DEADLINE.](#)**

**Read more about this important
development for practitioners in the
[Letter from the Chair.](#)**

PCPS Online Forum

**LAST CHANCE TO REGISTER:
JUNE PCPS ONLINE FORUM**

Building a Learning Culture in Your Firm

June 30, 2009
2:00 – 3:30 p.m. ET

Register Now

Featured Speaker

Jennifer Wilson

Jennifer Wilson is a co-founder and partner of ConvergenceCoaching, LLC, a national leadership and marketing consulting firm dedicated to helping CPA and IT firms achieve success by

PCPS News and Views

June 2009

Letter from the Chair

As I'm sure you're aware, the AICPA Accounting and Review Services Committee has released a new [proposal](#) that would make the most significant changes to compilation and review standards since 1978. The proposal is a direct outgrowth of the work of the AICPA Reliability Task Force, a group formed by PCPS that I chaired. My work on the task force was part of PCPS's ongoing efforts to draw attention to the difficulties that practitioners face as they try to provide meaningful services to clients while remaining in compliance with the profession's independence standards. Many practitioners are frustrated by the fact that when we gain a deeper understanding of our clients' business and offer them needed services, we likely end up violating the independence rules.

The new ARSC proposals address that problem. Among other changes, they allow CPAs to express a review conclusion on financial statements when that CPA is not independent from the client because they provide nonattest services to the client. The proposed SSARs would also harmonize the review standards with the International Auditing and Assurance Standards Board's International Standard on Review Engagements No. 2400.

PCPS has been involved in this effort from the outset. Most recently, to confirm the views of the Reliability Task Force, we commissioned research that led to a report in which two professors describe commercial bankers' perceptions of a CPA's integrity, expertise, independence, objectivity and reliability, and how that affects judgments about risk. ARSC considered the results of the research, which will soon be released, in deliberating the proposed standards. The PCPS Technical Issues Committee has also been an outspoken advocate of meaningful changes that would enable CPAs to provide valuable services to private company clients without violating independence rules. TIC is sending a formal comment letter that suggests some needed clarifications and revisions to the document.

Standard setters value your opinion, so I urge you to review the proposal and share your comments with ARSC by the July 31 deadline. And we at PCPS will continue to monitor developments that affect our members and have an active voice in addressing the problems that concern you.

All the best,

working with them to develop and implement leadership, succession and marketing plans. She has been named to Accounting Today's 100 Most Influential People in Accounting list and is one of Accounting Technology magazine's Technology Stars.

Take the opportunity now to register for this free online PCPS Practice Management Forum, which will take place on June 30. It's a practical session that explains how to enhance your firm's learning efforts, including insights into making use of free resources available to PCPS members on the PCPS Human Capital Center. Given by consultant Jennifer Wilson, it will feature a live PowerPoint presentation followed by a Q&A segment.

Registration is Easy: Just send us an e-mail no later than June 25 at PCPS@aicpa.org, and let us know you would like to attend. Your registration will be confirmed by receipt of an e-mail with the details on how to join us on June 30. Every Forum takes place from 2 to 3.30 ET. And plan now to attend these upcoming Forums:

- ▶ "How the Recession Has Impacted the Valuation of an Accounting Firm," given by consultant Joel Sinkin, of Accounting Transition Advisors, on July 21.
- ▶ "How the Recession Has Changed the Landscape for Mergers, Compensation and Governance of Accounting Firms," given by Joel Sinkin on August 18.
- ▶ "Perspectives on Succession," given by Joel Sinkin on September 29.



David Morgan, CPA/PFSChair,
PCPS Executive Committee

Letter from the VP

As I write this letter, we are just finalizing our computations of the results of the 2009 PCPS CPA Firm Top Issues Survey, which should be available to members by the time you read this. This bi-annual study has always been a great indicator of the trends and challenges affecting practitioners, and this year is no exception. After many years in which staffing concerns have dominated the lists, this time a new issue has soared up in the charts: client retention. Our Survey results are broken down by firm size, and in each case client retention and marketing have now jumped into the top five issues for firms of varying size for the first time since 2005, leading the list for most firm sizes.

The AICPA PCPS team and I spend a great deal of time on the road talking to practitioners to learn about how their firms are doing and how we can help. During the rocky last year or so of the current recession, we've heard that smaller CPA firms are generally holding their own as they continue to provide valuable services that meet clients' changing needs. However, some have faced struggles, based in most cases on their location or the industries they serve. And virtually every practitioner we've met is taking stock of his or her practice and moving to ensure that it can weather any future turmoil in the economy. That includes reinforcing the strong relationships between smaller firms and their clients and identifying and offering the help they need so that they can retain the business they have built.

That's what we're hearing, and the PCPS CPA Firm Top Issues Survey is an indispensable confirmation of the current state of CPA firms. It can reassure practitioners that the problems they're facing are being seen by other firms much like their own. It also spotlights trends that you may not be seeing now but that may affect your practice in the near term. And it helps us at PCPS to tailor programs to the real issues that our members are experiencing. Watch out for a commentary prepared exclusively for PCPS members on the survey results as well as other resources designed to anticipate and meet our members' unique and evolving needs.

Best regards,

A handwritten signature in black ink that reads 'James C. Metzler'.

Jim Metzler, CPA.CITP
AICPA Vice President,
Small Firm Interests

OTHER NEWS

Has your firm laid the proper groundwork for the kind of transition that takes place when a firm is sold or merged into another practice or when new leadership takes over? Find valuable resources that address a wide range of common challenges in succession planning by visiting the [PCPS Succession Resource Center](#).

Don't Miss the Latest Publications for Practitioners

Several new issues of newsletters aimed specifically at smaller practitioners are now available:

- ▶ [Seasonality Success, Winning Strategies](#) for Profitable Firms, an exclusive benefit of PCPS membership, is dedicated to helping CPAs make the most of busy season possibilities. The Spring edition includes a round-up of resources and information that practitioners can use to take stock of a busy season in the midst of the recession and develop strategies for the future.
- ▶ The *TIC Alert*, a publication of the PCPS Technical Issues Committee, offers concise updates of accounting and auditing developments of importance to private companies. The [current issue](#) examines the ground-breaking EDs issued by the Accounting and Review Services Committee as part of its Reliability Initiative, as well as other breaking news in standard setting.
- ▶ *Small Firm Solutions* is the AICPA newsletter dedicated to the needs of the smallest firms. The [Spring issue](#) includes an update from the front lines on how the recent busy season affected small practitioners and their clients, and what they expect in the near term.

PCPS SAS No. 115 Toolkit Now Available

Technical complexity was identified as a top concern in the 2009 PCPS CPA Firm Top Issues Survey. To make it easier for PCPS members to understand and implement one important recent standard, PCPS has introduced the [PCPS SAS No. 115 Toolkit](#). This multifaceted resource provides valuable information and practical insights on the Auditing Standards Board's Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit*. The Toolkit contains:

- ▶ An FAQ document that answers common questions about the standard.
- ▶ A client newsletter or Web site template written in plain English that CPAs can use to explain the changes to clients.
- ▶ A client communication letter to educate client on the SAS and its impact.
- ▶ A talking points document that CPAs can refer to in conversations with clients about the standard.
- ▶ A SAS No. 115 Overview PowerPoint for presentations to staff and clients.
- ▶ A client letter that can be used to communicate identified significant deficiencies or material weaknesses.

- ▶ An archived version of the PCPS Web Forum on SAS No. 115, in which two experts review the guidance and how it differs from past guidance.

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