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LETTER FROM THE CHAIR

Do you know who will take over a leadership role in your firm when your current partners are ready to retire? Many practitioners put off answering this question until the partners are on the verge of retirement, but that's really too late to address the issue. There are several reasons why:

- An arrangement put together at the last minute is less likely to be satisfying either to the current owners or the new leaders.
- If clients don't have time to become familiar with the new leadership, there's a greater danger of losing them.
- Firms that don't offer staff the chance to take on greater responsibilities as they progress in their careers are more likely to lose their most talented, ambitious people. To underscore that point, in the PCPS Top Talent Study, the most promising young CPAs said that career growth opportunities were the most important reason to join or stay with a firm, placing that choice ahead of both salary and personal time.

Unfortunately, many smaller firm leaders simply don't have the time or the resources to develop an effective leadership training program. That's why PCPS created the Emerging Partners Training Forum, a two-day program that provides young partners with a practical introduction to the many roles and responsibilities of a firm leader. The promising staff members who attend receive hands-on training from nationally known consultants and firm leaders with a track record of grooming young partners. The multifaceted agenda includes sessions on identifying and fostering leadership talent; marketing and business development; client retention and satisfaction; management skills; and conflict management.

PCPS members who attend receive a discount on registration. In addition, after the Forum is over, they will receive bi-monthly support calls from the AICPA PCPS team to help them implement all they have learned at the Forum.

This year's Forum will take place on July 17 and 18 in Chicago. For more information, go to www.cpa2biz.com/conferences.

David K. Morgan

All the best,
David Morgan, CPA/PFS
Chair, PCPS Executive Committee

LETTER FROM THE VP

One of my chief missions at the Institute is to ensure that small practitioners gain easy access to information about new and pending standards that will affect their firms. I know that maintaining a high standard of quality is very important to our PCPS member firms, so I wanted to alert you this month about a new pronouncement from the AICPA Peer Review Board. The board has released an exposure draft with proposed revisions to the AICPA *Standards for Performing and Reporting on Peer Reviews (Standards)* and Interpretations to the *Standards*. It is available on the AICPA Peer Review Program (PRP) and Center for Public Company Audit Firms (CPCAF) PRP Web sites at www.aicpa.org/members/div/practmon/index.htm and <http://www.aicpa.org/centerprp/index.htm>.

The changes contained in the ED were based in part on feedback from peer review users, including responses to an online poll of AICPA members. The recommendations received included calls to merge the AICPA's two peer review programs (AICPA and CPCAF PRPs) and create a reporting process that is more understandable and usable in light of the growing mandate that the results of peer reviews be made more widely available.

As a result, the ED proposes to create one set of *Standards* and Interpretations within the program for all AICPA members subject to peer review, including members currently enrolled in the CPCAF Peer Review Program. Other proposals include a reengineered reporting process, changes to engagement and report reviews and more principles-based *Standards*.

The Institute expects the proposed changes to result in a more efficient and effective peer review process. Since the proposed changes are significant, we are urging members, (especially peer reviewers, peer reviewed firms and peer review users) to review them and provide feedback. Under the ED, the revised *Standards* and Interpretations will be effective for peer reviews beginning on or after January 1, 2009. The comment deadline is June 30 and I encourage PCPS members to offer their comments on this important proposal.

James C. Metzler

Best regards,
Jim Metzler, CPA, CITP
AICPA Vice President, Small Firm Interests

News Update: Jim Metzler, AICPA Vice President of Small Firm Interests, was honored in April with the U.S. Small Business Administration's New York District Office 2007 Financial Services Champion of the Year Award. Jim was recognized for his significant contributions in helping small businesses obtain the accounting services they need to succeed. In addition to his work with small businesses, Jim, who oversees PCPS, also serves as the AICPA's advocate for small firms on practice, regulatory, legislative and CPA professional matters. He is the chief liaison between the Institute and its member firms, helping them deliver high-quality services to their clients. He is also the executive in charge of AICPA specialized practice communities including personal financial planning, business valuation, information technology and forensic and litigation support.

A Chance to Expand Services to Clients at the AICPA Business Solutions Workshops

CPAs have made their marks by serving as experts in accounting and tax services for their clients. There's also a tremendous opportunity for CPAs to expand their role of trusted advisor to the small business client on a wider range of business challenges. At the AICPA Business Solutions Workshop you'll learn practical tools, techniques and skills for strategic client planning. PCPS is a co-sponsor of the Workshop, which is designed specially for sole practitioners, CPAs in small to midsize firms and staff who want to enhance their client service skills. Attend this **AICPA Business Solutions Workshop**, where you'll learn practical tools, techniques and skills for strategic client planning, so you can return to the office with a concrete action plan to enhance your practice. Upcoming Workshops will take place in:

- Boston on May 10.
- Denver on June 11.
- Bloomington, Minnesota, on June 14.
- St. Louis on June 18.
- Houston on June 19.

For more information: www.cpa2biz.com/conferences.

PCPS Discount for Practitioners Symposium: June 4-6

There's a robust agenda awaiting CPAs who attend this year's AICPA Practitioners Symposium, which will take place from June 4 thru 6 in Phoenix, with an optional pre-conference session on June 3. PCPS members can get advice from top consultants on hot topics in practice management and trade ideas with other practitioners, as well as receive a special registration discount. For more information, go to the PCPS Firm Practice Center site at www.aicpa.org/pcps.

Plan to Participate in these Online Practice Management Forums

The newest round of free online PCPS Practice Management Forums kicks off this month with a session on "Providing Business Advisory Services and Getting Paid for It," presented by Rick Solomon on May 22. Mark your calendar for our upcoming Forums, which are live, interactive PowerPoint presentations given by nationally known experts in their fields. Each one takes place from 2 to 3.30 ET.

- June 14: "Managing Difficult Conversations Successfully," with Jennifer Wilson.
- July 17: "Why Clients Leave," with Allan Boress.
- August 21: "Align Your Firm for Success: The 7 S Framework," with Deb Lockwood.
- September 18: "The Risk Assessment Standards," with Chuck Landes.
- October 23: "Recruiting in the 21st Century," with Mark Koziel.
- November 20: "Succession Assessment: Is Your Firm Being Realistic?" with Robert J. Gallagher.
- December 18: "Build and Run a Successful Financial Planning Practice: Best Practices and Slips to Avoid," with Walter M. Primoff.
- January 22, 2008: "The Small Firm Advantage," with Jim Metzler.

This value-added benefit is free to PCPS members. You members will receive e-mail announcements on how to register for each Forum, so be sure to watch for them.

Tips for Working Smarter Next Tax Season in *Seasonality Success*

How can firms maximize their service mix to enhance profitability? What's the best way to conduct a client survey? How can you re-energize staff once the long busy season is over? What can TQM principles do for your firm?

The 2007 Spring Edition of *Seasonality Success: Winning Strategies for Profitable Firms*, an e-newsletter on making the most of busy season published quarterly by PCPS, provides the answers to these questions and more. It also contains a guide to smart phones with brief descriptions on which kind of user will get the most out of each option. The issue can be found at http://pcps.aicpa.org/NR/rdonlyres/CF9818B5-5413-4216-BB98-A2D3AF42CC6A/0/Seasonality_SuccessMar_2007.pdf

Auditing Standards Board Discussion Paper on Clarity of Standards

The AICPA's Auditing Standards Board has issued a discussion paper entitled *Improving the Clarity of ASB Standards*, which seeks feedback on specific ways to enhance the understandability of standards. The discussion paper is available for download from the AICPA Web site:

www.aicpa.org/download/auditstd/Clarity_of_ABS_Standards_Discussion_Memo.pdf. The comment period ends on June 15.