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ACCOUNTING & AUDIT

AICPA News – Sept. 2021

AICPA News is a round-up of recent announcements from the American Institute of CPAs.

Mary Girsch-Bock • Sep. 09, 2021



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AICPA Announces New CPA Evolution Resource Competition

The AICPA has announced a [new CPA Evolution Resource Competition \(CERC\)](#). This competition seeks to promote the development of teaching resources for the new topics and learning objectives outlined in the [CPA Evolution Model Curriculum](#). The Curriculum was designed to help accounting programs transition to prepare CPA candidates for the Core + Disciplines CPA Exam structure, which begins in 2024.

The [CPA Evolution](#) initiative, a joint effort of AICPA and the National Association of State Boards of Accountancy (NASBA) is transforming the CPA licensure model to recognize the rapidly changing skills and competencies the accounting profession requires. The CERC is one of the many ways AICPA and NASBA are supporting educators as the profession works towards the adoption of the new CPA Exam model.

“This competition is one way AICPA can provide accounting educators with resources to cover, if they choose to do so, the new topics and learning objectives outlined in the CPA Evolution Model Curriculum,” said Jan Taylor-Morris, CPA, CGMA, Ph.D., AICPA & CIMA Academic in Residence.

The AICPA invites accounting faculty to submit their original long or short teaching cases, exercises, or other instructional materials to be considered for a CERC award of \$300 – \$1,500 and inspire future CPAs. The deadline to apply as an individual or as a team is Oct. 31, 2021. Submissions can range from case studies to course exercises to general instructional materials that serve as teaching resources for new topics and learning objectives outlined in the model curriculum.

Earlier this year, the AICPA and NASBA issued the [Accounting Program Curriculum Gap Analysis Report](#), with found mixed results for coverage of emerging and technology topics. While more than 60 percent of collegiate accounting programs are teaching topics like data analytics and IT audit, fewer programs cover cybersecurity, predictive analytics or System and Organization Controls (SOC). Each of these topics could be covered more in-depth on the CPA Exam in 2024, pending the results of the current [CPA Exam Practice Analysis](#).

Comments on Fair Market Value of Partial Ownership Interests

The AICPA has submitted [comments](#) to Congressional leadership from the Senate Finance Committee and the House Ways & Means Committee on a proposal in the Treasury Greenbook, [General Explanations of the Administration’s Fiscal Year 2022 Revenue Proposals](#), issued May 2021 as part of the American Families Plan (AFP).

While the AICPA believes that there are many provisions of the proposal that need clarification, are overly broad or need further thought or discussion, the letter

focuses on the proposal requiring a partial interest owner to provide a value that represents a proportional share of the fair market value (FMV) of the entire entity, which assumes that every shareholder, even those lacking control over the property, has equal access to adequate information to determine the FMV of the entire property.

“This assumption is contrary to reality for many minority interest holders, who often are not privy to the same scope of data available to controlling shareholders,” says the letter. “Although the issues around access to information by holders of partial interests, especially minority interests, has been, and continues to be, a valuation issue, we are concerned that the proposal requires that the valuation must be based on the full value of the whole asset. This would be a new requirement, and in light of difficulties getting information to value the whole asset, we think it is not reasonable,” it continues.

AICPA Tips to Keep Critical Client Information Safe

Consumers have little faith in businesses to protect their personal and financial information. The [recent news of the T-Mobile data breach](#) – which included the names, social security numbers and driver’s license information of millions of Americans – is likely to further erode that trust. And that’s a problem CPAs are well suited to help their clients and companies address.

Nearly nine out of 10 Americans (89%) are concerned about the ability of businesses to safeguard financial and personal information, such as credit card or social security numbers, according to a survey conducted earlier this year by The Harris Poll on behalf of the Association of International Certified Professional Accountants (Association), representing AICPA & CIMA. Further, half (49 percent) saying they were very or extremely concerned.

Data breaches are incredibly costly to companies and individuals. A study by IBM found that data breaches cost companies an average of \$3.8 million, with about 40 percent of that cost coming from lost business. And breaches increase the risk of identity theft for consumers; 19 percent of Americans report being the victim of ID theft, according to the Association’s recent poll.

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